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Satinder Goyal & Co.

Chartered Accountants

Independent Auditor's Report

To the Members of Dr. Morepen Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Dr. Morepen Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder.

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 adequacy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.



In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedure selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the Note no. 2(2) of the Ind AS financial statements regarding Trade Mark "Burnol" forming part of trade marks was given as collateral security against inter corporate deposit taken by the parent company. Legal case in respect of the above trade mark is pending for final adjudication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and as per information and explanations given to us during the course of audit, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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), the Statement of Cash Flows and the Statement of the Changes in Equity dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone Ind AS 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 as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of section 164(2) of the Act.
- f) Based on the checking of the books and records of the Company as we considered appropriate and as per information and explanations given to us, our separate report with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls is as per Annexure B.
- g) 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 its financial position in its standalone Ind AS financial statements – Refer Note No. 19 to the Standalone Ind AS financial statements;
 - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivate contracts;
 - (iii) the company was not liable to transfer any amount to the Investor Education and Protection Fund;

Date : 16th May 2018
Place : New Delhi

For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N
FRN
027334N
S.K. Goyal
(Partner)
Membership No. : 084613

Annexure “A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone Ind AS financial statements of Dr. Morepen Limited for the year ended 31st March 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the explanation and information given to us, the Company has a regular programme of physical verification of its fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. As, informed to us, the discrepancies noticed on such verification are not material and have been properly dealt with adjusted in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the title deeds of immovable property are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. The discrepancies noticed on physical verification of inventory as compared to books of accounts were not material.
- (iii) According to the information and explanations given to us, the company has not granted any fresh loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. However old interest free unsecured loan to subsidiary company Total Care Limited amounting to Rs. 868.00 lacs is outstanding as on March 31,2018. There are no fixed term for repayment. (Refer note 5 to the Ind AS financial statements).
- (iv) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Act.
- (v) The company has not accepted any deposit from the public within the meaning of section 73,74,75 and 76 of the Act and the rules framed there under to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records for the company under section 148(1) of the Act..
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the amount deducted /accrued in the books of accounts in respect of undisputed statutory dues including sales tax, service tax, duty of custom, duty of excise, cess have generally been regularly



deposited during the year by the company with the appropriate authorities. *However the company is not regular in depositing the dues of Employee's State Insurance, Provident fund, Income Tax (TDS) & Value Added Tax (VAT), Goods and Services Tax (GST) though the delays in deposit have not been serious.*

According to the records and information and explanations given to us, no undisputed amount payable in respect of provident fund, sales tax, income tax, value added tax, duty of custom, service tax, cess and other material statutory dues were in arrears as on March 31, 2018 for a period of more than six months from the date they became payable.

(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, Customs duty, cess outstanding as at March 31, 2018 due to any dispute.

- (viii) According to the information and explanations given to us by the management, the company has not defaulted in repayment of loans or interest to Banks/FIs.:
- (ix) According to the information and explanations given to us and based on our examination of the records of the company, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management
- (xi) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has paid/provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion and according to information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



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

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



S.K. Goyal
(Partner)

Membership No. : 084613

Date : 16th May 2018
Place : New Delhi

Annexure “B” 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 Ind AS financial statements of Dr. Morepen Limited for the year ended 31st March 2018

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 **Dr. Morepen Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 (‘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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

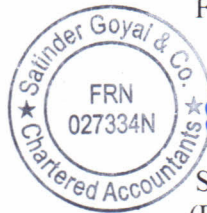
Inherent Limitations of Internal Financial Controls Over Financial Reporting

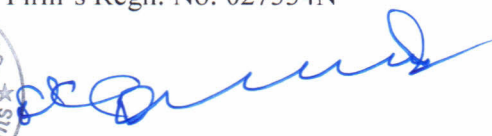
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 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, 2018, 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.

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




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

Date : 16th May 2018
Place : New Delhi

Dr. MOREPEN LIMITED
BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. in Lakhs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A ASSETS				
1. NON-CURRENT ASSETS				
Fixed Assets :				
Property, Plant and Equipment	2	225.88	256.69	241.27
Intangible Assets		545.83	-	-
		<u>771.71</u>	<u>256.69</u>	<u>241.27</u>
Financial Assets :				
Investments	3	1171.00	1171.00	1171.00
Other Non-Current Assets	5	2300.89	8426.37	8043.59
		<u>4243.60</u>	<u>9854.06</u>	<u>9455.86</u>
2. CURRENT ASSETS				
Inventories	6	294.23	216.80	132.25
Financial Assets :				
Trade Receivables	7	1005.70	850.90	602.37
Cash and Cash Equivalents	8	20.79	79.33	63.48
Loans	4	1.65	3.44	3.47
Other Current Assets	9	146.97	45.83	55.29
		<u>1469.34</u>	<u>1196.30</u>	<u>856.86</u>
TOTAL		<u>5712.94</u>	<u>11050.36</u>	<u>10312.72</u>
B EQUITY AND LIABILITIES				
1. EQUITY				
Equity Share Capital	10	4067.95	4067.95	4067.95
Other Equity	11	(277.60)	(597.33)	(688.05)
		<u>3790.35</u>	<u>3470.62</u>	<u>3379.90</u>
2. NON - CURRENT LIABILITIES				
Financial Liabilities :				
Borrowings	12	25.04	44.76	66.95
Other Financial Liabilities	13	110.27	117.47	95.53
Other Non Current Liabilities	14	-	5771.27	5227.25
Provisions	15	97.07	90.02	62.85
		<u>232.38</u>	<u>6023.52</u>	<u>5452.58</u>
3. CURRENT LIABILITIES				
Financial Liabilities :				
Trade payables	16	995.87	856.23	781.28
Other Financial liabilities	17	240.59	241.49	222.53
Other Current Liabilities	18	446.86	454.84	473.48
Provisions	15	6.89	3.66	2.95
		<u>1690.21</u>	<u>1556.22</u>	<u>1480.24</u>
TOTAL		<u>5712.94</u>	<u>11050.36</u>	<u>10312.72</u>

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

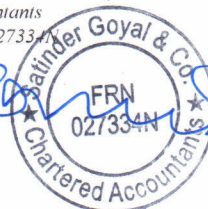
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As per our separate report of even date

For & on behalf of the Board of Directors of Dr. Morepen Limited

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


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



(Sanjay Suri)
Managing Director
DIN No. : 00041590


(Deepak Kumar Das)
Company Secretary

(Ajay Kumar Sharma)
Director
DIN No. : 00041932



Place : New Delhi
Date : 16 May, 2018

Dr. MOREPEN LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	<u>Notes</u>	(Rs. in Lakhs)	
		<u>Year Ended</u> <u>31.03.2018</u>	<u>Year Ended</u> <u>31.03.2017</u>
REVENUE			
Revenue from Operations (Net)	20	4889.36	4717.66
Other Income		-	-
Total Revenue		4889.36	4717.66
EXPENSES			
Purchases of Stock-in-Trade	22	3082.64	3083.70
Changes in inventories of Stock-in-Trade	6	(77.43)	(84.54)
Employee Benefits Expenses	23	784.79	813.12
Finance Cost	24	6.27	8.74
Depreciation & Amortization	2	92.25	34.24
Other Expenses	25	679.03	774.57
Total Expenses		4567.55	4629.83
Profit/(Loss) before exceptional and extraordinary items and tax		321.81	87.83
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/ (Loss) for the Year		321.81	87.83
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss :			
Actuarial Gain/(Loss) on Employee Benefits		(2.08)	2.89
Other Comprehensive Income for the Year		(2.08)	2.89
Total Comprehensive Income for the Year		319.73	90.72
Earning/(Loss) per share of par value of Rs.10/- Basic	26	0.79	0.22

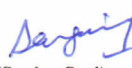
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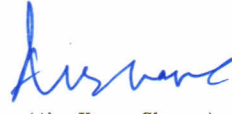
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As per our separate report of even date

For & on behalf of the Board of Directors of Dr. Morepen Limited

For Satinder Goyal & Co.
Chartered Accountants
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(Sanjay Suri)
Managing Director
DIN No. : 00041590


(Ajay Kumar Sharma)
Director
DIN No. : 00041932



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


(Deepak Kumar Das)
Company Secretary

Place : New Delhi
Date : 16 May, 2018

Dr. MOREPEN LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**

(Rs. in Lakhs)

	Note No.	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 01.04.2016
A. CASH FLOWS FROM OPERATING ACTIVITIES :				
Profit before Tax		319.73	90.72	(287.87)
Adjustments for :				
Depreciation & Amortisation	2	92.25	34.24	27.38
(Profit)/Loss on Sale of Property, Plant & Equipments	2	-	5.24	-
Finance Cost	24	6.27	8.74	9.10
Operating Profit before changes in Current Assets and Liabilities		418.25	138.94	(251.39)
Changes in current assets and current liabilities -				
Trade Receivables	7	(154.80)	(248.53)	(55.64)
Current Loans and other current assets	4,9	(99.35)	9.49	(17.41)
Inventories	6	(77.43)	(84.55)	43.18
Current liabilities	15,16,17,18	133.99	75.98	246.93
Income Tax		-	-	-
NET CASH GENERATED/(USED) FROM OPERATING ACTIVITIES		220.66	(108.67)	(34.34)
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Property, Plant & Equipments	2	(1.99)	(62.50)	(206.08)
Purchase Addition of Intangibles	2	(605.28)	-	-
Proceeds from Sale of Property, Plant & Equipments	2	-	7.58	-
Loans & Other Non-current assets	5	6,125.48	(382.78)	(1,782.05)
NET CASH GENERATED/ (USED) IN INVESTING ACTIVITIES		5518.21	(437.70)	(1988.13)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Finance Cost	24	(6.27)	(8.74)	(9.10)
Proceeds (Repayments) of Long Term Borrowings (Net)	12	(19.72)	(22.18)	62.46
Change in Other Long Term liabilities & provisions(Net)	13,14,15	(5771.42)	593.14	2028.51
NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES		(5797.41)	562.22	2081.86
Net Increase (Decrease) in Cash and Cash equivalents (A+B+C)		(58.54)	15.85	59.39
Cash and Cash Equivalents as at Beginning of the Year		79.33	63.48	4.09
Cash and Cash Equivalents as at End of the Year		20.79	79.33	63.48

SIGNIFICANT ACCOUNTING POLICIES

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NOTES ON FINANCIAL STATEMENTS

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As per our separate report of even date

For & on behalf of the Board of Directors of Dr. Morepen Limited

For Satinder Goyal & Co.

Chartered Accountants

Firm Regn. No. 006855N/NS00061

(CA S.K. Goyal)

Partner

Membership No. 084613

Place : New Delhi

Date : 16 May, 2018

(Sanjay Suri)

Managing Director

DIN No. : 00041590

(Deepak Kumar Das)

Company Secretary

(Ajay Kumar Sharma)

Director

DIN No. : 00041932



Dr. Morepen Limited

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Dr. Morepen Limited ("the Company") is a Public limited company incorporated and domiciled in India. 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 trading of OTC, Health and diagnostic products.

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. For all periods up to and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 35.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 16, 2018.

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

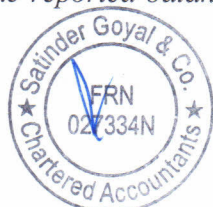
These financial statements are prepared under the historical cost convention unless otherwise indicated.

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**

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

Inventories have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less. Goods in transit are carried at cost.

1.7. Foreign Currency Transactions / Translations

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

1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the



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

1.9 Leases

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

2.0 Financial Instruments

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

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

i) Initial Recognition and measurement

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

ii) Subsequent measurement

a) Financial assets carried at amortised cost

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

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

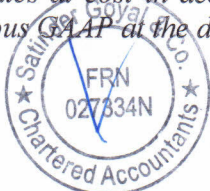
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified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

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

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

d) Investments in subsidiaries, joint ventures and associates

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



deemed cost in accordance with Ind AS 101.

e) **Financial liabilities**

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

Financial liabilities at FVTPL

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

Other Financial liabilities

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

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

iii) **Derecognition of financial instruments**

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

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

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

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

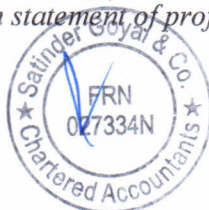
In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 **Impairment of Assets**

i) **Financial Assets**

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

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



ii) **Non-Financial Assets**

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

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

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

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

2.2 **Revenue Recognition**

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

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

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

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

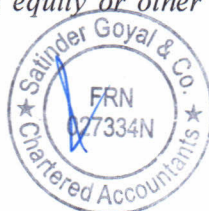
2.3 **Interest**

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

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

2.4 **Income Taxes**

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



which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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. 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.

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

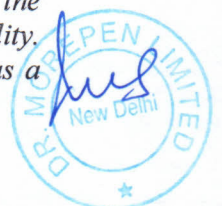
2.5 **Borrowing Costs**

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

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

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

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



finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

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

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

2.7 **Earning per share**

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

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

2.8 **Employee Retirement benefits**

i) Short term employee benefits

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

ii) Post – employment benefits

Defined contribution plans –

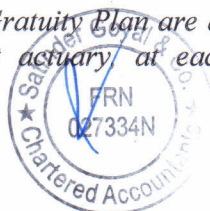
Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the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

Defined benefit plans –

Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each balance sheet date using the



projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) Long – term employee benefits

Leave Encashment

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

2.9 **Segment Reporting**

The company operates in one reportable business segment i.e. “ OTC,Health & diagnostic products”.

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.



Dr. MOREPEN LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2017

2 PROPERTY, PLANT AND EQUIPMENTS

Tangible Assets

(Rs. in Lakhs)

PARTICULARS	Gross Block				Depreciation				Carrying Value	
	As at 01.04.16	Addition	Disposals	As at 31.03.17	As at 01.04.16	For the Year	Deduction	As at 31.03.17	As at 31.03.17	As at 31.03.16
Land	14.94	-	-	14.94	-	-	-	-	14.94	14.94
Office Equipments	7.21	1.45	-	8.66	1.93	1.26	-	3.19	5.47	5.28
Computer	21.37	2.54	-	23.91	12.96	3.70	-	16.66	7.25	8.41
Plant and Equipment	41.00	57.28	4.25	94.03	0.64	7.13	0.35	7.42	86.61	40.36
Furniture & Fixtures	46.42	1.23	-	47.65	13.82	3.24	-	17.06	30.59	32.60
Vehicles	176.84	-	14.19	162.65	37.16	18.91	5.25	50.82	111.83	139.68
Total	307.78	62.50	18.44	351.84	66.51	34.24	5.60	95.15	256.69	241.27
Previous Year	101.70	206.08	-	307.78	39.13	27.38	-	66.51	241.27	62.57

Intangible Assets

PARTICULARS	Gross Block				Depreciation / Amortization				Carrying Value	
	As at 01.04.16	Addition	Disposals	As at 31.03.17	As at 01.04.16	For the Year	Deduction	As at 31.03.17	As at 31.03.17	As at 31.03.16
Trade Marks	2323.23	-	-	2323.23	2323.23	-	-	2323.23	-	-
Total	2323.23	-	-	2323.23	2323.23	-	-	2323.23	-	-
Previous Year	2323.23	-	-	2323.23	2323.23	-	-	2323.23	-	-



Dr. MOREPEN LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2018

2 PROPERTY, PLANT AND EQUIPMENTS

Tangible Assets

(Rs. in Lakhs)

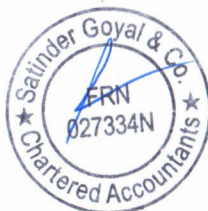
PARTICULARS	Gross Block			Depreciation			Carrying Value			
	As at 01.04.17	Addition	Disposals	As at 31.03.18	As at 01.04.17	For the Year	Deduction	As at 31.03.18	As at 31.03.18	As at 31.03.17
Land	14.94			14.94	-			-	14.94	14.94
Office Equipments	8.66			8.66	3.19	1.38		4.57	4.09	5.47
Computer	23.91	1.48		25.39	16.66	3.48		20.14	5.25	7.25
Plant and Equipment	94.03			94.03	7.42	6.87		14.29	79.74	86.61
Furniture & Fixtures	47.65	0.51		48.16	17.06	3.27		20.33	27.83	30.59
Vehicles	162.65			162.65	50.82	17.80		68.62	94.03	111.83
Total	351.84	1.99	-	353.83	95.15	32.80	-	127.95	225.88	256.69
Previous Year	307.78	62.50	18.44	351.84	66.51	34.24	5.60	95.15	256.69	241.27

Intangible Assets

PARTICULARS	Gross Block			Depreciation / Amortization			Carrying Value			
	As at 01.04.17	Addition	Disposals	As at 31.03.18	As at 01.04.17	For the Year	Deduction	As at 31.03.18	As at 31.03.18	As at 31.03.17
Trade Marks	2323.23	365.24	-	2688.47	2323.23	13.70	-	2336.93	351.54	-
Customer acquisition Cost	-	240.04	-	240.04	-	45.75	-	45.75	194.29	-
Total	2,323.23	605.28	-	2,928.51	2,323.23	59.45	-	2,382.68	545.83	-
Previous Year	2323.23	-	-	2323.23	2323.23	-	-	2323.23	-	-

Notes -

1. Land appearing above was sold in earlier years and advance received against sale as appearing under the head other current liabilities. Revenue on this transaction is not recongnised in the books as some obligations are still pending.
2. Trade mark "Burnol" forming part of 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.
3. The brands having gross value of Rs 300.00 Lacs are owned by the company on assignment basis.
4. Trademark Lifespring bought during the year from subsidiary company Total Care Limited for Rs. 365.24 Lakhs , pending transfer of ownership .
5. Customer acquisition Cost comprises expenses incurred for investment for products & markets.



Dr. MOREPEN LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2018

		(Rs. in Lakhs)					
		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016			
3	INVESTMENTS						
a.	Trade Investments						
	<i>Investment in Equity instruments (Unquoted)</i>						
	<i>Subsidiary Company</i>						
	<i>Total Care Ltd</i>						
	8,86,716 (Previous Year 8,86,716) Equity Shares of Rs. 100/- each fully paid up	1171.00	1171.00	1171.00			
	Provision for fall in carrying value of investments, in respect of losses in the subsidiary company has not been made, as this, in management's perception, is temporary in nature.						
b.	Other Investments (At Cost) -	-	-	-			
		1171.00	1171.00	1171.00			
	Unquoted Investments -						
	Aggregate Amount	1171.00	1171.00	1171.00			
4.	LOANS						
		Current Portion		Non Current Portion			
		As at 31-3-18	As at 31-3-17	As at 01-04-16	As at 31-3-18	As at 31-3-17	As at 01-04-16
	Financial Assets at amortised cost						
	Loans to Employees	1.65	3.44	3.47	-	-	-
		1.65	3.44	3.47	-	-	-
5	OTHER NON CURRENT ASSETS						
	<i>Unsecured, considered good</i>						
	Capital Advances*	1413.42	7184.69	6801.91			
	Due from Subsidiary Company -Total Care Limited**	868.00	1227.31	1227.31			
	Security Deposits	19.47	14.37	14.37			
		2300.89	8426.37	8043.59			
	* Represents the sum advanced for the acquisition of marketing rights/buyout of new OTC brands. (Nil, P.Y. Rs. 5771.27 Lakh advance from Morepen Laboratories Limited (Holding Company)						
	** Non interest bearing & having no fixed terms of repayment						
6	INVENTORIES						
	Stock in Trade	294.23	216.80	132.25			
		294.23	216.80	132.25			
	The inventory of stock in trade has been taken, valued and certified by the management.						
	Break-up of Inventory						
	Classification						
	Stock in Trade						
	Tablets	66.70	39.86	37.49			
	Tubes	15.16	19.71	37.49			
	Others	212.37	157.23	57.27			
	Total	294.23	216.80	132.25			
7	TRADE RECEIVABLES						
	Debts outstanding for a period exceeding six months						
	Unsecured	38.23	40.45	30.55			
	Considered good	33.22	22.02	14.44			
	Considered doubtful	71.45	62.47	44.99			
	Less: Allowance for bad & doubtful debt	(33.22)	(22.02)	(14.44)			
		38.23	40.45	30.55			
	Other Debts						
	Unsecured, Considered good	967.47	810.45	571.82			
		1005.70	850.90	602.37			
8	CASH AND CASH EQUIVALENTS						
	Balances with banks						
	Current Accounts	19.86	78.03	62.89			
	Cash in hand	0.93	1.30	0.59			
		20.79	79.33	63.48			
9	OTHER CURRENT ASSETS						
	<i>Unsecured, considered good unless otherwise stated</i>						
	Advance with suppliers and others	121.80	22.58	35.56			
	Balance with Government Authorities	8.55	-	0.04			
	Advances to employees	4.24	7.31	8.21			
	Recoverable from Customs Insurance	7.80	15.94	6.27			
	Prepaid Expenses	4.58	-	5.20			
		146.97	45.83	55.28			
	Advances Considered Doubtful	9.15	9.15	-			
	Less : Provision for doubtful advances	(9.15)	(9.15)	-			
		146.97	45.83	55.28			



Dr. MOREPEN LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2018

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Rs. in Lakhs)			
10 A. SHARE CAPITAL			
Authorised			
4,50,00,000 (Previous Year 4,50,00,000) Equity Shares of Rs.10- each	4500.00	4500.00	4500.00
	<u>4500.00</u>	<u>4500.00</u>	<u>4500.00</u>
Issued, Subscribed and paid up			
4,06,79,500 (Previous Year 4,06,79,500) Equity Share of Rs.10- each fully paid up	4067.95	4067.95	4067.95
	<u>4067.95</u>	<u>4067.95</u>	<u>4067.95</u>

B. **Reconciliation of the numbers and amount of Equity shares -**

	31.03.2018		31.03.2017		01.04.16	
	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)
Outstanding at beginning of the year	40679500	4067.95	40679500	4067.95	40679500	4067.95
Add : Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back during the year	-	-	-	-	-	-
Outstanding at the end of year	<u>40679500</u>	<u>4067.95</u>	<u>40679500</u>	<u>4067.95</u>	<u>40679500</u>	<u>4067.95</u>

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

a) i) The company has only one class of shares referred as equity shares, having a par value of Rs. 10- each. Each holder of equity shares is entitled to one vote per share.

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

D. **Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:**

Name of Holding Company	As at 31-03-2018		As at 31-03-2017		As at 01.04.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Morepen Laboratories Ltd.	40679500	100	40679500	100	40679500	100

E. **Shares in the company held by each shareholder holding more than 5% shares -**

Name of Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Morepen Laboratories Ltd.	40679500	100	40679500	100	40679500	100

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

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

11 **OTHER EQUITY**

For the year ended March 31, 2018

Reserves & Surplus				(Rs. in Lakhs)
Particulars	Securities Premium	Retained Earnings	Other items of other comprehensive	Total
Balance as at 1st April 2017	3287.25	(3,887.47)	2.89	(597.33)
Profit for the year		321.81		321.81
Other comprehensive income for the year			(2.08)	(2.08)
Total Comprehensive income for the year			(2.08)	(2.08)
Balance as at 31 March 2018	3287.25	(3,565.66)	0.81	(277.60)

For the year ended March 31, 2017

Reserves & Surplus				(Rs. in Lakhs)
Particulars	Securities Premium	Retained Earnings	Other items of other comprehensive	Total
Balance as at 1st April 2016	3,287.25	(3,975.30)		(688.05)
Profit for the year		87.83		87.83
Other comprehensive income for the year			2.89	2.89
Total Comprehensive income for the year			2.89	2.89
Balance as at 31 March 2017	3287.25	(3,887.47)	2.89	(597.33)



Dr. MOREPEN LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2018

(Rs. in Lakhs)

As at 31.03.2018 As at 31.03.2017 As at 01.04.2016

12 **BORROWINGS**

	Non Current Portion			Current Portion		
	As at 31-3-18	As at 31-3-17	As at 01.04.16	As at 31-3-18	As at 31-3-17	As at 01.04.16
Secured						
Term Loans from Banks	25.04	44.76	66.95	19.72	22.19	22.29
Unsecured						
Due to Holding Company	-	-	-	-	-	-
	25.04	44.76	66.95	19.72	22.19	22.29

a. Term Loans from Banks

Current Portion of long term borrowings is appearing under the head Other financial Liabilities(Refer Note No. 17)

b. Term Loans from Banks represents vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of Repayment	2019-20	2020-21	Total
Annual Repayment Amount (Rs./Lakhs)	21.26	3.78	25.04
Annual Rate of Interest	10-16%	10-16%	10-16%

13 **OTHER FINANCIAL LIABILITIES**

Security received from business associates & others

110.27	117.47	95.53
110.27	117.47	95.53

14 **OTHER NON CURRENT LIABILITIES**

Advance from Morepen Laboratories Limited -Holding Company *

-	5771.27	5227.25
-	5771.27	5227.25

*Advance from Morepen Laboratories Limited -Holding Company

(Amount advanced towards acquisition of marketing rights/buyout of new OTC brands has been applied towards amount payable to parent company) (Refer Note No. 5)

15 **PROVISIONS**

	Long-Term			Short-Term		
	As at 31-3-18	As at 31-3-17	As at 01.04.16	As at 31-3-18	As at 31-3-17	As at 01.04.16
Provision for employees benefit(unfunded) -						
Gratuity	58.47	51.96	37.21	2.22	1.93	1.58
Leave Encashment	38.60	38.06	25.64	4.67	1.73	1.37
	97.07	90.02	62.85	6.89	3.66	2.95

16 **TRADE PAYABLES**

Total outstanding dues of micro, small and medium enterprises.

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

-	-	-
995.87	856.23	781.28
995.87	856.23	781.28

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

17 **OTHER FINANCIAL LIABILITIES**

Accrued salaries and benefits

Current portion of long term borrowings (Refer Note No. 12)

Other payables

142.57	143.91	139.74
19.72	22.19	22.29
78.30	75.39	60.50
240.59	241.49	222.53

18 **OTHER CURRENT LIABILITIES**

Direct Taxes

Indirect Taxes

Advance against sale of Fixed Assets*

6.78	7.91	13.99
5.08	11.93	24.49
435.00	435.00	435.00
446.86	454.84	473.48

* Advance against sale of Fixed Assets

Advance against the sale of fixed assets represents amount received for the sale of land appearing in the Note no. 2(1) of notes of financial statements under the head Fixed Asset and the revenue on this transaction is not recognised in the books as some obligations are still pending.

19 **CONTINGENT LIABILITIES AND COMMITMENTS
(TO THE EXTENT NOT PROVIDED FOR)**

a) Contingent Liabilities

Claim against the Company not acknowledged as debts

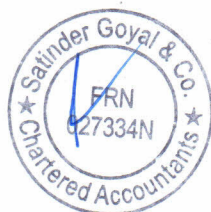
(Against collateral security of Trade Mark 'Burnol' given to Poysha Power Generation (P) Ltd. against Inter Corporate Deposit taken by Morepen Laboratories Limited, the holding company. No amount is shown as contingent liability as the brand has been fully depreciated - also refer note 2(2))

b) Commitments

-	-	-
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		(Rs. in Lakhs)	
		As at	As at
		<u>31.03.2018</u>	<u>31.03.2017</u>
20	<u>REVENUE FROM OPERATIONS</u>		
	<u>SALE OF PRODUCTS</u>		
	Domestic Sales	5187.54	4899.58
	Less : Discounts	(347.16)	(237.49)
		<u>4840.38</u>	<u>4662.09</u>
	<u>Other Operating Revenues</u>		
	Health Care Services	48.98	55.57
		<u>4889.36</u>	<u>4717.66</u>
	<u>TOTAL REVENUE FROM OPERATIONS</u>		
	Break-up of revenue from sale of products (net of excise duty up to 30.06.2017)		
	Classification		
	<u>Traded Goods</u>		
	Tablets	1270.30	1196.54
	Tubes	1370.12	1213.37
	Others	2547.12	2489.67
	Total	<u>5187.54</u>	<u>4899.58</u>
21	<u>OTHER INCOME</u>	-	-
22	<u>PURCHASE OF STOCK IN TRADE</u>		
	Traded Goods	2988.99	2967.94
	Freight Inward	37.48	23.79
	Packing Material	23.73	22.03
	Custom Duty	32.44	69.94
		<u>3082.64</u>	<u>3083.70</u>
	Purchase of Traded Goods		
	Classification		
	<u>Traded Goods</u>		
	Tablets	726.34	631.32
	Tubes	492.50	337.10
	Others	1770.15	1999.52
	Total	<u>2988.99</u>	<u>2967.94</u>
23	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	Salaries and Wages	718.07	744.54
	Contribution to provident fund and ESIC	44.85	35.38
	Gratuity & Leave Encashment Expenses	21.87	33.20
		<u>784.79</u>	<u>813.12</u>
24	<u>FINANCE COST</u>		
	Interest on Vehicle loan	6.27	8.74
		<u>6.27</u>	<u>8.74</u>
25	<u>OTHER EXPENSES</u>		
	Repair and Maintenance	4.73	6.11
	Rent	56.98	71.45
	Travelling and vehicle running expenses	272.73	224.14
	Insurance Expenses	12.76	10.19
	Freight Outward	114.48	73.77
	Miscellaneous Expenses	67.70	83.19
	Legal & Professional Expenses	58.96	65.37
	Prior Period Expenses	-	1.13
	Marketing & Sales Promotion Expenses	90.69	239.22
		<u>679.03</u>	<u>774.57</u>



Dr. MOREPEN LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2018

26 PAYMENT TO AUDITORS (excluding Services Tax/GST)

Year Ended	(Rs. in Lakhs)	
	31.03.2018	31.03.2017
Audit Fee	1.00	1.00
Tax Audit Fee	0.50	0.50
Certification by the Previous Auditors	0.20	-
Certification	0.55	0.55
Total	2.25	2.05

27 DISCLOSURES ABOUT IMPORTS & EXPENDITURE IN FOREIGN CURRENCY

	(Rs. in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
A. VALUE OF IMPORTS ON CIF BASIS		
Stock -in -trade	64.52	200.37
B. EXPENDITURE IN FOREIGN CURRENCY		
Others	-	0.92
	-	0.92

28 SEGMENT REPORTING

In accordance with Ind AS-108, "Operating Segment " the Company's business activity falls within a single primary business segment viz. "Trading in OTC Health Products & Services"

29 RELATED PARTY DISCLOSURES

Disclosure as required by accounting standard "Related Party Disclosures" (Ind AS 24) issued by the Institute of Chartered Accountants of India are given here under:

Related Parties

1. Holding Company Morepen Laboratories Limited	Domestic Company
2. Subsidiary Company Total Care Limited	Domestic Company
3 Associates Morepen Inc.	Foreign Company
4. Key Management Personnel	Mr. Sanjay Suri, Managing Director Ms. Hansa Sharma, Company Secretary up to 02.09.2017 Mr. Deepak Kumar Das from 22.12.2017
5. Relatives of Key Management Personnels with which the company has any transactions during the year	Nil
6. 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	Nil

Transactions with related parties -

Particulars	Nature of transaction	(Rs. in Lakhs)
1. Holding Company	Sale of inventories	1.65
	Purchase of inventories	406.60
	Amount paid adjusted during the year	5843.83
	Balance as on 31.03.18 - Receivable (Maximum balance payable Rs. 5771.27 Lakhs)	72.56
2. Subsidiary Companies	Sale of inventories	0.34
	Trade receivable balance as on 31.03.2018 (Maximum balance outstanding Rs. 5.41 Lakhs)	-
	Amount Receivable balance as on 31.03.2018 (Maximum balance outstanding Rs. 1227.31 Lakhs)	868.00
3. Key Management Personnel	Remuneration	2.85
	Balance Payable as on 31.03.18	0.31
	(Maximum balance outstanding Rs. 0.34 Lakhs)	

30 EARNING PER SHARE

Particulars	Year Ended	
	31.03.2018	31.03.2017
Profit (Loss) after tax (Rs. in Lakhs)	321.81	87.83
Weighted average number of equity shares outstanding	40679500	40679500
Basic Earning (loss) per share in rupees (face value Rs.10/- per share)	0.79	0.22



31 **EMPLOYEE BENEFITS**

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

(A) **Disclosures for Defined Contribution Plans -**

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Employer's Contribution to Provident Fund	32.24	29.70
Employer's Contribution to Employees State Insurance	12.61	5.69

(B) **Disclosures for Defined Benefit Plans - Unfunded**

Particulars	Gratuity		Leave Encashment	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Change in the present value of obligation:				
Present Value of Obligation as at beginning of the year	53.88	38.79	39.80	27.02
Add: Interest Cost	4.38	2.93	3.14	1.98
Add: Current Service Cost	9.27	9.68	5.59	9.03
Less:- Benefit Paid	(8.93)	(0.42)	(4.89)	(2.01)
Add: Actuarial loss on obligations	2.09	2.90	(0.37)	3.78
Present Value of Obligation as at year end	60.68	53.88	43.27	39.80
Change in the fair value of plan Assets:				
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Add : Expected Return on Plan Assets	-	-	-	-
Add : Contributions	-	-	-	-
Less: Benefits Paid	-	-	-	-
Fair Value of Plan Assets as at year end	-	-	-	-
Expense recognized in the Statement of Profit and Loss				
Current Service Cost	9.27	9.68	5.59	9.03
Add: Interest Cost	4.38	2.93	3.14	1.98
Less: Expected Return on plan assets	-	-	-	-
Less: Settlement Credit	-	-	-	-
Add: Net actuarial loss recognised	2.09	2.90	(0.37)	3.78
Total expenses recognized in statement of profit & loss	15.74	15.51	8.36	14.79
The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment-				
Assumptions	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	7.70%	7.60%	7.60%	7.29%
Expected return of Assets	N/A	N/A	N/A	N/A
Salary Escalation Rate	5%	5%	5%	5%
Employee Turnover rates	3%	3%	3%	3%

32 **IMPAIRMENT**

It is the view of management that there are no impairment conditions that exist as on 31st March, 2018. Hence, no provision is required in the accounts for the year under review.

33 **TAXES**

- a) As required by Accounting Standard "Income - taxes" i.e. (Ind-AS 12) issued by the Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence.
- b) The company has carried forward losses, therefore no provision for Income tax is required during the current year.

34 **OTHERS SIGNIFICANT DISCLOSURES-**

- a) In the opinion of the Board, the assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) The company, with a view to increase its visibility in the promising FMHG/OTC business and reap the potential benefits in the above business streams, with added advantages of better brand building, customer confidence and better product quality, has decided to acquire buyout new brands, expand the existing brands and product portfolio and has advanced a sum of Rs. 1413.42 Lakhs for buyout of brands for the company.
- c) Balance with the parties under the head current liabilities, long term loans and advances, trade receivables, bank balances, short term loan & advances are subject to confirmation.
- d) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be accounted for, on the completion of assessments.
- e) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.



This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant Accounting Policies. The transition to Ind AS has been carried out in accordance with Ind AS 101- 'First time adoption of Indian Accounting Standards' with 1st April 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

a) The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.

b) The Company has adopted to measure investments in subsidiaries at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

c) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2016.

d) The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss modal
- Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

Disclosure as required by Ind AS 101- First time adoption of Indian Accounting Standards

Reconciliation of Equity -

Particulars	Note No.	As at 31st March 2017			As at 1st April 2016		
		As per Indian GAAP	IND AS Adjustments	As per IND AS	As per Indian GAAP	IND AS Adjustments	As per IND AS
A ASSETS							
1. NON-CURRENT ASSETS							
<i>Fixed Assets :</i>							
Property, Plant and Equipment	2	256.69	-	256.69	241.27	-	241.27
Intangible Assets		-	-	-	-	-	-
		256.69	-	256.69	241.27	-	241.27
<i>Financial Assets :</i>							
Investments	3	1,171.00	-	1,171.00	1,171.00	-	1,171.00
Loans	4	-	-	-	-	-	-
Other Non-Current Assets	5	8,426.37	-	8,426.37	8,043.59	-	8,043.59
		9,854.06	-	9,854.06	9,455.86	-	9,455.86
2. CURRENT ASSETS							
<i>Inventories</i>							
	6	216.80	-	216.80	132.25	-	132.25
<i>Financial Assets :</i>							
Trade Receivables	7	850.90	-	850.90	602.37	-	602.37
Cash and Cash Equivalents	8	79.33	-	79.33	63.48	-	63.48
Loans	4	-	3.44	3.44	-	3.47	3.47
Other Current Assets	9	49.27	(3.44)	45.83	58.76	(3.47)	55.29
		1,196.30	-	1,196.30	856.86	-	856.86
TOTAL		11,050.36	-	11,050.36	10,312.72	-	10,312.72
B EQUITY AND LIABILITIES							
1. EQUITY							
Equity Share Capital	10	4,067.95	-	4,067.95	4,067.95	-	4,067.95
Other Equity	11	(597.33)	-	(597.33)	(688.05)	-	(688.05)
		3,470.62	-	3,470.62	3,379.90	-	3,379.90
2. NON - CURRENT LIABILITIES							
<i>Financial Liabilities :</i>							
Borrowings	12	44.76	-	44.76	66.95	-	66.95
Other Financial Liabilities	13	-	117.47	117.47	-	95.53	95.53
Other Non Current Liabilities	14	5,888.74	(117.47)	5,771.27	5,322.78	(95.53)	5,227.25
Provisions	15	90.02	-	90.02	62.85	-	62.85
		6,023.52	-	6,023.52	5,452.58	-	5,452.58
3. CURRENT LIABILITIES							
<i>Financial Liabilities :</i>							
Trade payables	16	856.23	-	856.23	781.28	-	781.28
Other Financial liabilities	17	-	241.49	241.49	-	222.53	222.53
Other Current Liabilities	18	696.33	(241.49)	454.84	696.01	(222.53)	473.48
Provisions	15	3.66	-	3.66	2.95	-	2.95
		1,556.22	-	1,556.22	1,480.24	-	1,480.24
TOTAL		11,050.36	-	11,050.36	10,312.72	-	10,312.72



Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particulars	Note No.	As per Indian GAAP	IND AS Adjustments	As per IND AS
REVENUE				
Revenue from Operations (Net)	20	4925.16	207.50	4,717.66
Other Income	21	-	-	-
Total Revenue		4925.16	207.50	4,717.66
EXPENSES				
Purchases of Stock-in-Trade	22	3083.70		3,083.70
Changes in inventories of Stock-in-Trade	6	(84.54)		(84.54)
Employee benefits expenses	23	810.23	(2.89)	813.12
Finance Cost	24	17.22	8.48	8.74
Depreciation & Amortization	2	34.24		34.24
Other expenses	25	973.59	199.02	774.57
Total expenses		4834.44	204.61	4,629.83
Profit/(Loss) before exceptional and extraordinary items and tax		90.72	2.89	87.83
Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Profit/ (Loss) for the Year		90.72	2.89	87.83
Other Comprehensive Income				
Items that will not be reclassified to Profit & Loss :				
Actuarial Gain (Loss) on Employee Benefits		-	2.89	2.89
Other Comprehensive Income for the Year		-	2.89	2.89
Total Comprehensive Income for the Year		90.72	-	90.72

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st

1. Defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other Comprehensive Income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain loss amounting to Rs. (2.89) Lakhs for the financial year 2016-17 has been recognized in OCI, which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017.

2. Sale of goods

Under Indian GAAP, discounts including damaged and expired goods sales return were shown as expense. However under Ind AS, revenue is to be shown as net of discounts including damaged and expired goods sales returns. Accordingly, discounts and value of damaged and expired goods sales return, amounting to Rs.207.50 Lakhs has been reduced from revenue with a corresponding adjustment in other expenses.

3. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

