



MOREPEN



Date: 01/08/2024

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Symbol: MOREPENLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 500288

Subject: Standalone and consolidated financial statements along-with independent auditors report thereon for the financial year ended March 31, 2024.

Dear Sir / Madam,

This is in continuation to our announcement dated May 21, 2024, regarding the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2024, along with Independent Auditor's Reports pursuant to Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, we would like to inform that the Annual Financial Statement (Standalone and Consolidated) for the financial year 2024 along-with Independent Auditors Report thereon were also approved at the said meeting, subject to approval to the members at the forthcoming annual general meeting of the Company, are enclosed herewith.

Please take aforesaid on record.

Thanking you,

Yours faithfully,

For Morepen Laboratories Limited

Vipul Kumar Srivastava
Company Secretary
F-12148

Encl.: a/a.

Morepen Laboratories Limited

CIN NO. L24231 HP1984PLC006028

Corp. Off.: 2nd Floor, Tower C, DLF Cyber Park, Udyog Vihar-III, Sector-20, Gurugram, Haryana-122016, INDIA
TEL.: +91 124 4892000, E-mail: corporate@morepen.com, Website: www.morepen.com

Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205, INDIA
Tel.: +91 1795 266401-03, 244590, Fax: +91 1795 244591, E-mail: plants@morepen.com

S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : sbabuta@hotmail.com, Website : www.babuta.com

Independent Auditor's Report

To the Members of Morepen Laboratories Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Morepen Laboratories Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, 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 the matters. We have determined the matters described below to be the key audit matters communicated in our report.

S.No.	Key Audit Matters	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 August 4,	Principal Audit Procedures We collected and analyzed the Scheme approved by the Company Law Board (CLB)



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : sppabuta@hotmail.com, Website : www.babuta.com

<p>2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT).</p> <p>Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of Rs. 2/- each issued at a premium of Rs. 9.32 per share belonging to eligible FD holders, the company has paid Fixed Deposit dues in respect of 50,38,983 Equity Shares received for cancellation with the company till 31.03.2022. (Refer Note No. 12G to the consolidated financial statements)</p>	<p>dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 23.7.2019, Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard produced for our verification.</p> <p>The payment to pending eligible FD holders may impact financials of the company in the coming year/years.</p>
--	---

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.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

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.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 27C4943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

- 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



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh-160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of subsidiaries namely Morepen Devices Limited, Morepen Rx Limited, Total Care Ltd. (Indian Subsidiaries) and Morepen Bio Inc. [earlier Morepen Inc.] (foreign Subsidiary) included in consolidated financial statements. Financial statement of these four subsidiaries reflect total assets of Rs. 6032.60 lakhs as at March 31, 2024, total revenue of Rs. 22988.86 lakhs, total profit after tax of Rs. (399.02) lakhs and total comprehensive income of Rs. 26.77 lakhs for the year ended on that date, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the auditors of such entities.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
- d) In our Opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.
- e) On the basis of the written representations received from the directors of the Holding company and its Indian subsidiaries as on 31st March 2024 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 2024 from being appointed as a director in terms of section 164(2) of the Act.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh-160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls is as per Annexure A.
- g) There is no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on the financial position of the group, in its consolidated financial statements;
 - (ii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - (iii) During the year, the Group was not liable to transfer any amount to the Investor Education and Protection Fund.
 - (iv) The Gratuity liability accrued remains uncovered to the extent of unfunded.
 - (v) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose final statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 33(f) to the consolidated financial statements)
 - (vi) No Company in the group has declared or paid any dividend during the year.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh-160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

- (vii) Based on our examination, which includes the test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the act, the company, subsidiaries have used an accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on prevention of audit trail as per the statutory requirement for record retention is not applicable for the financial year ended March 31, 2024

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


CA S.P. Babuta

Managing Partner

FCA, CHARTERED

GST Cert, For Foreign Audit

Membership No. 086348



Date : 21st May, 2024
Place : Gurugram, Haryana

UDIN : 24086348BKGUSM6711

S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

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 2024)

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

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2024, 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.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the financial statements of subsidiaries namely Morepen Devices Limited, Morepen Rx Ltd., Total Care Ltd. (Indian Subsidiaries) and Morepen Bio Inc. [earlier Morepen Inc.] (Foreign Subsidiary), is based solely on the reports of the auditors of such entities.

For S.P. Babuta & Associates

Chartered Accountants

F.No. 007657N



S.P. Babuta

Managing Partner

FCA, IP, DISA, CCA

GST Cert, Forensic Auditor

Membership No. 086348

Date : 21st May, 2024

Place : Gurugram, Haryana

UDIN : 24086348BKGL5M6741

MOREPEN LABORATORIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2024

(Rs. in Lakhs)

	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS			
1. NON-CURRENT ASSETS			
<i>Property, Plant and Equipment and Intangible Assets</i>			
Property, Plant and Equipment	2	21320.41	16699.90
Capital Work in Progress	2	2445.18	1701.37
Goodwill	2	7447.42	7447.42
Other Intangible Assets	2	1966.82	2549.86
<i>Financial Assets :</i>			
<i>Investments</i>			
Investments	3	130.10	-
Loans	4	3.59	4.95
Other Financial Assets	5	714.15	637.77
Other Non-Current Assets	6	6388.44	6391.77
		40416.11	35433.04
2. CURRENT ASSETS			
Inventories	7	24859.42	22888.63
<i>Financial Assets :</i>			
Trade Receivables	8	32493.81	26324.70
Cash and Cash Equivalents	9	1694.51	2166.58
Bank Balances other than Cash and Cash Equivalents	10	3517.15	3463.97
Loans	4	22.43	27.37
Other Financial Assets	11	1438.15	551.27
Other current assets	12	24878.93	20193.95
		88904.40	75616.47
TOTAL		129320.51	111049.51
EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	13	10222.71	10222.71
Other Equity		74499.91	65068.10
		84722.62	75290.81
2. MINORITY INTEREST			
	14	-	(46.04)
3. NON - CURRENT LIABILITIES			
<i>Financial Liabilities</i>			
Borrowings	15	336.40	93.35
Other Financial liabilities	16	450.42	352.02
Deferred Tax Liabilities (Net)	34	224.95	268.60
Provisions	17	3381.66	2974.46
		4393.43	3688.43
4. CURRENT LIABILITIES			
<i>Financial Liabilities</i>			
Borrowings	15	2563.52	2423.06
Trade Payables	18	29502.75	22687.93
Other Financial liabilities	19	5050.91	5012.64
Other Current Liabilities	20	585.78	368.57
Provisions	17	2501.50	1624.11
		40204.46	32116.31
TOTAL		129320.51	111049.51

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-36

As per our separate report of even date

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

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

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



Place : Gurugram, Haryana
Date : 21st May, 2024

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028



(Ajay Kumar Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

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

MOREPEN LABORATORIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

	Note No.	Year Ended 31.03.2024	Year ended 31.03.2023
REVENUE			
Revenue from operations (Net)	22	169043.25	141753.00
Other Income	23	1397.08	613.34
Total Income (I)		170440.33	142366.34
EXPENSES			
Cost of Materials Consumed	24	88330.68	78140.92
Purchases of Stock-in-Trade		17700.48	15785.21
Changes in inventories of Finished goods Work-in-progress and Stock-in-Trade		211.33	1648.31
Employee Benefits Expense	25	18146.55	15468.05
Finance Cost	26	371.02	198.08
Depreciation and Amortization Expense	2	3346.95	2793.04
Other Expenses	27	28791.75	22757.20
Total Expenses (II)		156898.76	136790.81
Profit before Tax		13541.57	5575.53
Tax Expense			
Current Tax		3932.22	1681.78
Earlier periods Tax		(9.03)	5.86
Deferred Tax	33	(43.65)	20.34
Total Tax Expense		3879.54	1707.98
Profit for the Year (III)		9662.03	3867.55
Share of minority interest in Profit/ (loss)		46.04	0.03
Profit for the year available for majority shareholders		9615.99	3867.52
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		(275.24)	(200.62)
Tax		(68.01)	(52.59)
Exchange differences on translation of foreign operations		23.05	-
		(184.18)	(148.03)
		9431.81	3719.49
Earning per equity share (Face Value of Rs. 2/- each)	31		
Basic & Diluted		1.88	0.77

SIGNIFICANT ACCOUNTING POLICIES
 NOTES ON FINANCIAL STATEMENTS

1

2-36

As per our separate report of even date

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

For S.P. Babuta & Associates
 Chartered Accountants

Firm Regn. No. 007657N

(CA S.P. Babuta)

Partner

Membership No. 086348

(Sushil Suri)

Chairman & Managing Director

DIN : 00012028

(Manoj Joshi)

Director

DIN : 00036546



Place : Gurugram, Haryana
 Date : 21st May, 2024



(Ajay Kumar Sharma)
 Chief Financial Officer

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

MOREPEN LABORATORIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

A. EQUITY SHARE CAPITAL

As at 31st March, 2024

(Rs. in Lakhs)

Balance as at 1st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2024
10222.71	-	10222.71	-	10222.71

As at 31st March, 2023

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

B. OTHER EQUITY AS AT 31st MARCH, 2024

	RESERVES & SURPLUS				Other items of other comprehensive income	Exchange differences on translation of a foreign operation	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings				
Balance as at 1st April, 2023	2145.40	7623.33	36978.86	19001.20	(680.69)	-	-	65068.10
Profit for the year	-	-	-	9615.99	-	-	-	9615.99
Other comprehensive income (loss) for the year	-	-	-	-	(207.23)	23.05	-	(184.18)
Balance as at 31st March, 2024	2145.40	7623.33	36978.86	28617.19	(887.92)	23.05	-	74499.91

OTHER EQUITY AS AT 31st MARCH, 2023

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2022	270.40	7623.33	23180.51	15133.68	(532.66)	2625.00	48300.26
Money received against Share Warrants	-	-	-	-	-	2250.00	2250.00
- Amount transferred to Equity Share Capital on conversion of warrants	-	-	-	-	-	(240.00)	(240.00)
- Additions to Securities Premium Account	-	-	13,798.35	-	-	(2760.00)	11038.35
- Amount transferred to Capital Reserve account	1,875.00	-	-	-	-	(1875.00)	-
Profit for the year	-	-	-	3867.52	-	-	3867.52
Other comprehensive income (loss) for the year	-	-	-	-	(148.03)	-	(148.03)
Balance as at 31st March, 2023	2,145.40	7623.33	36978.86	19001.20	(680.69)	-	65068.10

1. The money received against share warrants ('warrants') represents balance sum, out of total amount of Rs. 4375.00 Lakhs, received towards subscription of 700 Lakh no. of warrants, of face value of Rs. 2- each, allotted at a price Rs. 25/- per warrant, during the financial year ending March 31, 2021. The warrants holders were entitled to apply for equivalent no. of equity shares vis-à-vis warrant within a period of 18 months from the date of allotment of warrant, in accordance with SEBI (ICDR) Regulations, 2018 as amended. Total of 400 lakhs nos. of warrants were subscribed within prescribed time period and therefore were converted into equal no. equity shares.

The remaining 300 Lakh no. of warrants were lapsed during the current year ending March 31, 2023. Accordingly, a sum of Rs. 1875.00 Lakh i.e., upfront 25% of the warrant subscription monies in respect of these 300 Lakh nos. of warrants, received was transferred into Capital Reserve Account, during the current year ending March 31, 2023.

2. During the year ending March 31, 2023, 2,13,42,505 no. of equity shares of Rs. 2/- each, at a conversion price of Rs. 53.72/- per share were issued to banks/financial institution and other, towards conversion of 0.01% 1,14,65,201 no. of Preference Shares of Rs. 100/- each held by them.

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-36

As per our separate report of even date

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

For S.P. Babuta & Associates

Chartered Accountants

Firm Regn. No. 007657N

(CA S.P. Babuta)

Partner

Membership No. 0866

Place: Gurugram, Haryana

Date: 21st May, 2024



(Sushil Suri)

Chairman & Managing Director

DIN: 00012028

(Ajay Kumar Sharma)

Chief Financial Officer



(Manoj Joshi)

Director

DIN: 00036546

(Vipul Kumar Srivastava)

Company Secretary

Membership No. 1-12148

MOREPEN LABORATORIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

	Notes	Year Ended 31.03.2024	Year Ended 31.03.2023
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before Tax		13541.57	5575.53
Adjustments for:			
Depreciation & Amortisation	2	3346.95	2793.04
Provision for Employee benefit (OCI)		(275.24)	(200.62)
Exchange differences on translation of a foreign operation		23.05	-
Finance Cost (Net)	26	371.02	198.08
Minority Interest	14	(46.04)	(0.03)
Operating Profit before changes in Current Assets and Liabilities		16961.31	8366.00
Changes in Current Assets and Liabilities -			
Trade Receivables	8	(6169.11)	(1260.39)
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	(5620.10)	(5036.42)
Inventories	7	(1970.79)	4696.78
Current Liabilities	17,18,19,20	7947.68	(14227.64)
Cash generated from operations		11148.99	(7461.67)
Income Tax (Net)		(3811.53)	(1655.39)
NET CASHFLOW - OPERATING ACTIVITIES		7337.46	(9117.06)
B. CASH FLOWS - INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments	2	(7138.08)	(3562.06)
Purchase/Addition of Intangibles/Goodwill	2	(995.47)	(1035.14)
Proceeds from Sale of Property, Plant & Equipments	2	5.32	-
Sales/(Purchase) of Investments (Net)	3	(130.10)	-
Investment in Other Non-Current Assets	4,5,6	(71.69)	(53.73)
NET CASHFLOW - INVESTING ACTIVITIES		(8330.02)	(4630.93)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	26	(371.02)	(198.08)
Proceeds/(Repayments) of Long Term Borrowings (Net)	15	243.05	(38.76)
Proceeds/(Repayments) of Short Term Borrowings (Net)	15	140.46	698.27
Proceeds from Warrant subscription/ Preference shares conversion		-	13715.20
Change in Other Non- Current Liabilities & Provisions (Net)	14,16,17,34	508.00	177.68
NET CASHFLOW - FINANCING ACTIVITIES		520.49	14354.31
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		(472.07)	586.32
Cash and Cash Equivalents as at Beginning of the Year		2166.58	1580.26
Cash and Cash Equivalents as at End of the Year		1694.51	2166.58
Bank Balances other than Cash and Cash Equivalents		3517.15	3463.97
Components of cash and cash equivalents as on end of the period			
Balance with Banks			
- In Current Accounts		1677.54	2141.80
- In Deposit Accounts		-	-
Cash in hand		16.97	24.78
		1694.51	2166.58

Notes

- a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as Amended).
- b) Figures have been regrouped/ reclassified wherever necessary.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

As per our separate report of even date

1
2-36

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

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

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546



Place : Gurugram, Haryana
Date : 21st May, 2024



(Ajay Kumar Sharma)
Chief Financial Officer

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

MOREPEN LABORATORIES LIMITED

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

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

1.1 Basis for preparation of financial statements

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

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

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

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

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

*(Held by Dr. Morepen Limited)

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 21, 2024.



Functional and Presentation Currency

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

Basis of measurement

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

Operating Cycle

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

1.2 Use of Estimates and Judgements

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

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

1.3. Property, Plant and Equipment (PPE)

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

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



- c) *Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.*
- d) *The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.*

1.4 Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

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

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

Intangible Assets acquired separately

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

1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

a) *Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.*

b) *Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.*

1.6. Valuation of inventories

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



1.7. Foreign Currency Transactions / Translations

- i) *Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.*
- ii) *Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.*
- iii) *Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.*
- iv) *Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.*
- v) *In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.*

1.8 Dividends

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

1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.



i) **Initial Recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

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

ii) **Subsequent measurement**

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

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

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

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

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

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

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

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

e) **Financial liabilities**

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

Financial liabilities at FVTPL

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

Other Financial liabilities

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



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

iii) **Derecognition of financial instruments**

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

iv) **Fair value measurement of financial instruments**

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

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

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

2.1 Impairment of Assets

i) **Financial Assets**

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

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

ii) **Non-Financial Assets**

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

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

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

When there is indication that an impairment loss recognised for an asset (other



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

2.2 Revenue Recognition

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

- a) Revenue is recognised at the value of consideration received or receivable. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

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

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

2.3 Interest

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

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

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed



at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.5 **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.



2.7 **Earning per share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

2.8 **Employee Retirement benefits**

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post – employment benefits

Defined contribution plans –

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans –

Gratuity

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) Long – term employee benefits

Leave Encashment

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

2.9 **Segment Reporting**

The company operates in one reportable business segment i.e. "Pharmaceuticals".

3.0 **Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



MOREPEN LABORATORIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2024

2. I) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				CARRYING VALUE	
	As at		Disposals		As at		As at		As at	
	01.04.2023	Addition	Adjustments	31.03.2024	01.04.2023	For the year	Deductions Adjustments	31.03.2024	31.03.2024	31.03.2023
Land	143.28	-	-	143.28	-	-	-	-	143.28	143.28
Buildings	9,087.21	874.05	(0.50)	9960.76	4,251.35	189.27	(150.26)	4,290.36	5,670.40	4,835.86
Plant & Machinery	37,098.64	4,725.08	(8,511.51) *	33312.21	27,008.28	1,243.91	(8,361.76)	19,890.43	13,421.78	10,090.36
Furnitures & Fixtures	1,323.65	90.41	-	1414.06	446.97	104.76	-	551.73	862.33	876.68
Vehicles	1,246.48	588.39	(8.55)	1826.32	693.69	129.68	(8.51)	814.86	1,011.46	552.79
Office Equipments	692.53	116.34	(4.88)	803.99	491.60	101.23	-	592.83	211.16	200.93
Total	49,591.79	6,394.27	(8,525.44)	47,460.62	32,891.89	1,768.85	(8,520.53)	26,140.21	21,320.41	16,699.90
Previous Year	46,327.11	3,275.27	(10.59)	49,591.79	31,662.40	1,240.08	(10.59)	32,891.89	16,699.90	

II) CAPITAL WORK IN PROGRESS

Buildings	346.58	68.72	-	415.30	-	-	-	-	415.30	346.58
Plant & Machinery	1,348.63	586.58	-	1935.21	-	-	-	-	1,935.21	1,348.63
Furniture & Fixture	6.16	-	(4.92)	1.24	-	-	-	-	1.24	6.16
Research & Development	-	52.12	-	52.12	-	-	-	-	52.12	-
Electrical Installation	-	41.31	-	41.31	-	-	-	-	41.31	-
Total	1,701.37	748.73	(4.92)	2,445.18	-	-	-	-	2445.18	1701.37
Previous Year	1,414.58	286.79	-	1,701.37	-	-	-	-	1,701.37	

III) GOODWILL

Goodwill	7,447.42	-	-	7,447.42	-	-	-	-	7,447.42	7,447.42
Total	7447.42	-	-	7447.42	-	-	-	-	7447.42	7447.42
Previous Year	7,447.42	-	-	7,447.42	-	-	-	-	7,447.42	

IV) INTANGIBLE ASSETS

Computer Software	290.93	53.24	(0.41)	343.76	244.57	21.12	-	265.69	78.07	46.36
Customer Acquisition Cost	5446.98	366.51	(2,426.61)	3386.88	3362.85	1,538.46	(2,426.61)	2474.70	912.18	2,084.13
Product Development Cost	118.96	583.01	-	701.97	-	-	-	-	701.97	118.96
Right to use Assets	35.52	(7.29)	-	28.23	-	-	-	-	28.23	35.52
Patents & Trade Marks	2,692.89	-	(0.74)	2,693.63	2,428.00	18.52	0.74	2,447.26	246.37	264.89
Total	8,585.28	995.47	(2,427.76)	7,154.47	6,035.42	1,578.10	(2,425.87)	5,187.65	1,966.82	2,549.86
Previous Year	7,550.14	1,035.14	-	8,585.28	4,482.46	1,552.96	-	6,035.42	2,549.86	

GRAND TOTAL

Current year	67,325.86	8,138.47	(10,958.12)	64,507.69	38,927.31	3,346.95	(10,946.40)	31,327.86	33,179.83	28,398.55
Previous Year	62,739.25	4,597.20	(10.59)	67,325.86	36,144.86	2,793.04	(10.59)	38,927.31	28,398.55	

Notes -

- 1) Trade mark "Burnol" forming part of Patents & Trade Marks was given as a collateral security against inter-corporate deposit taken by the parent company. Legal case in respect of the above trade mark is pending final adjudication.
- 2) Customer acquisition cost represents amount invested for expansion of point of care & OTC business of the company. Deductions represents intangibles fully amortised and therefore derecognised during the year.
- 3) Product Development cost represents amount spent on development on formulation products.
- 4) * Old machinery no longer in use and fully depreciated, written off, derecognised during the year.



MOREPEN LABORATORIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

As at
31.03.2024 As at
31.03.2023

3. INVESTMENTS (NON-CURRENT) - Non Trade

A. Investment in Mutual Funds (Quoted)

13164.448 Units (Previous Year- Nil) ICICI Prudential Liquid Fund	45.00
657.861 Units (Previous Year- Nil) HDFC Liquid Fund	30.00
5507.283 Units (Previous Year- Nil) HDFC Large and Midcap Fund	15.00
63152.078 Units (Previous Year- Nil) HDFC Multi Cap Fund	10.00
149992.50 Units (Previous Year- Nil) Motilal Oswal Large Cap Fund	15.00
149992.50 Units (Previous Year- Nil) Mirae Asset Multi Asset Allocation Fund	15.00
142.506 Units (Previous Year- Nil) ICICI Prudential Money Market Fund	0.10
	130.10

Market Value of Quoted Investments as on 31.03.2024 - Rs. 134.26 Lakhs.

4. LOANS

(Rs. in Lakhs)

Secured

(Unsecured, considered good)

Loans to Employees

Current Portion		Non Current Portion	
As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
22.43	27.37	3.59	4.95
22.43	27.37	3.59	4.95

5. OTHER FINANCIAL ASSETS - NON CURRENT

Security Deposits

714.15 **637.77**
714.15 **637.77**

6. OTHER NON CURRENT ASSETS

Unsecured

Capital Advances (Considered good) *

Leasehold Land Prepayments

Prepaid (Deferred) Expenses for Employee Benefit

6364.16 **6364.15**
22.76 **26.06**
1.52 **1.56**
6388.44 **6391.77**

Includes-*

Rs. 2596.38 Lakhs paid to related parties for acquisition of land for expansion of manufacturing facilities of the company. An agreement for acquisition of land was entered into with these parties in the financial year ending March 31, 2021, for a sum of Rs.2840.00 Lakhs. Necessary documentation and seeking government & statutory approvals for the transfer of land in the name of the company is expected in the coming financial year.

7. INVENTORIES

Raw Materials

Work-in-progress

Finished goods

Stock -in-trade

Goods in transit

Stores and spares

14496.08 **12661.00**
3741.37 **3864.55**
3090.43 **3511.27**
1435.70 **1463.58**
1728.84 **938.04**
367.00 **449.59**
24859.42 **22888.63**

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

8. TRADE RECEIVABLES

Unsecured -

Considered good

Considered doubtful

32257.83 **26324.70**
529.60 **275.41**
32787.43 **26600.11**
293.62 **275.41**
32493.81 **26324.70**

Less: Allowance for bad & doubtful debts

Ageing of Trade Receivables (2023-24)	< 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	31124.15	793.46	208.39	63.63	67.91	32257.84
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	163.27	22.86	104.72	96.49	142.25	529.59
- Credit impaired	-	-	-	-	-	-
Total Receivables	31287.72	816.32	313.11	160.12	210.16	32787.43

Ageing of Trade Receivables (2022-23)	< than 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	25831.03	238.72	178.58	67.07	9.30	26324.70
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	-	2.68	50.70	29.11	192.92	275.41
- Credit impaired	-	-	-	-	-	-
Total Receivables	25831.03	241.40	229.28	96.18	202.22	26600.11



MOREPEN LABORATORIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

As at
31.03.2024

As at
31.03.2023

9. CASH AND CASH EQUIVALENTS

Balances with banks		
Current Accounts	1677.54	2141.80
Cash in hand	16.97	24.78
	<u>1694.51</u>	<u>2166.58</u>

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Term Deposit - Towards Margin Money & Security against Overdraft, Bills discounting and LC facilities	3465.88	3326.89
Guarantees	51.27	137.08
	<u>3517.15</u>	<u>3463.97</u>

11. OTHER FINANCIAL ASSETS - CURRENT

Security Deposits	803.01	291.01
Interest accrued but not due	155.51	98.04
Export Incentives Receivable	479.63	162.22
	<u>1438.15</u>	<u>551.27</u>

12. OTHER CURRENT ASSETS

Unsecured considered good, unless otherwise stated

Advances with Suppliers & Others *	21413.43	16567.19
Leasehold Land Prepayments	1.83	1.47
Balance with Government Authorities	2277.25	3101.54
Advances to Employees	179.38	70.75
Prepaid Expenses	1007.07	453.00
	<u>24878.96</u>	<u>20193.95</u>

* Includes

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

13. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2024		As at March 31, 2023	
	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)
Authorised				
Equity Shares of Rs. 2/- each	1000000000	20000.00	1000000000	20000.00
Issued and Subscribed				
Equity Shares of Rs. 2/- each	511168708	10223.37	511168708	10223.37

Paid up				
Equity Shares of Rs. 2/- each	511168708	10222.71	511168708	10222.71

(33000 Shares not paid up)

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)
Outstanding at beginning of the year	511168708	10222.71	477826203	9,555.86
Add : Shares issued during the year	-	-	33342505	666.85
Outstanding at the end of year	511168708	10222.71	511168708	10222.71



MOREPEN LABORATORIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

Shares held by promoters at the end of the year			
Sl.	Name of the promoter	No. of shares held	% of shareholding
1	KANTA SURI	1510	0.00
2	RAJAS SURI (KB SURI SONS HUF)	972830	0.19
3	SANJAY SURI (SANJAY SURI SONS HUF)	2100000	0.41
4	PRADUMAN LAL SURI HUF	2990	0.00
5	SUSHIL SURI (SUSHIL SURI SONS HUF)	1201560	0.24
6	ANUBHAV SURI (ARUN SURI SONS HUF)	1500000	0.29
7	MAMTA SURI	3004000	0.59
8	SONIA SURI	3679718	0.72
9	SANJAY SURI	3417240	0.67
10	P.L. SURI	400000	0.08
11	ANJU SURI	5186369	1.01
12	SUSHIL SURI	5501510	1.08
13	SUNITA SURI	3192240	0.62
14	SHALU SURI	2052250	0.40
15	VARUN SURI	3052357	0.60
16	ANUBHAV SURI	782134	0.15
17	SARA SURI	705000	0.14
18	GULFY SURI	1150000	0.22
19	AANCHAL SURI	685922	0.13
20	RAJAS SURI	155000	0.03
21	MASTER ARJUN SURI	697060	0.14
22	KANAK SURI	997060	0.20
23	AANANDI SURI	750000	0.15
24	AAKRITI SURI	55000	0.01
25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15159252	2.97
26	CONCEPT CREDITS AND CONSULTANTS PRIVATE LTD.	15347724	3.00
27	EPITOME HOLDINGS PRIVATE LTD.	14500820	2.84
28	LIQUID HOLDINGS PRIVATE LTD.	5003000	0.98
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LTD.	14973813	2.93
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14942134	2.92
31	SOLIARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15114045	2.96
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14102075	2.76
33	SOI ACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15082790	2.95
34	SHED SECURITIFS AND SERVICES PRIVATE LTD.	14328780	2.80
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LTD.	15575405	3.05
	TOTAL	195371588	38.22

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	3,85,30,000	7.54%	3,85,30,000	7.54%

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

- i) The equity shares of the company are having a par value of Rs. 2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and his voting rights on any poll shall be in proportion to his share in the paid-up equity share capital of the company.
- 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 as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

D. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash.

E. Disclosure about unpaid calls -

(Rs. in Lakhs)

	31.03.2024	31.03.2023
Unpaid Calls		
By Directors & Officers	-	-
By Others	0.66	0.66

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

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

The company has approached BSE Limited (BSE) and National Stock Exchange of India (NSE) for cancellation of aforesaid shares, for which pay-out has been made by the Necessary accounting entries for the cancellation of equity capital and reversal of reserves and surplus for Rs. 100.78 Lakhs and Rs. 469.63 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of Rs. 570.41 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets. Aforesaid entries has insignificant impact on EPS and current assets.

(Rs. in Lakhs)

As at	As at
31.03.2024	31.03.2023

Share Capital	46.66	46.66
Share in Profit/(Loss)	(46.66)	(92.70)
		(46.04)

14. MINORITY INTEREST

Share Capital
Share in Profit/(Loss)

The excess of losses, over the minority interest in the equity of the step down subsidiary of the company, Total Care Limited, have been adjusted against the profits of the company, during the year.



MOREPEN LABORATORIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

15. BORROWINGS

Long Term

Secured

Term Loans - Vehicles
 Other Loans **

	<u>Current Portion</u>		<u>Non Current Portion</u>	
	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
133.75	105.11	336.40	93.35	
80.68	-	-	-	
214.43	105.11	336.40	93.35	

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

Particulars	Current Portion		Non- Current Portion			
	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Annual Repayment Amount (Rs./Lakhs)	214.43	86.94	81.98	89.51	77.97	336.40
Annual Rate of Interest (%)	7.04%-9.50%	7.04%-9.50%	7.04%-9.50%	7.04%-9.50%	7.04%-9.50%	7.04%-9.50%

II. Current Portion of Long Term Borrowings is appearing under the head Other Financial Liabilities.

Short Term

Secured

Bank Overdraft and Bill Discounting facility against term deposit

* Annual rate of interest chargeable on aforesaid facilities ranges up to 9.5 %.

Current maturities of Long Term Borrowings

Total

** For Other loans, annual rate of interest ranges from 26.50% to 29.50%.

2349.09	2,317.95
214.43	105.11
2563.52	2423.06

16. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others

450.42	352.02
450.42	352.02

17. PROVISIONS

Gratuity
 Leave Encashment
 Income Tax (Net of Tax payments)
 Others

	<u>CURRENT</u>		<u>NON-CURRENT</u>	
	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
648.29	540.20	2659.25	2256.63	
212.84	207.74	722.41	717.83	
1318.35	649.73	-	-	
322.02	226.44	-	-	
2501.50	1624.11	3381.66	2974.46	

(Rs. in Lakhs)

As at	As at
31.03.2024	31.03.2023

18. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises

Total outstanding dues of creditors other than micro small and medium enterprises

208.31	255.12
29294.44	22432.81
29502.75	22687.93

Ageing of Trade Payables (2023-24)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME:	208.31	-	-	-	208.31
(ii) Others	28951.80	206.48	80.13	49.99	29288.40
(iii) Disputed dues - MSME:	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	6.04	6.04
Total Payables	29160.11	206.48	80.13	56.03	29502.75

Ageing of Trade Payables (2022-23)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME:	255.12	-	-	-	255.12
(ii) Others	22152.22	111.76	54.80	114.03	22432.81
(iii) Disputed dues - MSME:	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	22407.34	111.76	54.80	114.03	22687.93

19. OTHER FINANCIAL LIABILITIES -CURRENT

Accrued salaries and benefits
 Expenses payable
 Others

2020.90	1738.08
1970.01	2214.56
1060.00	1060.00
5050.91	5012.64

20. OTHER CURRENT LIABILITIES

Advance Received from Customers
 Direct Taxes
 Indirect Taxes
 Others

153.76	146.17
341.64	146.24
32.56	18.34
57.82	57.82
585.78	368.57



MOREPEN LABORATORIES LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
21. <u>CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</u>		
a) Contingent Liabilities		
Claims against the Company not acknowledged as debts	136.00	81.75
Guarantees	334.78	416.72
Other money for which company is contingently liable	505.57	167.89
	<u>976.35</u>	<u>666.36</u>
Trade Mark 'Burnol' given as collateral security to Poysha Power Generation (P) Ltd. against Inter Corporate Deposit taken by the company. No amount is shown as contingent liability, legal case in respect of the above trade mark is pending adjudication. Refer		
b) Other commitments		
Capital commitments	1294.52	517.73
	<u>2270.87</u>	<u>1184.09</u>
	Year Ended 31.03.2024	Year Ended 31.03.2023
22. <u>REVENUE FROM OPERATIONS</u>		
<u>Sale of Products</u>		
Domestic	104254.24	84994.76
Exports	63959.19	56400.72
	<u>168213.43</u>	<u>141395.48</u>
<u>Other Operating Revenues</u>		
Export Incentives	815.97	314.15
Others	13.85	43.36
	<u>829.82</u>	<u>357.52</u>
	<u>169043.25</u>	<u>141753.00</u>
23. <u>OTHER INCOME</u>		
Interest Income	250.41	165.74
Others	1146.67	447.60
	<u>1397.08</u>	<u>613.34</u>
24. <u>COST OF MATERIALS CONSUMED</u>		
Raw Materials	83775.12	72588.90
Packing Materials	4555.56	5552.02
	<u>88330.68</u>	<u>78140.92</u>
25. <u>EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and Wages	16518.71	14086.88
Contribution to provident fund/ ESI	493.87	430.53
Gratuity and Leave Encashment Expenses	650.71	518.68
Staff Welfare	483.26	431.97
	<u>18146.55</u>	<u>15468.05</u>
26. <u>FINANCE COST</u>		
Interest expense	225.92	143.50
Interest on delay in deposit of Advance Tax	145.10	54.58
	<u>371.02</u>	<u>198.08</u>
27. <u>OTHER EXPENSES</u>		
Consumption of Stores and spare parts	2109.80	1462.84
Power and Fuel	3408.91	2377.70
Repairs to buildings	255.99	232.22
Repairs to machinery	707.91	547.07
General Repairs	1370.72	1142.84
Research & Development	519.83	306.89
Quality Control & Testing Charges	1426.39	1068.61
Insurance	205.21	141.84
Rent	1208.12	1074.01
Rates and taxes excluding taxes on income	164.17	227.33
Legal and Professional Expenses	1528.36	1274.38
Travelling Expenses	2186.09	1683.20
Selling and Distribution Expenses	10997.89	9301.36
Miscellaneous Expenses	2702.36	1916.92
	<u>28791.75</u>	<u>22757.20</u>



MOREPEN LABORATORIES LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

28. PRIOR PERIOD ITEMS

Expenses include Rs. 87.72 Lakhs (Previous Year Rs.108.00 Lakhs) as expenses (net) relating to earlier years.

29. 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	(Rs./Lakhs)	
	Sales Revenues	
	2023-24	2022-23
USA	15742.19	8793.75
Rest of World	48221.00	47606.97
India	104250.24	84994.76
Total	168213.43	141395.48

30. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:

Related Parties

1. Key Management Personnel	<p>Morepen Laboratories Limited Mr. Sushil Suri, Chairman & Managing Director, Mr. Sanjay Suri, Whole Time Director Mr. Ajay Kumar Sharma, Chief Financial Officer Mr. Vipul Kumar Srivastava, Company Secretary</p> <p>Dr. Morepen Limited Mr. Varun Suri, MD Mr. Ajay Sharma, Director & Chief Financial Officer Mr. Akshay Mehta, Company Secretary (Till 5th August 2023) Mr. Vipul Kumar, Company Secretary . w.e.f. 18th August 2023</p> <p>Morepen Rx Limited Mr. Varun Suri, Director</p>
2. Relatives of Key Management personnels with whom the company has any transaction during the year	Mr. Anubhav Suri, Mr. Kushal Suri, Mrs. Sunita Suri, Mrs. Mamta Suri, Mrs. Shalu Suri, Mrs. Sakshi Suri, Mrs. Suhina Suri, Mrs. Bavleen Suri, Mr. Rajas Suri, Ms. Anandi Suri, Mrs. Amita Sharma.
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 trasanctions during the year	<p>Edit 25 Lifestyle Private Limited Mr. Naman Joshi</p> <p>Blueheaven Marketing Pvt. Ltd. Groom Town Pvt. Ltd. Happier Life Pvt. Ltd.</p>

Transactions with related parties -

Particulars	Nature of transaction	(Rs. in Lakhs)
1. Key Management Personnel	Remuneration	864.54
	Amount payable as on 31.03.24	279.91
	Maximum amount outstanding	304.19
2. Relatives of key Management personnels with whom the company has any transaction during the year	Remuneration	695.67
	Amount payable as on 31.03.24	153.55
	Maximum amount outstanding	200.79
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	Goods & Services - Receipt	46.20
	Purchase of inventories	23.49
	Business Support Services - Sale	383.58
	Sale of Inventories	994.31
	Security Deposit received	9.40
	Amount payable as on 31.03.24	763.21
	Maximum amount outstanding	1104.48

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

31. EARNING PER SHARE (EPS)

Particulars	Year Ended	
	31.03.2024	31.03.2023
Profit/ (Loss) after Tax (Rs. in Lakh)	9615.99	3867.52
Weighted average number of equity shares outstanding	511168708	502206570
Basic & Diluted EPS (Rs.) - (Face value Rs. 2/- per share)	1.88	0.77



MOREPEN LABORATORIES LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

32. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2024. Hence, no provision is required in the accounts for the year under review.

33. INCOME TAXES

A. Current Tax and Deferred Tax Expense

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

<u>For the year ended</u>	<u>31st March 2024</u>	<u>31st March 2023</u>
Current tax	3864.21	1,629.19
Earlier Years taxes	(9.03)	5.86
Deferred tax expense	(43.65)	20.34
Total income tax expenses	3811.53	1655.39

(Rs./Lakhs)

B. Deferred Tax Assets (Net)

Deferred Tax Liabilities	1263.30	1225.59
Deferred Tax Assets	1038.35	956.99
Deferred tax Liabilities/(Assets) (Net)	224.95	268.60

Major Components of Deferred Tax Assets (Net) arising on account of temporary difference and movements thereof are given below -

Deferred Tax Assets -

Retirement benefits & Leave Encashment	4007.14	3629.02
Provisions deductible for tax purposes in future periods	118.54	173.38
Total	4125.68	3802.40
Tax Rate	25.168%	25.168%
Tax Amount	1038.35	956.99

Deferred tax Liabilities -

PP&E depreciation and intangible Amortisation	5019.46	4869.61
Total	5019.46	4869.61
Tax Rate	25.168%	25.168%
Tax Amount	1263.30	1225.59

Note : Deferred Tax asset of Rs. 282.79 Lakhs (Previous year Rs.132.72 lakhs) is not recognised as a matter of prudence.

34. OTHERS SIGNIFICANT DISCLOSURES

- In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.
- Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.
- Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



MOREPEN LABORATORIES LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

- f) During the year, the company has transferred the Branded Formulation (Rx) Business to its 100% subsidiary, Morepen Rx Limited, vide business transfer agreement dated 22nd August, 2023 as a going concern for lump sum consideration of Rs. 703.23 lakhs on a slump sale basis. The company has acquired 70,82,356/- equity shares of Morepen Rx Limited, of Rs. 10/- each, at par, as consideration for transfer of branded formulation business.

The movable assets, current assets and liabilities transferred by the company through its business transfer agreement effective 01.08.2023 is as under: -

Particulars/Amount (Rs. in Lakhs)	Book Value as on 31.07.2023
Movable Assets	
Computer	1.97
Sub-Total	1.97
Other Non Current Financial Assets	24.43
Current Assets	
Inventories	436.7
Financial Assets:	
Trade Receivable	1873.46
Cash and cash Equivalents	0.36
Bank Balances other than Cash and Cash Equivalents	16.68
Other Financial Assets	24.69
Other Current Assets	1019.82
Sub-Total	3371.71
Total	3398.11
Liabilities	
Non-Current Liabilities	
Financial Liabilities:	
Other Financial Liabilities	154
Provisions	156.42
Sub-Total	310.42
Current Liabilities	
Financial Liabilities:	
Trade Payable	2017.6
Other Financial liabilities	283.52
Other Current Liabilities	21.88
Provisions	61.45
Sub-Total	2384.45
Total	2694.87
Purchase Consideration (Total Assets-liabilities)	703.24

35. **Corporate Social Responsibility (CSR)**

- a) During the financial year ended March 31, 2024, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was Rs.210.00 Lakh (Previous year Rs.189.57 Lakh).
- b) During the year the Company has made an expenditure of Rs. 220.36 Lakh (Previous year Rs.190.26 Lakh) related to CSR.
- c) Details of CSR expenditure incurred during the year ended March 31, 2024 is as below :-

	(Rs./Lakhs)	
	<u>31.03.2024</u>	<u>31.03.2023</u>
CSR activity		
- Promotion of Healthcare	54.07	48.63
- Social Infrastructure	47.46	98.57
- Education	115.04	29.24
- Sports	3.79	13.82
Total	220.36	190.26



MOREPEN LABORATORIES LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

36. Ratios	<i>As at</i> 31.03.2024	<i>As at</i> 31.03.2023
Current Ratio	2.21	2.35
- Numerator - Current Assets	88904.40	75616.47
- Denominator - Current Liabilities	40204.46	32116.31
CURRENT LIABILITIES	40204.46	32116.31
Less : Pref. Capital	-	-
Inventory turnover Ratio	4.45	3.79
- Numerator - Cost of Goods Sold	106242.49	95574.44
- Denominator - Average Inventory	23874.02	25237.02
Trade receivables turnover Ratio (days)	63	66
- Numerator - Revenue	170440.33	142366.34
- Denominator - Average Debtors	29409.25	25694.51
Trade payables turnover Ratio (days)	90	93
- Numerator - COGS	106242.49	95574.44
- Denominator - Average Creditors	26095.34	24249.74
Debt-Equity Ratio	0.03	0.03
- Numerator - Debt	2899.92	2516.41
- Denominator		
Equity	10222.71	10222.71
Reserves & Surplus	75364.78	65748.79
OCI	(864.87)	(680.69)
Total Equity	84722.62	75290.81
Debt Service Coverage Ratio	552.16%	322.07%
- Numerator - EBITDA	17259.54	8566.65
- Denominator -Total Loan Liability	3125.84	2659.91
Interest on loans	225.92	143.50
Principal loans	2899.92	2516.41
Net profit Ratio	5.64%	2.72%
- Numerator - PAT	9615.99	3867.52
- Denominator - Revenue	170440.33	142366.34
Return on Equity Ratio (RoE)	11.35%	5.14%
- Numerator - PAT	9615.99	3867.52
- Denominator -Total Equity	84722.62	75290.81
Net Capital Turnover Ratio	2.01	1.89
- Numerator - Revenue	170440.33	142366.34
- Denominator -Total Equity	84722.62	75290.81
Return on Capital employed (RoCE)	15.61%	7.31%
- Numerator - EBIT (PBT+Interest)	13912.59	5773.61
- Denominator - Total Capital Employed	89116.05	78979.24
Shareholder's Wealth	84722.62	75290.81
Non current borrowings	336.40	93.35
Non Current Liabilities	4057.03	3595.08
Return on investment (RoI)	7.44%	3.48%
- Numerator - PAT	9615.99	3867.52
- Denominator - Total Assets	129320.51	111049.51



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

Independent Auditor's Report

To the Members of Morepen Laboratories Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Morepen Laboratories Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 March 31, 2024, 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 Matters	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 August 4,	Principal Audit Procedures We collected and analyzed the Scheme approved by the Company Law Board (CLB)



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

<p>2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT).</p> <p>Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of Rs. 2/- each issued at a premium of Rs. 9.32 per share belonging to eligible FD holders, the company has paid Fixed Deposit dues in respect of 50,38,983 Equity Shares received for cancellation with the company till 31.03.2022. (Refer Note No. 13G to the standalone financial statements)</p>	<p>dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 23.7.2019, Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard produced for our verification.</p> <p>The payment to pending eligible FD holders may impact financials of the company in the coming year/years.</p>
--	---

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.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

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



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2024 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - b) The Company did not have any long term contracts including derivative contracts.
 - c) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.
 - d) The Gratuity liability accrued remains uncovered to the extent of unfunded.



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh-160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

- e) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 39(f) to the standalone financial statements).
- f) The Company has not declared or paid any dividend during the year.
- g) Based on our examination, which includes the test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on prevention of audit trail as per the statutory requirement for record retention is not applicable for the financial year ended March 31, 2024

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



Date : 21st May, 2024
Place : Gurugram, Haryana

UDIN : 24086348BK

S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID: spbabuta@hotmail.com, Website: www.babuta.com

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, 2024)

(i)	(a)	(A)	The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
		(B)	The company is maintaining proper records showing full particulars of intangible assets;
	(b)		Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
	(c)		The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
	(d)		The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
	(e)		According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
(ii)	(a)		As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and an independent CA at the year end, in our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more in the aggregate for each class of inventory was noticed;
	(b)		The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year from banks or financial institutions on the basis of security of current assets;
(iii)			According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that during the year the company has made investments of Rs. 703.24 lakhs in equity share capital in newly created wholly owned subsidiary Morepen Rx Limited, but not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, investment made in wholly owned subsidiary is not prejudicial to the company's interest;
(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)			According to the information and explanations given to us, the company is complying Hon'ble National Company Law Tribunal (NCLT) order dated 12.03.2018 in the matter of fixed deposit holders. (Refer Note 13(G) to standalone financial statements);
(vi)			According to the information and explanations given to us, maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act and as explained to us such accounts and records have been so made and maintained by the company;
(vii)	(a)		According to the information and explanations given to us and based on audit procedures performed, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

		other statutory dues to the appropriate authorities except payment of advance income tax . No such dues are outstanding as on 31st March 2024 for a period exceeding six months;
	(b)	According to the records and information and explanation given to us, there are no dues in respect of Income tax, Sales tax, VAT, Service-tax, Custom duty, cess outstanding as at March 31, 2024 due to any dispute;
(viii)		According to the records and information and explanation given to us, no transaction/amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
(ix)	(a)	According to the information and explanations given to us by the management, the company has not made any default in the repayment of loans or other borrowings or interest to Banks/FIs.
	(b)	According to the information and explanations given to us by the management, the company has not been declared willful defaulter by any bank or financial institution or other lender, during the year;
	(c)	According to the records and information and explanation given to us, term/car loans were applied for the purpose for which the loans were obtained;
	(d)	According to the records and information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;
	(e)	According to the records and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
	(f)	According to the records and information and explanation given to us, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
(x)	(a)	During the year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments);
(xi)	(a)	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, noticed or reported during the year, nor have we been informed of any such case by the Management;
	(b)	No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
	(c)	According to the records and information and explanation given to us, there is no whistle-blower complaint received during the year by the company;
(xii)		The company is not a Nidhi Company and hence this clause is not applicable to the company;
(xiii)		According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
(xiv)	(a)	The company has an internal audit system commensurate with the size and nature of its business;
	(b)	The reports of the Internal Auditors for the period under audit were considered by us;
(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;
(xvi)	(a)	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;
	(b)	The company has not conducted any Non-Banking Financial or Housing Finance



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

		activities during the year;
	(c)	The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
(xvii)		The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
(xviii)		On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
(xix)	(a)	According to the information and explanations given to us and based on our examination of the records of the company, there is no unspent amount required to be transferred to a Fund specified in Schedule VII to the Companies Act in respect of other than ongoing projects as per sub-section (5) of section 135 of the said Act;
	(b)	According to the information and explanations given to us and based on our examination of the records of the company, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act which is required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
(xx)		There is no qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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



CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. 086348

Date : 21st May, 2024
Place : Gurugram, Haryana

UDIN : 24086348BKGUSL1981

S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID : spbabuta@hotmail.com, Website : www.babuta.com

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 2024)

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

We have audited the internal financial controls over financial reporting of **Morepen Laboratories Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the



S.P. Babuta and Associates

Chartered Accountants

#240, Sector 21-A, Chandigarh - 160022, Tel: 91 172 2704943, 2713814, Email ID: spbabuta@hotmail.com, Website: www.babuta.com

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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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



S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. 086348

Date : 21st May, 2024
Place : Gurugram, Haryana

UDIN : 24086348 BKGUSL1981

MOREPEN LABORATORIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2024

(Rs. in Lakhs)

	<u>Note No.</u>	<u>As at</u> <u>31.03.2024</u>	<u>As at</u> <u>31.03.2023</u>
A			
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2	21244.13	16608.55
Capital Work in Progress	2	2445.18	1701.37
Other Intangible Assets	2	409.41	473.54
Financial Assets :			
Investments	3	12617.82	11784.48
Loans	4	3.59	-4.95
Other Financial Assets	5	532.84	506.29
Other Non-Current Assets	6	6386.94	6390.27
		<hr/>	<hr/>
		43639.91	37469.45
2. CURRENT ASSETS			
Inventories	7	22015.11	21134.90
Financial Assets :			
Trade Receivables	8	31688.79	25547.12
Cash and Cash Equivalents	9	1530.40	2126.36
Bank Balances other than Cash and Cash Equivalents	10	3517.15	3463.97
Loans	4	22.43	27.37
Other Financial Assets	11	1049.42	550.69
Other Current Assets	12	24467.34	20234.39
		<hr/>	<hr/>
		84290.64	73084.80
Total		<hr/>	<hr/>
		127930.55	110554.25
B			
<u>EQUITY AND LIABILITIES</u>			
1. EQUITY			
Equity Share Capital	13	10222.71	10222.71
Other Equity		78679.72	67788.71
		<hr/>	<hr/>
		88902.43	78011.42
2. NON - CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	336.40	93.35
Other Financial Liabilities	15	42.90	196.50
Deferred Tax Liabilities (Net)	37	224.95	268.60
Provisions	16	3160.37	2886.79
		<hr/>	<hr/>
		3764.62	3445.24
3. CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	2482.84	2423.06
Trade Payables	17	26742.58	21309.68
Other Financial liabilities	18	3399.22	3741.21
Other Current Liabilities	19	333.42	132.24
Provisions	16	2305.44	1491.40
		<hr/>	<hr/>
		35263.50	29097.59
TOTAL		<hr/>	<hr/>
		127930.55	110554.25
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-10		

As per our separate report of even date

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

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



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

Place : Gurugram, Haryana
Date : 21st May, 2024



(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Kumar Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

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

MOREPEN LABORATORIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024

		(Rs. in Lakhs)	
	<u>Note No.</u>	<u>Year Ended</u> <u>31.03.2024</u>	<u>Year ended</u> <u>31.03.2023</u>
REVENUE			
Revenue from Operations (Net)	21	153759.35	133888.33
Other Income	22	1256.57	575.88
Total Income (I)		155015.92	134464.21
EXPENSES			
Cost of Materials Consumed	23	88330.68	78140.92
Purchases of Stock-in-Trade	24	6184.38	10506.93
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	512.96	1653.86
Employee Benefits Expense	26	16027.88	14619.30
Finance Costs	27	350.94	198.08
Depreciation and Amortization Expense	2	2189.98	1800.57
Other Expenses	28	26521.55	21240.34
Total Expenses (II)		140118.37	128160.00
Profit before Tax		14897.55	6304.21
Tax Expense			
Current Tax		3856.64	1659.99
Earlier periods Tax		(9.04)	(0.41)
Deferred Tax	37	(43.65)	20.34
Total Tax Expense		3803.95	1,679.92
Profit for the Year (III)		11093.60	4624.29
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		(270.60)	(197.37)
Tax		(68.01)	(52.59)
Other Comprehensive Income for the Year (Net of Tax) (IV)		(202.59)	(144.78)
Total Comprehensive Income for the Year (III+IV)		10891.01	4479.51
Earning per equity share (Face Value of Rs. 2/- each)	34		
Basic & Diluted		2.17	0.92

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON FINANCIAL STATEMENTS

As per our separate report of even date

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

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



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

Place: Gurugram, Haryana
 Date: 21st May, 2024



(Sushil Suri)
 Chairman & Managing Director
 DIN: 00012028

(Ajay Kumar Sharma)
 Chief Financial Officer

(Manoj Joshi)

Director
 DIN: 00036546

(Vipul Kumar Srivastava)

Company Secretary
 Membership No. F-12148

MOREPEN LABORATORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

A. EQUITY SHARE CAPITAL

As at 31st MARCH, 2024

(Rs. in Lakhs)

Balance as at 1st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2024
10222.71	-	10222.71	-	10222.71

As at 31st March, 2023

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

B. OTHER EQUITY AS AT 31st MARCH, 2024

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2023	2145.40	7623.33	36978.86	21726.84	(685.72)	-	67788.71
Profit for the year	-	-	-	11093.60	-	-	11093.60
Other comprehensive income (loss) for the year	-	-	-	-	(202.59)	-	(202.59)
Balance as at 31st March, 2024	2145.40	7623.33	36978.86	32820.44	(888.31)	-	78679.72

OTHER EQUITY AS AT 31st MARCH, 2023

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2022	270.40	7623.33	23180.51	17102.55	(540.94)	2625.00	50260.85
Money received against Share Warrants	-	-	-	-	-	2250.00	2250.00
- Amount transferred to Equity Share Capital on conversion of warrants	-	-	-	-	-	(240.00)	(240.00)
- Amount transferred to Securities Premium account	-	-	13798.35	-	-	(2760.00)	11038.35
- Amount transferred to Capital Reserve account	1875.00	-	-	-	-	(1875.00)	-
Profit for the year	-	-	-	4624.29	-	-	4624.29
Other comprehensive income (loss) for the year	-	-	-	-	(144.78)	-	(144.78)
Balance as at 31st March, 2023	2145.40	7623.33	36978.86	21726.84	(685.72)	-	67788.71

1. The money received against share warrants ('warrants') represents balance sum, out of total amount of Rs. 4375.00 Lakhs, received towards subscription of 700 Lakh no. of warrants, of face value of Rs. 2/- each, allotted at a price Rs. 25/- per warrant, during the financial year ending March 31, 2021. The warrants holders were entitled to apply for equivalent no. of equity shares vis-à-vis warrant within a period of 18 months from the date of allotment of warrant, in accordance with SEBI (ICDR) Regulations, 2018 as amended. Total of 400 lakhs nos. of warrants were subscribed within prescribed time period and therefore were converted into equal no. equity shares.

The remaining 300 Lakh no. of warrants were lapsed during the current year ending March 31, 2023. Accordingly, a sum of Rs. 1875.00 Lakh i.e., upfront 25% of the warrant subscription monies in respect of these 300 Lakh nos. of warrants, received was transferred into Capital Reserve Account, during the current year ending March 31, 2023.

2. During the year ending March 31, 2023, 2,13,42,505 no. of equity shares of Rs. 2/- each, at a conversion price of Rs. 53.72/- per share were issued to banks/financial institution and other, towards conversion of 0.01% 1,14,65,201 no. of Preference Shares of Rs. 100/- each held by them.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

As per our separate report of even date

1
2-40

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

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

(CA S.P. Babuta)
 Partner
 Membership No. 12221


 (Sushil Suri)
 Chairman & Managing Director
 DIN : 00012028


 (Manoj Joshi)
 Director
 DIN : 00036546


 Office : Gurusgram, Chandigarh
 Date : 21st May, 2024



 (Ajay Kumar Sharma)
 Chief Financial Officer


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

MOREPEN LABORATORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

	Note No.	Year Ended 31.03.2024	(Rs. in Lakhs) Year Ended 31.03.2023
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before Tax		14897.55	6304.21
Adjustments for:			
Depreciation & Amortisation	2	2189.98	1800.57
Provision for Employee benefit (OCI)		(270.60)	(197.37)
Finance Cost	27	350.94	198.08
Operating Profit before changes in Current Assets and Liabilities		17167.87	8105.49
Changes in Current Assets and Liabilities -			
Trade Receivables	8	(6141.67)	(3360.01)
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	(4779.92)	(6150.83)
Inventories	7	(880.21)	4690.45
Current Liabilities	16,17,18,19	6106.14	(11869.31)
Cash generated from Operations		11472.21	(8584.21)
Tax Expense (Net)		(3735.94)	(1627.33)
NET CASHFLOW - OPERATING ACTIVITIES		7736.27	(10211.54)
B. CASH FLOWS - INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments & Capital work in Progress	2	(7123.48)	(3554.62)
Purchase/ Addition of Intangibles	2	(384.17)	(3.84)
Proceeds from Sale of Property, Plant & Equipments	2	2.40	-
Sales/(Purchase) of Investments (Net)	3	(833.34)	(5.00)
Investment in Other Non-Current Assets and Loans	4,5,6	(21.86)	(56.45)
NET CASHFLOW - INVESTING ACTIVITIES		(8360.45)	(3619.91)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	27	(350.94)	(198.08)
Proceeds/(Repayments) of Long Term Borrowings (Net)	14	243.05	(38.76)
Proceeds/(Repayments) of Short Term Borrowings (Net)	14	59.78	698.27
Proceeds from Warrant subscription/ Preference shares conversion		-	13715.20
Change in Other Non-Current Liabilities & Provisions (Net)	15,16,37	76.33	243.15
NET CASHFLOW - FINANCING ACTIVITIES		28.22	14419.78
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		(595.96)	588.33
Cash and Cash Equivalents as at Beginning of the Year		2126.36	1538.03
Cash and Cash Equivalents as at End of the Year		1530.40	2126.36
Bank Balances other than Cash and Cash Equivalents		3517.15	3463.97
Components of cash and cash equivalents as on end of the period			
Balance with Banks			
- In Current Accounts		1514.81	2101.68
Cash in hand		15.59	24.68
		1530.40	2126.36

Notes

- a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as Amended).
- b) Figures have been regrouped/ reclassified wherever considered necessary.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

As per our separate report of even date

1
2-40
For & on behalf of the Board of Directors of Morepen Laboratories Limited

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

(CA S.P. Babuta)

Partner
Membership No. 086378

CHARTERED
ACCOUNTANTS
66348

Place: Gurugram, Haryana
Date: 21st March 2024



(Signature)

(Sushil Suri)
Chairman & Managing Director
DIN: 00012028

(Signature)
(Ajay Kumar Sharma)
Chief Financial Officer

(Signature)

(Manoj Joshi)
Director
DIN: 00036546

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

MOREPEN LABORATORIES LIMITED

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1. Company Overview

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

1.1 Basis for preparation of financial statements

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

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

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 21, 2024.

Functional and Presentation Currency

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

Basis of measurement

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

Operating Cycle

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

1.2 Use of Estimates and Judgements

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



life of depreciable assets and provisions for impairments & others.

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

1.3. Property, Plant and Equipment (PPE)

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

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.4. Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

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

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

Intangible Assets acquired separately

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



1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

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

1.6 Valuation of inventories

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

1.7 Foreign Currency Transactions / Translations

- i) *Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.*
- ii) *Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.*
- iii) *Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.*
- iv) *Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.*
- v) *In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.*



1.8 **Dividends**

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

1.9 **Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) **Initial Recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

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

ii) **Subsequent measurement**

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

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

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

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



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

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

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

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

e) **Financial liabilities**

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

Financial liabilities at FVTPL

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

Other Financial liabilities

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

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

iii) **Derecognition of financial instruments**

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

iv) **Fair value measurement of financial instruments**

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

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

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

2.1 Impairment of Assets

i) **Financial Assets**

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



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

ii) Non-Financial Assets

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

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

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

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

2.2 Revenue Recognition

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

- a) *Revenue is recognised at the value of consideration received or receivable. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).*

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

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

2.3 Interest

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



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

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal constructive) as a result of a past event and it is probable that an outflow



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.



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

2. I) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

(Rs./Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				CARRYING VALUE	
	As at 01.04.2023	Additions	(Disposals)/ Adjustments	As at 31.03.2024	As at 01.04.2023	For the year	Deductions/ Adjustments	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land	143.03	-	-	143.03	-	-	-	-	143.03	143.03
Buildings	9087.51	874.05	(0.50)	9961.06	4250.76	189.27	(150.26)	4289.77	5671.29	4836.75
Plant & Machinery	37003.61	4725.08	(8511.51) *	33217.18	26959.71	1237.04	(8361.76)	19834.99	13382.19	10043.90
Furnitures & Fixtures	1275.89	90.41	-	1366.30	409.73	101.55	-	511.28	855.02	866.16
Vehicles	1084.25	588.39	(8.96)	1663.68	541.62	127.20	(8.51)	660.31	1003.37	542.63
Office Equipments	613.62	101.74	(4.88)	710.48	437.54	86.62	(2.91)	521.25	189.23	176.08
Total	49207.91	6379.67	(8525.85)	47061.73	32599.36	1741.68	(8523.44)	25817.60	21244.13	16608.55
Previous Year	45950.67	3267.83	(10.59)	49207.91	31406.98	1202.97	(10.59)	32599.36	16608.55	

II) CAPITAL WORK IN PROGRESS

Buildings	346.58	68.72	-	415.30	-	-	-	-	415.30	346.58
Plant & Machinery	1348.63	586.58	-	1935.21	-	-	-	-	1935.21	1,348.63
Furniture & Fixture	6.16	-	(4.92)	1.24	-	-	-	-	1.24	6.16
Research & Development	-	52.12	-	52.12	-	-	-	-	52.12	-
Electrical Installation	-	41.31	-	41.31	-	-	-	-	41.31	-
Total	1701.37	748.73	(4.92)	2445.18	-	-	-	-	2445.18	1701.37
Previous Year	1414.58	286.79	-	1,701.37	-	-	-	-	1,701.37	

III) INTANGIBLE ASSETS

Computer Software	290.52	53.24	-	343.76	244.16	21.12	-	265.28	78.48	46.36
Customer Acquisition Cost	1708.75	-	(1708.75)	-	1281.57	427.18	(1708.75)	-	-	427.18
Product Development Cost	-	330.93	-	330.93	-	-	-	-	330.93	-
Total	1999.27	384.17	(1708.75)	674.69	1525.73	448.30	(1708.75)	265.28	409.41	473.54
Previous Year	1995.43	3.84	-	1999.27	928.13	597.60	-	1,525.73	473.54	

GRAND TOTAL

Current year	52908.55	7512.57	(10239.52)	50181.60	34125.09	2189.98	(10232.19)	26082.88	24098.72	18783.46
Previous Year	49360.68	3558.46	(10.59)	52908.55	32335.10	1800.57	(10.59)	34125.08	18783.46	

Notes :-

1. Customer acquisition cost represents amount invested for expansion of point of care business of the company. Deductions represents intangibles fully charged and therefore derecognised during the year.
- 2) Product Development cost represents amount spent on development on formulation products.
- 3) * Old machinery no longer in use and fully depreciated, written off, derecognised during the year.



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

As at
31.03.2024 As at
31.03.2023

3. INVESTMENTS (NON-CURRENT)

Trade Investments (At Cost)

A. Investment in Equity Instruments (Unquoted)

Subsidiary Companies

i) Dr. Morepen Limited

4,06,79,500 Equity shares of Rs.10/- each fully paid up

11747.25 11747.25

ii) Morepen Bio Inc. (Previously Morepen Inc.)

94,000 fully paid common stock of USD 0.001 each

22.23 22.23

iii) Morepen Devices Limited

1,00,000 Equity shares of Rs.10/- each fully paid up

10.00 10.00

iv) Morepen Rx Limited

7082356 Equity Share of Rs.10/- each fully paid up

708.24 5.00

(Previous year 50,000 Equity Shares of Rs 10/- each)

12487.72 11784.48

Non-Trade Investments (At Cost)

B. Investment in Mutual Funds (Quoted)

13164.448 Units (Previous Year- Nil) ICICI Prudential Liquid Fund

45.00 -

657.861 Units (Previous Year- Nil) HDFC Liquid Fund

30.00 -

5507.283 Units (Previous Year- Nil) HDFC Large and Midcap Fund

15.00 -

63152.078 Units (Previous Year- Nil) HDFC Multi Cap Fund

10.00 -

149992.50 Units (Previous Year- Nil) Motilal Oswal Large Cap Fund

15.00 -

149992.50 Units (Previous Year- Nil) Mirae Asset Multi Asset Allocation Fund

15.00 -

142.506 Units (Previous Year- Nil) ICICI Prudential Money Market Fund

0.10 -

130.10 -

Market Value of Quoted Investments as on 31.03.2024 - Rs. 134.26 Lakhs.

Aggregate amount

12617.82 11784.48

4. LOANS

Unsecured

(Considered good)

Loans to Employees

Current Portion		Non -Current Portion	
As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
22.43	27.37	3.59	4.95
22.43	27.37	3.59	4.95

5. OTHER FINANCIAL ASSETS - NON CURRENT

Security Deposits

532.84 506.29

532.84 506.29

6. OTHER NON CURRENT ASSETS

Unsecured

Capital Advances (Considered good) *

6362.66 6362.65

Leasehold Land Prepayments

22.76 26.06

Prepaid (Deferred) Expenses for Employee Benefit

1.52 1.56

6386.94 6390.27

Includes-*

Rs. 2596.38 Lakhs paid to related parties for acquisition of land for expansion of manufacturing facilities of the company. An agreement for acquisition of land was entered into with these parties in the financial year ending March 31, 2021, for a sum of Rs. 2840.00 Lakhs.

Necessary documentation and seeking government & statutory approvals for the transfer of land in the name of the company is expected in

7. INVENTORIES

Raw Materials

14496.08 12661.60

Work-in-progress

3741.37 3864.55

Finished goods

3090.43 3511.27

Stock-in-trade

313.67 636.72

Goods in transit

6.56 11.17

Stores and spares

367.00 449.59

22015.11 21134.90

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



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023				
Breakup of Inventory						
i) Raw materials -						
API & Intermediates	7247.79	6581.84				
Home Health	6403.68	5040.57				
Formulations	844.61	1036.19				
Total Raw Materials	14496.08	12661.60				
ii) Work in Progress -						
API & Intermediates	3017.10	3505.00				
Home Health	571.35	208.65				
Formulations	152.92	150.90				
Total Work-in-progress	3741.37	3864.55				
iii) Finished goods -						
API & Intermediates	1497.05	2520.39				
Home Health	1344.36	675.23				
Formulations	249.02	315.65				
Finished Goods Inventory	3090.43	3511.27				
iv) Stock in trade -						
Home Health	313.67	297.63				
Formulations	-	339.09				
Stock in trade Inventory	313.67	636.72				
8. TRADE RECEIVABLES						
Unsecured -						
Considered good	31575.97	25547.12				
Considered Doubtful	249.56	173.15				
	31825.53	25720.27				
Less : Allowance for doubtful debts	136.74	173.15				
	31688.79	25547.12				
Ageing of Trade Receivables (2023-24)						
	< than 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	30,830.16	485.90	128.37	63.63	67.91	31,575.97
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	116.13	9.31	36.34	32.62	55.16	249.56
- Credit Impaired	-	-	-	-	-	-
Total Receivables	30,946.29	495.21	164.71	96.25	123.07	31825.53
Ageing of Trade Receivables (2022-23)						
	< 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	25047.02	293.53	137.79	59.48	9.30	25547.12
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	-	-	13.26	24.64	135.25	173.15
- Credit Impaired	-	-	-	-	-	-
Total Receivables	25047.02	293.53	151.05	84.12	144.55	25720.27
9. CASH AND CASH EQUIVALENTS						
Balances with banks						
Current Accounts	1514.81	2101.68				
Cash in hand	15.59	24.68				
	1530.40	2126.36				
10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
Term Deposit - Towards Margin Money & Security against Overdraft, Bills discounting and I.C. facilities (Refer Note No. 14)	3465.88	3326.89				
Guarantees	51.27	137.08				
	3517.15	3463.97				
11. OTHER FINANCIAL ASSETS - CURRENT						
Security Deposits	414.28	290.43				
Interest accrued but not due	155.51	98.04				
Export Incentives Receivable	479.63	162.22				
	1049.42	550.69				



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. in Lakhs)

As at
31.03.2024

As at
31.03.2023

12. OTHER CURRENT ASSETS

Unsecured considered good, unless otherwise stated

Advances with Suppliers & Others*

Leasehold Land Prepayments

Balance with Government Authorities

Advances to Employees

Prepaid Expenses

21327.52	16940.07
1.83	1.47
2026.22	2993.05
121.24	64.71
990.53	235.09
24467.34	20234.39

* Includes-

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

13. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2024		As at March 31, 2023	
	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)
Authorised				
Equity Shares of Rs. 2/- each	100000000	20000.00	100000000	20000.00
Issued and Subscribed				
Equity Shares of Rs. 2/- each	511168708	10223.37	511168708	10223.37
Paid up				
Equity Shares of Rs. 2/- each	511168708	10222.71	511168708	10222.71
(33000 Shares not paid up)				
Reconciliation of the numbers and amount of Equity shares -				
For the year ended	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)
Outstanding at beginning of the year	511168708	10222.71	477826203	9555.86
Add: Shares issued during the year	-	-	33342505	666.85
Outstanding at the end of year	511168708	10222.71	511168708	10222.71

Shares held by promoters at the end of the year

Sl.	Name of the promoter	No. of shares held	% of shareholding
1	KANTIA SURI	1510	0.00
2	RAJAS SURI (KB SURI SONS I IUF)	972830	0.19
3	SANJAY SURI (SANJAY SURI SONS I IUF)	2100000	0.41
4	PRADUMAN LAL SURI I IUF	2990	0.00
5	SUSHIL SURI (SUSHIL SURI SONS I IUF)	1201560	0.24
6	ANUBHAV SURI (ARUN SURI SONS I IUF)	1500000	0.29
7	MAMTA SURI	3004000	0.59
8	SONIA SURI	3679718	0.72
9	SANJAY SURI	3417240	0.67
10	P.L. SURI	400000	0.08
11	ANJU SURI	5186369	1.01
12	SUSHIL SURI	5501510	1.08
13	SUNITA SURI	3192240	0.62
14	SHALU SURI	2052250	0.40
15	VARUN SURI	3052357	0.60
16	ANUBHAV SURI	782134	0.15
17	SARA SURI	705000	0.14
18	GULFY SURI	1150000	0.22
19	AANCHAL SURI	685922	0.13
20	RAJAS SURI	155000	0.03
21	MASTER ARJUN SURI	697060	0.14
22	KANAK SURI	997060	0.20
23	AANANDI SURI	750000	0.15
24	AAKRITI SURI	55000	0.01
25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15159252	2.97
26	CONCLPT CREDITS AND CONSULTANTS PRIVATE LTD.	15347724	3.00
27	EPITOME HOLDINGS PRIVATE LTD.	14500820	2.84
28	LIQUID HOLDINGS PRIVATE LTD.	5003000	0.98
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LTD.	14973813	2.93
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14942134	2.92
31	SOLITARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15114045	2.96
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14102075	2.76
33	SOI ACE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15082790	2.95
34	SEED SECURITIES AND SERVICES PRIVATE LTD.	14328780	2.80
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LTD.	15575405	3.05
	TOTAL	195371588	38.22



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfuk Overseas Ltd.	38530000	7.54%	38530000	7.54%

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

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

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 as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

D. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash.

E. Disclosure about unpaid calls -

(Rs. in Lakhs)

Unpaid Calls	As at 31.03.24	As at 31.03.23
By Directors & Officers	-	-
By Others	0.66	0.66

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

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

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

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

14. BORROWINGS

Long Term

Secured

Term Loans - Vehicles
 Total

As at 31.03.24	As at 31.03.23	Current Portion		Non Current Portion	
		As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
133.75	105.11	336.40	93.35		
133.75	105.11	336.40	93.35		

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

Particulars	Current Portion	Non-Current Portion					Total
		2024-25	2025-26	2026-27	2027-28	2028-29	
Year of Repayment							
Annual Repayment Amount (Rs. Lakhs)	133.75	86.94	81.98	89.51	77.97		336.40
Annual Rate of Interest (%)	7.04% - 9.50%	7.04% - 9.50%	7.04% - 9.50%	7.04% - 9.50%	7.04% - 9.50%	7.04% - 9.50%	7.04% - 9.50%

Short Term

Secured

Bank Overdraft and Bill Discounting facility against term deposit (Refer Note No. 10)
 (Annual rate of interest chargeable on aforesaid facilities ranges upto 9.50%)

Current maturities of Long Term Borrowings

Total

2349.09	2317.95
133.75	105.11
2482.84	2423.06

15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others

42.90	196.50
42.90	196.50



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

16. PROVISIONS

(Rs. in Lakhs)

	CURRENT		NON-CURRENT	
	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
Gratuity	638.09	538.21	2471.97	2201.03
Leave Encashment	208.67	204.00	688.40	685.76
Income Tax (Net of tax payments & TDS Deductions)	1318.35	649.73	-	-
Other Expenses	140.33	99.46	-	-
Total	2305.44	1,491.40	3160.37	2886.79

17. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises	206.64	234.36
Total outstanding dues of creditors other than micro small and medium enterprises	26535.94	21075.32
	26742.58	21309.68

Ageing of Trade Payables (2023-24)	< 1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	206.64	-	-	-	206.64
(ii) Others	26301.41	107.04	78.10	49.39	26535.94
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	26508.05	107.04	78.10	49.39	26742.58

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

18. OTHER FINANCIAL LIABILITIES -CURRENT

Accrued Salaries and Benefits	1612.30	1574.63
Other payables	1786.92	2166.58
	3399.22	3741.21

19. OTHER CURRENT LIABILITIES

Direct & Indirect Taxes	333.42	132.24
	333.42	132.24

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

a) Contingent Liabilities			
Claims against the Company not acknowledged as debts		36.00	81.75
Guarantees		334.78	416.72
Other money for which company is contingently liable		338.34	167.89
		709.12	666.36
b) Other commitments			
Capital commitments		1294.52	517.73
		2003.64	1184.09

(Rs. in Lakhs)

21. REVENUE FROM OPERATIONS

	Year Ended 31.03.2024	Year Ended 31.03.2023
Sale of products:		
Domestic	88657.47	76328.38
Exports	64285.91	57219.53
Total	152943.38	133547.91

Other Operating Revenues		
Export Incentives	815.97	314.15
Other items	-	26.27
	815.97	340.42
	153759.35	133888.33

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

Manufactured goods		
API & Intermediates	93952.20	82303.76
Home Health	41774.80	28420.94
Formulations	10518.01	9240.78
Sale of Manufactured Goods - (A)	146245.01	119965.48

Traded Goods		
Home Health	2496.80	4285.96
Formulations	4201.57	9296.47
Total Sales of Traded Goods - (B)	6698.37	13582.43
Revenues from Sales Operations (A+B)	152943.38	133547.91

22. OTHER INCOME

Interest Income	248.43	165.74
Others	1008.14	410.14
	1256.57	575.88



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

23.	<u>COST OF MATERIALS CONSUMED</u>		
	Raw Materials	83775.12	72588.90
	Packing Materials	4555.56	3552.02
		<u>88330.68</u>	<u>78140.92</u>
	<u>Break up of cost of materials consumed</u>		
	API & Intermediates	53128.28	51136.19
	Home Health	28050.72	17927.55
	Formulations	7151.68	6077.18
	Total	<u>88330.68</u>	<u>78140.92</u>
24.	<u>PURCHASE OF STOCK-IN-TRADE</u>		
	Home Health	2612.62	2936.16
	Formulations	3571.76	7570.77
	Total	<u>6184.38</u>	<u>10506.93</u>
25.	<u>CHANGE IN INVENTORY</u>		
	<u>Opening Balance -</u>		
	Work-in-progress	3864.55	3582.17
	Finished goods	3511.27	3722.87
	Stock-in-trade	636.72	2462.00
	Stores and spares	449.59	348.95
		<u>8462.13</u>	<u>10115.99</u>
	<u>Closing Balance -</u>		
	Work-in-progress	3741.37	3864.55
	Finished goods	3090.43	3511.27
	Stock-in-trade	313.67	636.72
	Stores and spares	367.00	449.59
		<u>7512.47</u>	<u>8462.13</u>
	Less : Transferred to Morepen Rx Ltd., a wholly owned subsidiary of the company, on slump sales basis, vide Business Transfer Agreement dated 22.08.2023, entered between the company and Morepen Rx Ltd. (See Note No. 40)	436.70	-
	Change in Inventory	<u>512.96</u>	<u>1653.86</u>
26.	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salaries and Wages	14553.89	13317.55
	Contribution to provident fund/ ESI	396.22	378.08
	Gratuity and Leave Encashment	600.23	495.49
	Staff Welfare	477.54	428.18
		<u>16027.88</u>	<u>14619.30</u>
27.	<u>FINANCE COST</u>		
	Interest expense	205.84	143.50
	Interest on delay in deposit of Advance Tax	145.10	51.58
		<u>350.94</u>	<u>198.08</u>
28.	<u>OTHER EXPENSES</u>		
	Consumption of Stores and spare parts	2109.80	1462.84
	Power and Fuel	3408.91	2377.70
	Repairs to Buildings	230.61	228.74
	Repairs to Machinery	707.91	547.07
	General Repairs	1370.72	1142.84
	Research & Development	519.83	306.89
	Quality Control & Testing Charges	1426.39	1068.61
	Insurance	185.18	125.58
	Rent	1055.38	976.63
	Rates and Taxes	164.16	221.62
	Legal and Professional Expenses	1400.55	1145.13
	Travelling Expenses	1679.85	1429.51
	Selling and Distribution Expenses	9915.35	8490.81
	Miscellaneous Expenses	2346.91	1716.37
		<u>26521.55</u>	<u>21240.34</u>



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

		(Rs. Lakhs)	
		As at	As at
		31.03.2024	31.03.2023
29.	<u>PAYMENTS TO AUDITORS (excluding GST)</u>		
	<u>Statutory Auditors -</u>		
	Audit Fee	25.00	25.00
	Tax Audit Fee	13.00	13.00
	Tax Matters	2.00	2.00
	Certification & Others	3.03	2.00
	Total	43.03	42.00
	<u>Cost Auditors-</u>		
	Audit Fees	2.00	2.00
	Others	2.50	2.50
	Total	4.50	4.50
30.	<u>PRIOR PERIOD ITEMS</u>		
	Expenses include Rs.66.59 Lakhs (Previous Year Rs.32.32 Lakhs) as expenses relating to earlier years.		
31.	<u>DISCLOSURES ABOUT IMPORTS, EXPENDITURE IN FOREIGN CURRENCY, RAW MATERIAL CONSUMPTION & EARNINGS IN FOREIGN EXCHANGE -</u>		
A.	<u>VALUE OF IMPORTS ON CIF BASIS</u>		
	Raw Materials	52553.06	41327.33
	Stock -in -trade	1499.56	1913.08
	Capital Goods	573.70	77.47
	Total	54626.32	43317.88
B.	<u>EXPENDITURE IN FOREIGN CURRENCY</u>		
	Purchase of Capital Goods/ Travel/ Commission	1217.55	1117.10
	Total	1217.55	1117.10
C.	<u>VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMED AND PERCENTAGE THEREOF</u>		
	Imported	54466.12	47021.83
	Indigenous	33864.30	31119.09
	Total	88330.42	78140.92
	% Imported	61.66	60.18
	% Indigenous	38.34	39.82
	Total	100.00	100.00
D.	<u>EARNINGS IN FOREIGN EXCHANGE</u>		
	Exports of Goods on F.O.B. basis	63876.30	56566.49
	Total	63876.30	56566.49
32.	<u>SEGMENT REPORTING</u>		
	In accordance with Indian Accounting Standard, Ind AS-108 "Operating Segment", segment information has been given in consolidated financial statements of the company, and therefore, no separate disclosure on segment information is given in these financial statements.		
33.	<u>RELATED PARTY DISCLOSURES</u>		
	Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:		

Related Parties	
1. Subsidiary Companies - Morepen Bio Inc., USA (Formerly Morepen Inc.) Dr. Morepen Limited Morepen Devices Limited Morepen Rx Limited Total Care Limited	Overseas Company Domestic Company Domestic Company Domestic Company Domestic Company
2. Key Management Personnel	Mr. Sushil Suri, Chairman & Managing Director Mr. Sanjay Suri, Whole Time Director Mr. Ajay Sharma, Chief Financial Officer Mr. Vipul Srivastava, Company Secretary
3. Relatives of Key Management personnels with whom the company has any transaction during the year	Mr. Varun Suri, Mr. Anubhav Suri, Mr. Kushal Suri, Mrs. Smita Suri, Mrs. Mamta Suri, Mrs. Shalu Suri, Mrs. Sakshi Suri, Mrs. Suhina Suri, Mrs. Bavleen Suri, Mr. Rajas Suri, Ms. Anandi 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	Edit 25 Lifestyle Private Limited Mr. Naman Joshi Groom Town Pvt. Ltd. Happier Life Pvt. Ltd.

Transactions with related parties -		
Particulars	Nature of transaction	Rs. Lakhs
1. Subsidiary Companies	Subscription of Share Capital	703.24
	Sale of inventories	16455.62
	Brand Usage expenses	221.36
	Purchase of inventories	99.69
	Reimbursement of Office & Rental Expense	266.74
	Amount receivable as on 31.03.2024	4021.02
	Maximum amount outstanding	4311.73
2. Key Management Personnel	Remuneration	779.49
	Amount Payable as on 31.03.24	212.82
	Maximum amount outstanding	223.68
3. Relatives of key Management personnels with whom the company has any transaction during the year	Remuneration	693.67
	Amount Payable as on 31.03.24	153.55
	Maximum amount outstanding	200.79
4. Entities over which key management personnel or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Receipt of services	46.20
	Amount Payable as on 31.03.24	6.62
	Maximum amount outstanding	10.39

Remuneration paid to employees of Morepen Laboratories Limited (the company) and its KMP's of the subsidiaries, is not included in the above details. The above details also do not include retail purchases made by related parties from the company.



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

34. EARNING PER SHARE

Particulars	Year Ended	
	31.03.2024	31.03.2023
Profit for the year (Rs. in Lakhs)	11093.60	4624.29
Earnings per share in rupees (face value Rs. 2/- per share)-		
Weighted average number of equity shares used in computing basic EPS	511168708	502206570
Basic & Diluted EPS (Rs.) - (Face value of Rs. 2/- per share)	2.17	0.92

35. EMPLOYEE BENEFITS

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

(A) Disclosures for Defined Contribution Plans -

Particulars	(Rs. Lakhs)	
	31.03.2024	31.03.2023
Employer's Contribution to Provident Fund	361.25	345.67
Employer's Contribution to Employees State Insurance	33.93	31.60
Labour Welfare Fund- Employer	1.03	0.80

(B) Disclosures for Defined Benefit Plans - Unfunded

Particulars	(Rs. Lakhs)			
	Gratuity		Leave Encashment	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Change in the present value of obligation:				
Present Value of Obligation at beginning of the year	2739.24	2293.68	889.78	817.28
Add: Interest Cost	206.78	185.68	71.97	69.91
Add: Current Service Cost	204.74	175.90	369.61	277.36
Less:- Benefit Paid	311.29	113.39	491.30	288.79
Add: Actuarial loss (gain) on obligations	270.59	197.37	57.01	14.02
Present Value of Obligation as at year end	3110.06	2739.24	897.07	889.78

ii Change in the fair value of plan Assets:

	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Fair Value of Plan Assets at the beginning of year	-	-	-	-
Add : Expected Return on Plan Assets	-	-	-	-
Add : Contributions	-	-	-	-
Less: Benefits Paid	-	-	-	-
Fair Value of Plan Assets at year end	-	-	-	-

iii Expense recognized in the Statement of Profit & Loss

	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Current Service Cost	204.74	175.90	369.61	277.36
Add: Interest Cost	206.78	185.68	71.97	69.91
Less: Expected Return on plan assets	-	-	-	-
Less: Settlement Credit	-	-	309.89	227.39
Add: Net actuarial loss/(gain) recognised	270.59	197.37	57.01	14.02
Total expenses recognized in the statement of profit & loss	682.11	558.95	188.70	133.90

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

Assumptions	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Discount Rate	7.20%	7.20%	7.20%	7.20%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Expected Return on Assets	-	-	-	-
Employee Turnover rates	3.00%	3.00%	3.00%	3.00%
Expected average remaining working lives of employees (years)	19.91	19.91	20.07	20.07

Notes -

1. A sum of Rs. 309.89 Lakhs (previous year Rs. 227.39 Lakhs) benefits paid as salaries in respect of compensated absences and Rs. 41.33 Lakhs (previous year Rs.61.40 Lakhs) regular benefit payments upon exit from service is included in the amount of Rs. 426.38 Lakhs (previous year Rs.288.79 Lakhs) of benefits paid.

2. Benefits paid includes a sum of Rs. 87.91 Lakhs (Gratuity) and Rs.64.92 Lakhs (Leave Encashment), transferred to Morepen Rx Limited (MRx Ltd.), a wholly owned subsidiary, in respect of employees transferred to MRx Ltd., in transfer of business under Slump Sales basis under U/R 11UA, of Income Tax Rules 1962, pursuant to business transfer agreement (BTA) signed between, Morepen Laboratories Limited and Morepen Rx Limited dated, August 22, 2023.

36. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2024. Hence, no provision is required in the accounts for the year under review.

37. INCOME TAXES

A. Current Tax and Deferred Tax Expense

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

For the year ended	31st March 2024	31st March 2023
Current tax	3788.63	1607.40
Earlier Years taxes	(9.04)	(0.41)
Deferred tax expense	(13.65)	20.31
Total income tax expenses	3735.94	1,627.33

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

Deferred Tax Liabilities	1263.30	1225.59
Deferred Tax Assets	1038.35	956.99
Deferred tax Liabilities/(Assets) (Net)	224.95	268.60

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

Deferred Tax Assets -	31st March 2024	31st March 2023
Retirement benefits & Leave Encashment	4007.14	3629.02
Provisions deductible for tax purposes in future periods	118.54	173.38
Total	4125.68	3802.40
Tax Rate	25.17%	25.17%
Tax Amount	1038.35	956.99

Deferred tax Liabilities -

PP&E depreciation and Intangible Amortisation	5019.46	4869.61
Total	5019.46	4869.61
Tax Rate	25.17%	25.17%
Tax Amount	1263.30	1225.59



38. **OTHERS SIGNIFICANT DISCLOSURES**

- a) In the opinion of directors, all assets except stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances of Non-current liabilities, Current liabilities, Long term loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.
- c) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.
- d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.
- e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f) During the year, the company has transferred the Branded Formulation (Rx) Business to its 100% subsidiary, Morepen Rx Limited, vide business transfer agreement dated 22nd August, 2023 as a going concern for lump sum consideration of Rs. 703.23 lakhs on a slump sale basis. The company has acquired 70,82,356 - equity shares of Morepen Rx Limited, of Rs. 10 - each, at par, as consideration for transfer of branded formulation business.

The movable assets, current assets and liabilities transferred by the company through its business transfer agreement dt. 22.08.2023 effective 01.08.2023 is as under: -

Particulars/Amount (Rs. in Lakhs)	Book Value as on 31.07.2023
Movable Assets	
Computer	1.97
Sub-Total	1.97
Other Non Current Financial Assets	24.43
Current Assets :	
Inventories	436.70
Financial Assets:	
Trade Receivable	1873.46
Cash and cash Equivalents	0.36
Bank Balances other than Cash and Cash Equivalents	16.68
Other Financial Assets	24.69
Other Current Assets	1019.82
Sub-Total	3371.71
Total	3398.11
Liabilities :	
Non-Current Liabilities	
Financial Liabilities:	
Other Financial Liabilities	134.00
Provisions	156.42
Sub-Total	310.42
Current Liabilities :	
Financial Liabilities:	
Trade Payable	2017.60
Other Financial liabilities	283.52
Other Current Liabilities	21.88
Provisions	61.45
Sub-Total	2384.45
Total	2694.87
Purchase Consideration (Total Assets-liabilities)	703.24

39. **Corporate Social Responsibility (CSR)**

- a) During the financial year ended March 31, 2024, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was Rs.210.00 Lakh (Previous year Rs.189.57 Lakh).
- b) During the year the Company has made an expenditure of Rs.220.36 Lakh (Previous year Rs.190.26 lakh) related to CSR.
- c) Details of CSR expenditure incurred during the year ended March 31, 2024 is as below :-

Nature of CSR activity	(Rs. Lakhs)	
	31.03.2024	31.03.2023
-Promotion of Healthcare	54.07	48.63
-Social Infrastructure	47.46	98.57
-Education	115.04	29.24
-Sports	3.79	13.82
Total	220.36	190.26



MOREPEN LABORATORIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

40. Ratios	<i>As at</i> 31.03.2024	<i>As at</i> 31.03.2023
Current Ratio	2.39	2.51
- Numerator - Current Assets	84290.64	73084.80
- Denominator - Current Liabilities	35263.50	29097.59
Inventory turnover Ratio	4.40	3.85
- Numerator - Cost of Goods Sold	95028.02	90301.71
- Denominator - Average Inventory	21575.01	23480.13
Trade receivables turnover Ratio (days)	67	65
- Numerator - Revenue	155015.92	134464.21
- Denominator - Average Debtors	28617.96	23867.12
Trade payables turnover Ratio (days)	92	87
- Numerator - COGS	95028.02	90301.71
- Denominator - Average Creditors	24026.13	21520.80
Debt-Equity Ratio	0.03	0.03
- Numerator - Debt	2819.24	2516.41
- Denominator		
Equity	10222.71	10222.71
Reserves & Surplus	79568.03	68474.43
Warrants	-	-
OCI	(888.31)	(685.72)
Total Equity	88902.43	78011.42
Debt Service Coverage Ratio	576.46%	312.15%
- Numerator - EBITDA	17438.47	8302.86
- Denominator -Total Loan Liability	3025.08	2659.91
Interest on loans	205.84	143.50
Principal loans	2819.24	2516.41
Net profit Ratio	7.16%	3.44%
- Numerator - PAT	11093.60	4624.29
- Denominator - Revenue	155015.92	134464.21
Return on Equity Ratio (RoE)	12.48%	5.93%
- Numerator - PAT	11093.60	4624.29
- Denominator -Total Equity	88902.43	78011.42
Net capital turnover Ratio	1.74	1.72
- Numerator - Revenue	155015.92	134464.21
- Denominator -Total Equity	88902.43	78011.42
Return on Capital employed (RoCE)	16.46%	7.98%
- Numerator - EBIT (PBT+Interest)	15248.49	6502.29
PBT	14897.55	6304.21
Interest	350.94	198.08
- Denominator		
Shareholder's wealth	88902.43	78011.42
Preference Capital	-	-
Non current borrowings	336.40	93.35
Non Current Liabilities	3428.22	3351.89
Total capital employed	92667.05	81456.66
Return on investment	8.67%	4.18%
- Numerator - PAT	11093.60	4624.29
- Denominator - Total Assets	127930.55	110554.25

