



# Marksans Pharma Ltd.

Date: 4<sup>th</sup> August, 2022

**BSE Limited**

Corporate Relation Department  
PhirozeJeejeeboi Towers,  
Dalal Street,  
Mumbai - 400001.  
Scrip Code: 524404

**National Stock Exchange of India Limited**

Listing Department  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400051.  
Symbol: MARKSANS

**Sub: Submission of Annual Report for the Financial Year 2021-22**

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith Annual Report of the Company for the Financial Year 2021-22 which can also be accessed on our Company's website at <http://marksanspharma.com/annual-reports.html>.

You are requested to note the above in your records.

Thanking You.

Yours faithfully,  
For **Marksans Pharma Limited**

**Harshavardhan Panigrahi**  
Company Secretary

Encl.: As Above

## Marksans Pharma Ltd

11th, Floor, "GRANDEUR", Opp. Gundecha Symphony, Veera Desai Extension Road, Oshiwara,  
Andheri (W), Mumbai - 400 053 • Tel. : +91 22 4001 2000 • Email : info@marksanspharma.com  
[www.marksanspharma.com](http://www.marksanspharma.com)

# Eyeing opportunities, Rejuvenating strengths



Marksans Pharma Ltd.

Marksans Pharma Limited  
Annual Report 2021-22



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For more information  
visit our website <http://marksanspharma.com/>

or

scan the QR Code



#### Forward Looking Statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

# Corporate Information

## Board of Directors

### Mr. Mark Saldanha

Chairman & Managing Director  
(DIN: 00020983)

### Mrs. Sandra Saldanha

Whole-time Director  
(DIN: 00021023)

### Mr. Varddhman V. Jain

Whole-time Director  
(DIN: 08338573)

### Mr. Seetharama R. Buddharaju

Independent Director  
(DIN: 03630668)

### Mr. Digant Mahesh Parikh

Independent Director  
(DIN: 00212589)

### Mr. Abhinna Sundar Mohanty

Independent Director  
(DIN: 00007995)

### Dr. (Mrs.) Meena Rani Surana

Independent Director  
(DIN: 08863769)

### Dr. Sunny Sharma

Non-executive Director  
(DIN: 02267273)

## Registered Office

11th Floor, Grandeur,  
Veera Desai Extension Road,  
Oshiwara, Andheri (West),  
Mumbai – 400053.

## CIN

L24110MH1992PLC066364

## Registrar & Share Transfer Agent

### Bigshare Services Private Limited

Office No S6-2, 6th floor  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East)  
Mumbai - 400093.

## Bankers

State Bank of India  
Bank of Baroda

## Works

- 1 L-82 & L-83, Verna Industrial Estate,  
Verna, Goa – 403722.
- 2 Bell, Sons & Co. (Druggists) Ltd.  
Gifford House, Slaidburn Crescent,  
Southport, PR9 9AL.
- 3 Time-Cap Laboratories Inc.  
7, Michael Avenue, Farmingdale,  
New York- 11735, USA.

## 30th Annual General Meeting

**Day & Date:** Monday,  
29th August, 2022

**Time:** 09:00 a.m.

The 30th Annual General Meeting will be held through Video Conferencing / Other Audio Visual Means.

## Key Management Personnel

### Mr. Mark Saldanha

Chairman & Managing Director

### Mrs. Sandra Saldanha

Whole-time Director

### Mr. Varddhman V. Jain

Whole-time Director

### Mr. Jitendra Sharma

Chief Financial Officer

## Company Secretary

Mr. Harshavardhan Panigrahi

## Statutory Auditors

M/s. Bhuta Shah & Co. LLP  
(upto 30.05.2022)

M/s. M S K A & Associates  
(w.e.f 31.05.2022)

## Secretarial Auditor

M/s. Jinesh Dedhia & Associates

The pandemic upended life as we knew it, ushering in a new reality. It led humanity to rejuvenate and redefine its inner strengths and seek opportunities.

**In the same way, we at Marksans Pharma, tapped into our deep reservoirs of inner strengths to stay resilient, despite headwinds in the operating environment during the reporting year.**

Armed with our advanced manufacturing and R&D capabilities, diversified products pipeline, and a culture of innovation, we are eyeing emerging opportunities in the markets

where we operate. We are pursuing long-term growth across regulated markets, and our diversified portfolio continues to gain market share, despite short-term challenges.



# At a glance

## Leading

Pharmaceutical company in OTC and prescription (Rx) drugs

## 50+

Countries of presence

## 96%

Revenues derived from regulated markets

## Forward

Integrated business model

## 4

Research & Development centres

## 1,412

Employees as on March 31, 2022

## 50+

Scientists as on March 31, 2022

## 3

Plants approved by US FDA, UK MHRA & TGA

## 70+

Products in pipeline

## 350+

Dossiers filed

## 300

Approved MA/ANDA

## 25+

Filed MA/ANDA



About us

# Delivering value responsibly

**We are among the leading pharmaceutical companies with a growing presence in regulated markets focused on OTC & prescription (Rx) drugs.**

Marksans Pharma (Marksans), is involved in the Research, Manufacturing, and Marketing of generic pharmaceutical formulations. Today, Marksans has built a market leading position in regulated

markets, backed by its three world-class manufacturing facilities in India, UK, and the US. Our in-house research and development capabilities is driving our business to expand into a diverse

therapeutic areas. The growing market penetration in regulated markets is a result of our unwavering focus on conforming to regulations and being certified with international certifications.



Our strategy to win

Megatrends	Marksans positioning
<p>Growing acceptance of generics and branded in existing and newer geographies (like Pharmerging and developing countries)</p>	<p>→ Among the <b>leading companies with a growing market share</b> in OTC and Prescription (Rx) drugs</p>
<p>Rising input costs and supply chain disruptions</p>	<p>→ Forward integrated <b>business model with manufacturing units</b> in three countries provide enhanced cost efficiencies, superior economies of scale and uninterrupted supply of drugs to customers</p>
<p>Variety of dosage forms needed to address a diverse customer base (ageing population, people with disability etc)</p>	<p>→ Manufacturing capabilities to <b>produce a variety of dosage forms</b> that include tablet (plain, enteric coated and film coated), hard &amp; soft gelatin capsule, oral liquids and ointments with uncompromising drug efficacy</p>
<p>Market presence and profitability in regulated markets require stringent approvals and certifications across operations</p>	<p>→ All the manufacturing plants are <b>accredited by USFDA, UK MHRA and Australian TGA</b></p>
<p>Expiry of patents for keys drugs and emerging lifestyle-related diseases</p>	<p>→ In-house R&amp;D team works closely with regulatory team to <b>create a robust pipeline of filings and approvals</b> with minimum lead time. Long-term alliances and partnerships with leading retailers enable continued business growth with new drug launches across a growing therapeutic segment</p>





Our global footprint

# Reaching out across geographies

**We are strengthening our market presence in the regulated markets and expanding our presence to pharmerging countries as well.**



## How are we focused on strengthening our international presence?



Growing presence in the US pharmaceutical market



Growing focus on building IP assets with focus on niche dosage forms



Out-licensing IP business to aid in business growth



New product development and strong pipeline of products focused on niche segments (targeted for newer potential markets)

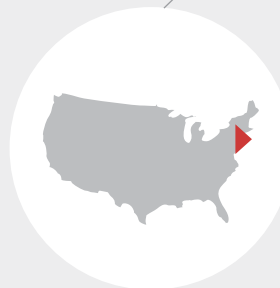


Building growing OTC presence in regulated markets

## Our primary markets

- Canada • USA • The Caribbean
- Latin America • Iceland
- Germany • UK • Iraq • Ukraine
- Greece • Uganda • Kenya
- Tanzania • Russia
- Sri Lanka • Myanmar
- Cambodia • Australia
- New Zealand

## Our Manufacturing Facilities



### Farmingdale, United States

- Manufactures hard gels, tablets and capsules
- Spread over an area of 7000 sq. m
- "Made in the USA" product offering
- Added incremental packaging lines

### Capacity

**6 bn**

tablets and hard capsules per annum



**Southport, United Kingdom**

- Manufactures non-sterile liquids, ointments and powder sachets
- Supplies to UK, West Africa & Middle East



**Capacity**

**2 bn**

bottles per annum

**1 bn**

tubes per annum

**1 bn**

sachets per annum

**Goa, India**

- Manufactures oral solid tablets, and soft and hard gelatin capsules
- Ongoing expansion for adding new manufacturing lines



**Capacity**

**8.4 bn**

softgel and hard gelatin capsules and tablets per annum

Business model

# Designed to deliver sustainable value

**Input**



**Financial Capital**

Equity **Rs. 409.31** million

Net worth **Rs. 12,229.71** million



**Manufactured Capital**

3 Manufacturing plants

**Rs. 7,288.37** million Gross block



**Intellectual Capital**

4 R&D centres

50+ Scientists

**Rs. 574.12** million R&D spend in last three years



**Human Capital**

1,412 Number Employees

**Rs. 2203.02** million Employee benefit expenses



**Social and Relationship Capital**

CSR spent **Rs. 15.4** million

**Rs. 2.2** lakhs Number of shareholders



**Natural Capital**

**Rs. 112.69** million Energy consumption

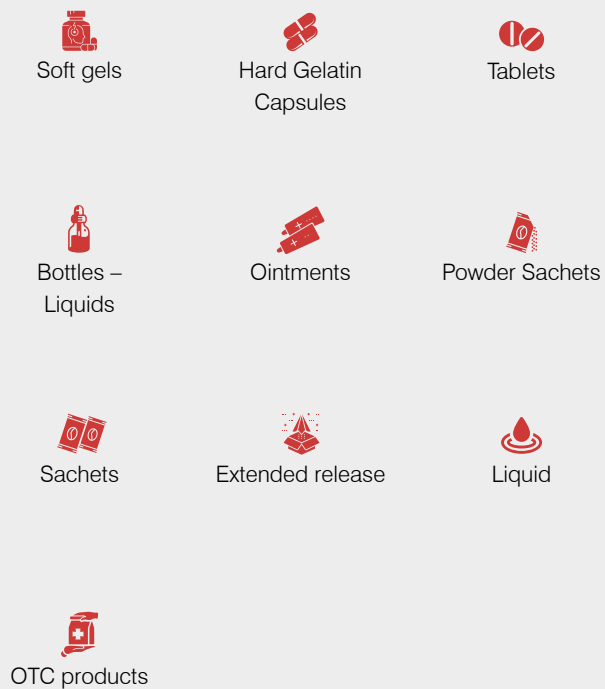
**Rs. 11.83** million Amount on energy saving equipment



## Supporting functions



## \* Delivery forms



## Output



### Financial Capital

Revenue **Rs. 14,908.39** million

EBITDA **Rs. 2,588.80** million

PAT **Rs. 1,868.14** million

Dividend **Rs. 105.83** million  
Long-term debt **ZERO**



### Manufactured Capital

#### India-

- **2.4 bn** softgel and hard gelatin capsules per annum
- **6 bn** oral solid tablets per annum

#### UK-

- **1 bn** tubes per annum
- **1 bn** sachets per annum
- **2 bn** bottles per annum

#### US-

- **6 bn** tubes and hard capsules per annum



### Intellectual Capital

**350+** Dossiers filed

**300** Approved ANDAs/ MA's

**25+** Filed ANDAs/ MAs

**70+** Products in pipeline



### Human Capital

Employee productivity **100 %**

Attrition rate **8-12 %**



### Social and Relationship Capital

Numerous people have been benefited through CSR activities of the Company

**100 %** customer satisfaction score

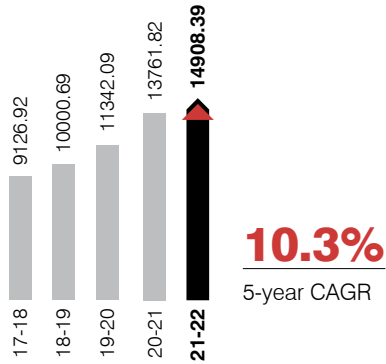
**67** days Creditors cycle

Growth metrics

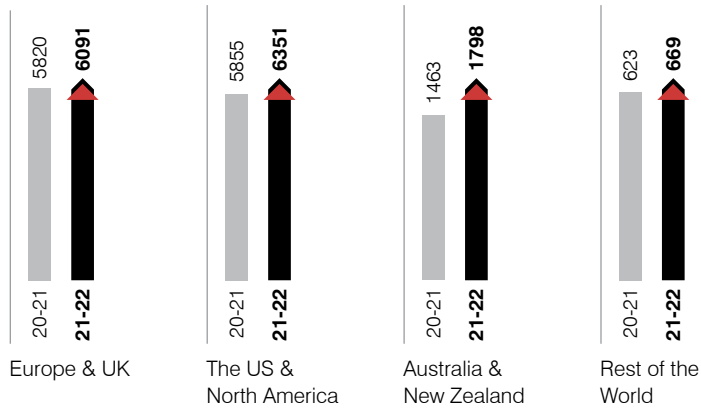
# Making confident strides

## Revenue from operations

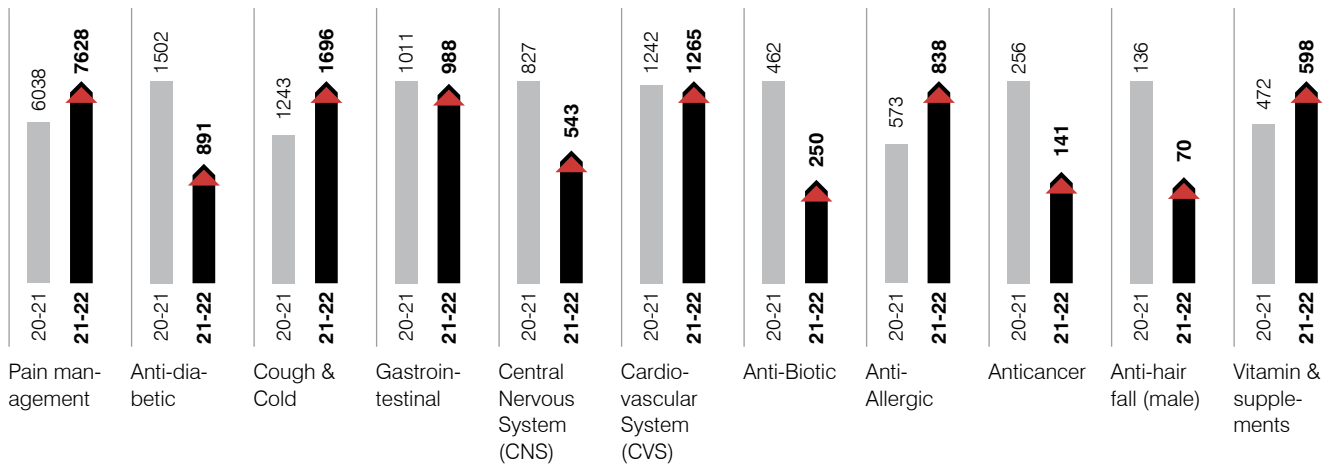
(Rs. in million)



## Location wise revenue (Rs. in million)



## Revenue by therapeutic segment (Rs. in million)



## Revenue by delivery system (Rs. in million)

### OTC



### RX

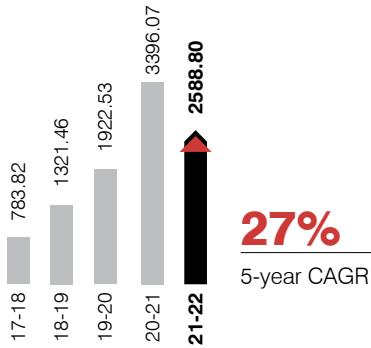


● FY 2021-22  
● FY 2020-21

● FY 2021-22  
● FY 2020-21

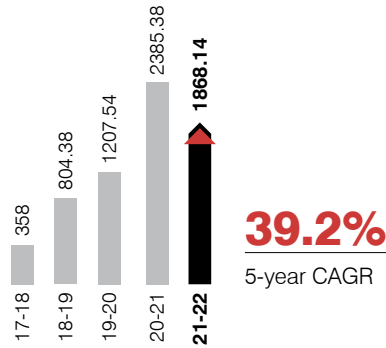
**EBITDA**

(Rs. in million)



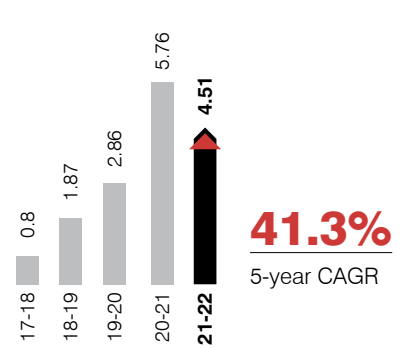
**PAT**

(Rs. in million)

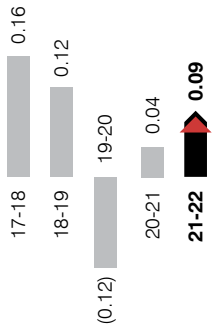


**EPS**

(in Rs.)

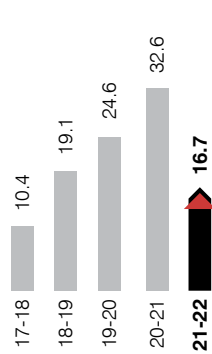


**Debt equity ratio**



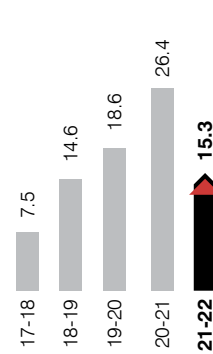
**RoCE**

(in %)



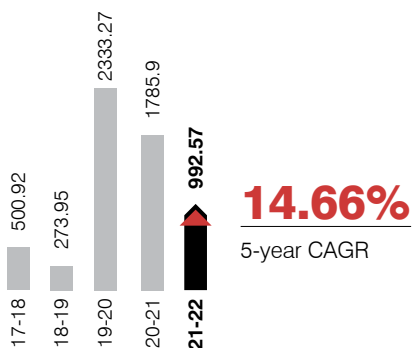
**RoE**

(in %)



**Cash from Operations**

(Rs. in million)



# Chairman's insight

## Mark Saldanha

Chairman, Marksans Pharma Ltd



### Dear Shareholders,

Despite the availability vaccine at the beginning of the year, challenges remained on multiple macroeconomic factors. Impediments to the global supply chain owing to the worsening geopolitical tension in last quarter of the fiscal have further resulted in commodity and oil prices to rapidly increase, pushing parts of the world into a state of economic turmoil.

Withstanding the mounting pricing and demand pressures, your company maintained moderate growth in revenue with increased penetration in the European Union, North American and Australian markets. Although we experienced cost pressure across major operations, we were able to sustain our bottom-line through improved product mix, reduced costs and lower tax outflow. The substantial increase in input costs such as freight, packaging and raw materials were unavoidable. Since significant portion of our raw materials are sourced from China, lockdowns in major industrial cities created further supply chain bottlenecks in the last quarter.

The impacts of the volatility in costs and logistics on profitability and margins were



## Our research and development team continues to work on new products for regulated markets.

mitigated by strategic long-term contracts in place. Implementation of digital initiatives have also helped optimise costs and strengthen profitability.

Apart from these cost-benefit activities, expansion of our offerings, with new products in the US and in the UK also fuelled our performance. Our research and development team continues to work on new products for regulated markets. The new product growth is well supported by our investments in scaling up manufacturing and distribution capacities. While the development of our factory in Goa, which includes additional manufacturing lines, is on schedule, our

existing capacities and forward integrated business model continue to accelerate our long-term value creation goals.

In line with the overarching operational performance, we delivered a steady financial performance during the year. Operating revenue stood at Rs. 14,908 million with a growth of 8.3% as compared to Rs. 13,762 million in FY2021. EBITDA stood at Rs. 2,589 million as compared to Rs. 3,396 million in FY 2021, with EBITDA margins at 17.4% during the year, compared to 24.7% in FY2021. The direct impact of rising input costs was visible on PAT that stood at Rs. 1,868 million for the year, in line largely with the previous year.



**I would like to reaffirm that we remain committed to achieving our Rs. 2,000 Crores milestone in the near future along with improved profitability.**

The health and welfare of our people remain the topmost priority for us. We consistently deploy skill enhancement and competency building programmes for our team while also focusing on employee engagement through the development of cross-functional engagement programs.

Going forward, I would like to reaffirm that we remain committed to achieving our Rs. 2,000 Crores milestone in the near future along with improved profitability. As inflationary pressures and supply chain disruptions are expected to ease, our margins are estimated to bounce back supported by our already existing cost optimisation tools. Understanding that significant portion of our business's revenues comes from regulated markets, we plan to further penetrate these markets with a defined strategic roadmap. To that end, we will continue to add four to six new products on an average every year in the United Kingdom and the US. In view of expanding business operations to global markets, we have adequate reserves to acquire manufacturing assets in India as well as marketing licenses in Europe and the USA.

Apart from operational expansion, we plan to develop backward integration model, looking to set up API manufacturing model for captive consumption, thereby building a presence across the entire value chain. Furthermore, we will continue to invest in capacity building and R&D in order to fulfil our growth aspirations.

At this juncture, I am reminded of the resilience exhibited by our team and the unwavering support of our stakeholders. I take this opportunity to appreciate all my colleagues and team members for their continuous effort and diligence in providing value to our stakeholders and contributing to the growth of the company. We look forward to an exciting journey forward.

Regards,

**Mark Saldanha**  
Chairman, Marksans Pharma Ltd



# Q&A with CFO

## How would you summarise performance for the year FY 21-22?

**A.** In line with our previous year's performance, we have delivered another year of steady financial performance. The cost challenges impacted businesses worldwide, including Marksans. Despite the odds, we recorded a consolidated revenue of Rs. 14,908 million at a growth of 8.3% as compared to Rs. 13,762 million in the previous year. Our EBITDA stood at Rs. 2,589 million with a margin of 17.4% as compared to Rs. 3,396 million in FY 2021 with EBITDA margin of 24.7%. Our PAT for the year stood at Rs. 1868 million as compared to Rs. 2,385 million in the previous fiscal. The sustained financial performance is a result of our resilient business model, delivering continued progress on our long-term goals.

## What reasons would you ascribe for this performance?

**A.** As I mentioned, we were impacted by the inflationary pressures on input materials and services. The rising freight costs impacted our overall margins in the second and third quarter of the fiscal, bringing down our gross margins for the year. However, our improved product mix, reduced financial costs and lower tax outgo helped us to neutralize the cost pressures. Additionally, our strategic long-term contracts enabled to limit the impact volatility of cost and supply chain on profitability and margins.

## Would you attribute the strength in business model to capabilities built over the recent past?

**A.** Absolutely, we are building on our actions on strategies built in the recent past, focusing on widening our portfolio, growing our market presence and optimising costs. Moreover our forward integrated business model with manufacturing units spread across three countries has helped us achieve cost efficiencies and provide an uninterrupted supply for our customers.



**Jitendra Sharma**  
CFO

### Could you throw light upon your geographic performance separately?

**A.** The US market, was the highest contributor at Rs. 6,351 million and witnessed 8.5% growth, while Europe and UK market focused on formulations, recorded 6,091 million and 4.7% y-o-y growth respectively. Our formulations market in Australia and New Zealand recorded a cumulative 22.9% growth at Rs. 1,798 million revenue, whereas the rest of worlds recorded revenue at Rs. 669 million for the year.

### What is the company's outlook for the next fiscal year?

**A.** To ensure business sustainability and efficiency, we are following prudent capital allocation strategy. Understanding the uncertainties around Covid-19, our focus remains on positioning the business on achieving long-term goals. We will continue to focus on generating positive cash flows and build a robust balance sheet. A continued push of our existing products and increasing our new product pipeline in regulated markets is expected to drive business growth and drive us towards our mission of reaching Rs. 2,000 crore topline.

**Jitendra Sharma**  
CFO



**A continued push of our existing products and increasing our new product pipeline in regulated markets is expected to drive business growth and drive us towards our mission of reaching Rs. 2,000 crore topline.**



Risk management

# Overcoming impediments with fortitude

**Risk appetite and tolerance are fundamental concepts that provide the context for building long-term strategy. The Board clearly defines the appetite for risk, reviewing it periodically, to guide strategy and engagement of risk on the business operations of the company.**



	Risks definition	Mitigation
 <b>Strategic risks</b>	<b>Economic and growth risk</b> Uncertainty arising from political and social instability may lead to disturbances within the business environment.	Our diverse geographic presence in more than 50 countries does not directly bear an extensive impact on our operations.
	<b>Competition risk</b> Increasing number of pharma companies pose direct threat to our market share and business operations	Our R&D team remains an important pillar of growth. With more than 50 scientists in team, we continue to develop differentiated drugs in key therapeutic areas and lead the race. The on-ground marketing team further monitors and evaluates emerging trends in key markets, identifying key patent expiry and closely work with the R&D to enrich the portfolio to increase competitiveness.
 <b>Financial risk</b>	<b>Liquidity risk</b> Sustaining profitability and building a robust balance sheet amidst rising input costs is challenging	We have a robust financial control mechanism in place to ensure operational efficiency. Long-term contracts with suppliers and an improved working capital cycle enable building key financial ratios.
 <b>Operational risks</b>	<b>Human resource risk</b> Risk related to inadequate resources resulting in a loss of business opportunities	Our human resource policies are open, dynamic and centred on growth opportunities. An effective reward and recognition mechanism with effective learning program help build attract and retain people.
	<b>Supply chain risk</b> Risks related to disruption in supply chain for raw material sourcing or dispatch for exports might impact business operations	Our manufacturing units located in India and international countries, provide us a robust platform for continued business operations. We have also built a reliable network of suppliers that maintains uninterrupted production process.
	<b>Environment, health and safety risk</b> Risks related to climate change, employee health and safety are significant in today's evolving business landscape	Our manufacturing units, certified with leading international bodies ensure highest level of compliance to major environment, health and safety parameters. Additional measures are implemented to improve water and energy management and reduce carbon footprint across our operating landscape.
	<b>Technology risk</b> Inability to upgrade to modern technologies in operations, might affect drug output and thereby result in loss of business to competitors	Our state-of-the-art manufacturing and R&D are a testament to our resolute focus on being technologically advanced pharma company. Further, we maintain close ties with leading global companies and organizations to remain updated on the major technological advancements within our industry space to stay relevant and sustain market share for our key products.
 <b>Regulatory risk</b>	<b>Compliance risk</b> Failure to meet regulatory or ethical requirements for drug development process across multiple geographies can impact business operations	We have in place quality management systems to monitor and assure that the products manufactured are in line with international standards. Further, all the manufacturing units conform with the different regulatory guidelines issued by the top-notch regulatory bodies within its industry space.

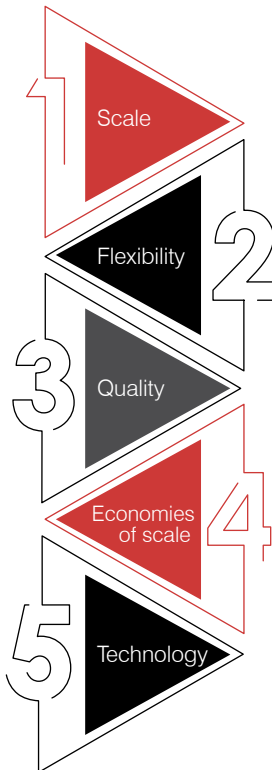
Our investment case

# Leveraging assets and expertise to create value

**We strive to deliver superior financial performance, centred around sustainability to drive profitability. We deliver the sustained performance by fostering a high-performance culture, operating at the highest level of ethics and integrity.**

## State-of-the-art manufacturing plants...

Strategically located manufacturing plants in India, UK and the US provide competencies of:



All the plants are widely accredited and compliant to international certifications with focus on building complex and niche products.

## ...help build a robust product portfolio...

The forward integrated business model with in-house R&D centres enables us to build a strong pipeline of products

**300+**

Portfolio of generics

**70+**

Products in pipeline

**69%**

OTC revenue

**10**

Therapeutic areas covered

## ...that serves for enhancing patient-care in countries worldwide..

Our products serve patients in more than 50+ countries, largely regulated markets. Our growing sales personnel presence in these countries, drive our market penetration

**5**

Offices in

**4**

countries

**1,412**

employees



**...with our diverse and talented team who work together..**

Our culture of excellence and cross-functional collaboration helps harness diversity and inclusion

**Improving**

Diversity ratio

**...to build a business that is responsible and sustainable...**

Our high standards of corporate governance enhances our relationships with various stakeholders.

**4**

Independent directors

**Nil**

Complaints received from shareholders in FY22

**..and create economic value for stakeholders**

**10.3%**

5-year CAGR in revenues

**27%**

5-year CAGR in EBITDA

**39.2%**

5-year CAGR in Profit after tax

**87.45x**

Growth in cash and cash equivalent since FY17

**0.09**

Debt equity ratio as on March 31, 2022

Overview of business

# Growing sustainably worldwide



## Europe & UK

### Marksans Pharma UK Ltd.

#### Marksans presence in UK

Marksans is the only Indian company to be in the top 5 pharmaceutical companies in UK. We focus on diverse OTC medication for various therapeutic needs like pain management, cancer, allergies, cough & cold etc. We have also tied up with major retailers in UK such as Tesco, Asda, Morrisons, Coop and Boots which has boosted our distribution and penetration in the UK market.

**40.9%**

of the total Revenue

### FY 2022 Highlights

Wide UK customer base and 100% reach within the distribution channel. Broad and diversified range of product portfolio with well recognized brands.

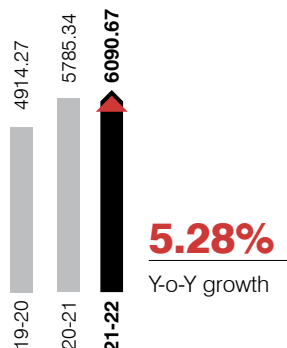
Captured a large share of OTC and generic markets.

Working on receiving USFDA approval for Southport facility to commence exports to USA.

Increase in partnership with major national distributors, pharmacies, retailers and chemist wholesalers.

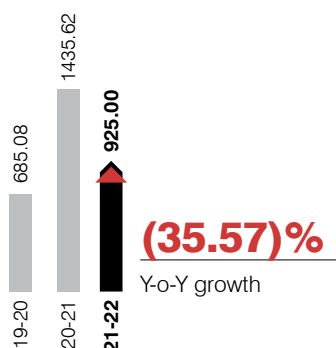
#### Revenue

(Rs million)



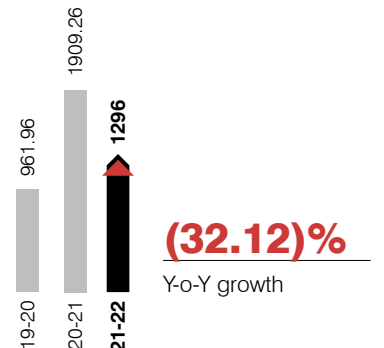
#### PAT

(Rs million)



#### EBIDTA

(Rs million)





**USA**

**Marksans pharma Inc.**

**Marksans Presence in US**

We are among the top 20 Indian pharmaceutical companies in USA with products in about 50+ therapy segments. We acquired Time-Cap Labs which enabled us to establish proprietary marketing presence in the US. We mainly focus on pain management with 30+ products in the segment. Over the years we have developed a strong distribution channel for both OTC and Rx products.

**FY 2022 Highlights**

Consistently widening product offerings with more than 50+ products across various therapy segments.

Strong distribution channel marketing for both OTC and RX products.

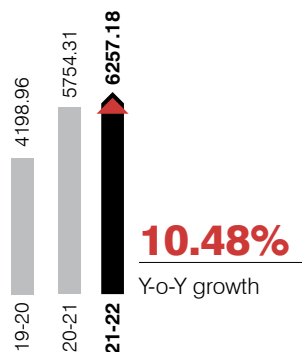
Expanding presence through increase in customer base, incremental market

share gain, new product launches and spreading reach throughout the distribution channels.

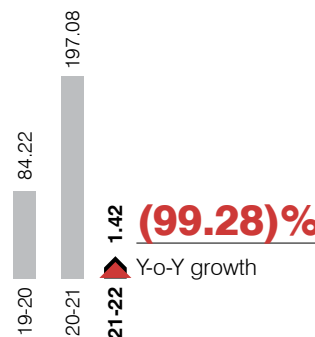
Increase in ANDA fillings for soft gel dosage and extended-release products.

Partnership with leading retailers Exploiting untapped potential of drugs going off patent.

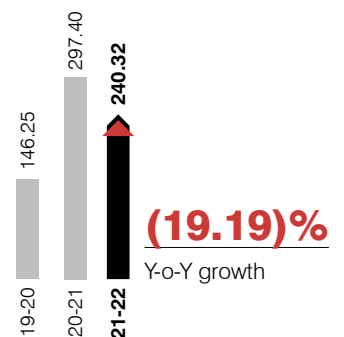
**Revenue**  
(Rs million)



**PAT**  
(Rs million)



**EBIDTA**  
(Rs million)



**42.6%**

of the total Revenue



Overview of business

# Growing sustainably worldwide



## Australia & New Zealand

**Nova Pharmaceuticals Australasia Pty Ltd.**

**Marksans Presence in Australia & New Zealand**

We operate in this market through our subsidiary Nova Pharmaceuticals and is the leading supplier of Branded Generic and Private Label products in Australia. We have tie ups with topmost retailers & pharmacies in Australia, like Woolworths Ltd., Coles Mayer Ltd., Aldis, Metcash and Fauldings and we supply to New Zealand pharmaceutical market via alliance of Teva/ Arrow Pharma.

**12.1%**

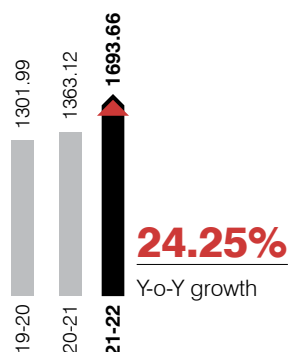
of the total Revenue

### FY 2022 Highlights

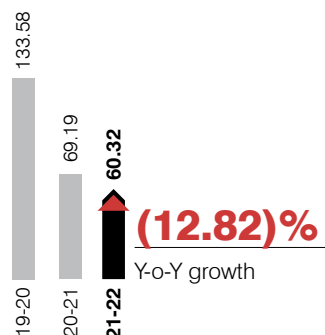
Strengthen the distribution channel with leading retailers and pharmacies.

Continue to widen our presence with key products focused on therapeutic segments.

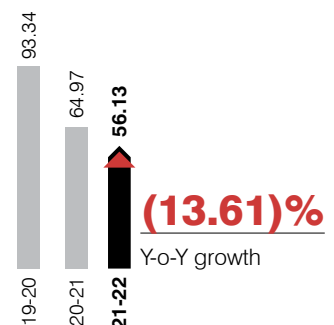
### Revenue (Rs million)



### EBIDTA (Rs million)



### PAT (Rs million)





## Rest of the World

### Marksans Presence in RoW

We have been expanding our reach in emerging and developing markets of South East Asia, MENA, LATAM, CIS and Africa. We are in the process of introducing new products and acquiring product registrations for over 100 products in emerging regions.

### FY 2022 Highlights

In these pharmerging markets, we are focusing on specific countries like UAE, Iraq, Ukraine, CIS, Azerbaijan, Uzbekistan, Sri Lanka, Cambodia and Myanmar

# 4.5%

of the total Revenue



ESG

# Committed to sustainability

**Sustainability is the very essence of our business strategy. Our sustainability commitments with principles aligned to UN Sustainable Development Goals (UN SDGs) cover major sustainability goals.**

## **Environmental**

We understand the need to keep our environment safe and clean. We are committed to protect environment and ecological balance and create a positive impact on the environment. We use our resources efficiently to minimise any waste generation and prioritise energy saving methods.

## Social

Our employee centric approach helps build expertise, skill sets and integrity among our employees. Strong learning culture and dedicated training programs provide agility and resilience to our workforce, is a testimony to our commitment for providing a safe and healthy work environment. Adequate importance is given on well-being of our employees, with programs curated for physical and mental well-being. We also support disadvantaged groups through our dedicated community development programs. These transformation programs promote inclusivity and upliftment with visible socio-economic benefits.



# 1412

Employees as on March 31, 2022

# 15.4 million

Invested in CSR activities in FY 22



## Governance

Our governance framework encompasses major legislative and regulatory compliances. The Board strives to build an enterprise-wide culture of good governance, facilitating decisions that are fair and transparent. This enables responsible value-creation for all stakeholders. The governance framework with well-defined Codes of Conduct and procedures and an experienced and diverse leadership steers us to achieve our long-term goals. The major outcomes of our governance framework are:

- Sustainable business model
- Trust and integrity among our stakeholders
- Strong internal control levers
- Well-defined policies covering major operations
- Building a strong leadership team and Board of Directors

# Board of Directors



**Mr. Mark  
Saldanha**

(DIN: 00020983)

Executive, Non-Independent & Promoter  
(Chairman & Managing Director)



**Mrs. Sandra  
Saldanha**

(DIN: 00021023)

Executive, Non-Independent & Promoter



**Mr. Varddhman  
Vikramaditya Jain**

(DIN: 08338573)

Executive &  
Non-Independent



**Mr. Seetharama Raju  
Buddharaju**

(DIN: 03630668)

Non-Executive &  
Independent



**Mr. Digant  
Mahesh Parikh**

(DIN: 00212589)

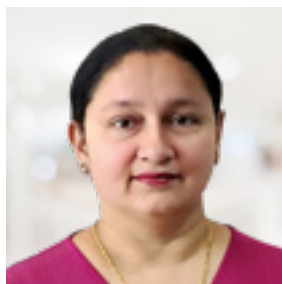
Non-Executive &  
Independent



**Mr. Abhinna  
Sundar Mohanty**

(DIN: 00007995)

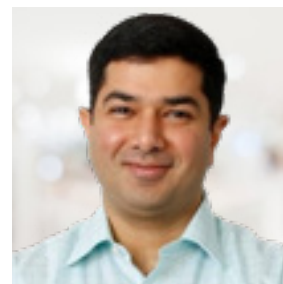
Non-Executive &  
Independent



**Dr. (Mrs.) Meena  
Rani Surana**

(DIN: 08863769)

Non-Executive &  
Independent



**Dr. Sunny  
Sharma**

(DIN: 02267273)

Non-Executive &  
Non-Independent

# Management Discussion and Analysis

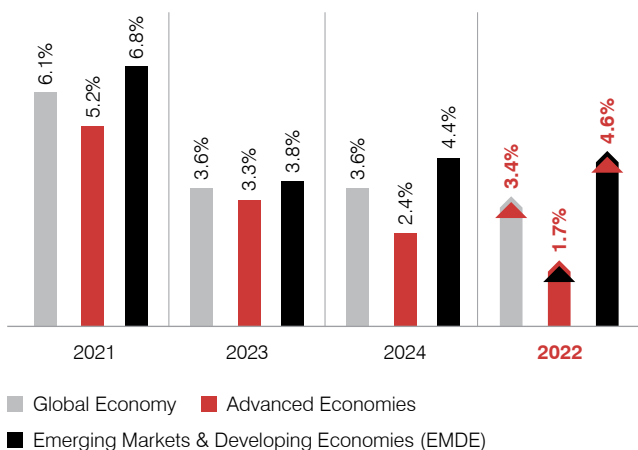
## Economy review

### Global economy

In CY2021, the global economic output grew by 6.1%. Despite the pandemic and its subsequent impact on the economy, the global economy is experiencing a steady recovery, albeit gradually. However, uncertainties in terms of elevated inflation, rising prices, and excessive debt levels pose certain downside risks on an otherwise promising future.

Owing to the rising economic activities and investments, the advanced economies are on the verge of restoring to the pre-pandemic levels. EMDEs, on the hand are struggling to match generate significant output. This can be attributed to the slower vaccination roll out, combined with stricter monetary policies and high unemployment, which further add to the already high debt levels.

### Real GDP growth



Source: World Economic Outlook (April 2022) - Real GDP growth (imf.org)

Barring these short-term headwinds, global economy is gradually strengthening with the mitigation of supply-chain disruptions and its consequent response to the demand situation. Considering the wariness regarding the virus, global economy is largely anchored on wide accessibility of vaccines and favourable financial policies.

### Outlook

Following the upswing in recovery, global economic output is likely to face a significant moderation in CY2022 and CY2023. This can be attributed to the prevailing geo-political conflict and its long-term impact over the economy, especially in terms of rising

commodity prices and expanding pricing pressures. Additionally, inflation across economies is likely to persist for longer than expected. Nevertheless, central banks across geographies are resorting to liquidity tightening measures to contain the elevated inflation.

### US economy

In 2021, the U.S. economy experienced its strongest growth in nearly four decades after the government invested trillions of dollars to provide COVID-19 relief. As a result, the economy continued to thrive despite challenges from the pandemic, strained supply chains as well as inflation. Towards the end of the year, the growth was accelerated due to a rise in the economic activity and a surge in gross domestic product as businesses restocked depleted inventories to meet strong demand for goods. The surge in economic activity was also driven by increased investment. What came as unexpected was despite the elevated inflation, consumers continued to exhibit a willingness to spend. Additionally, the economy added jobs throughout CY21 at a rate faster than anything sustained in the previous cycle. In contrast to the 2 million jobs added over the entire year of 2019, the labour market added 1.2 million jobs only in the first two months of the year.

### Outlook

The U.S. economy entered 2022 in a strong position, but geopolitical developments and persistent inflationary pressures have increased the downside risks to the outlook. A rapid normalisation of monetary, fiscal consolidation, supply disruptions and a rise in oil prices are anticipated to weigh on growth. However, the further reorientation of domestic demand back towards service sector are likely to help supply chain shortages. Wage growth will stay strong, as the labour market is expected to remain tight, despite an increase in labour force participation as receding health risks and higher wages prompt workers to return to the labour force. Inflation is likely to remain above the Federal Reserve's 2% target at the end of 2023.

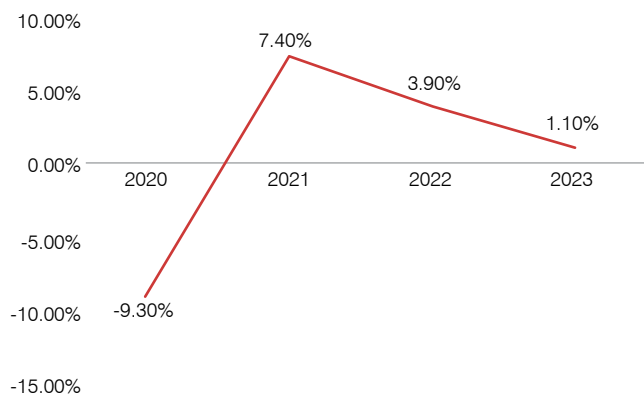
### UK economy

Following a 9.4% decline in 2020, the UK's economy growth reached 7.5 percent in 2021. The growth registered a strong strongest in late 2021. During the year, the government implemented a massive programme of booster vaccine shots and a boom in coronavirus testing, which in turn fuelled a significant increase in state spending and maintained economic output. The COVID-related activity in the health sector helped concealing the impact of inflation on household incomes. However just as the UK economy reached its pre-pandemic size, the new shocks hit the

Global economy. As a result the geopolitical events intensified the upward pressure on inflation caused by rising commodity prices around the world.

### Outlook

The outlook towards UK economic outlook are skewed to the downside. A sharper deterioration in the external environment – causing a recession in some of the UK’s major trading partners – coupled with a stronger fall in consumer spending in the UK, could see the UK economy entering a mild recession next year, with manufacturing and financial services among the worst affected sectors. As a result the economic output will moderate to 3.9% in CY2022. Furthermore, even though, investment is expecting a moderated growth of 2.1%, it is likely to reduce notably from Q2 of CY2023 which is attributed to the government’s capital allowance super deduction being phased out.



(Source: UK Economic Outlook - KPMG United Kingdom (home.kpmg))

### Russia economy

The Russian economy saw a strong economic rebound in 2021, with a registered GDP of 4.3%. This was the fastest growth in more than a decade, recovering from a pandemic-linked recession the year before as oil prices surged. Additionally, as COVID-19 restrictions were eased, consumer demand and thereafter spending soared. During the year, in the second quarter, the household consumption grew at the strongest rate in a decade to more than 9 percent on the previous quarter. The labour markets also experienced a significant improvement, with real earnings rising and unemployment reaching a four-year low.

### Outlook

The Russian economy is anticipated to contract in 2022. However, the contraction is less than anticipated as a result of less hawkish monetary policy due to inflation running below expected levels. The inflation slowdown is driven by recent slowed down consumer demand at home along with a sharp rouble appreciation. That in turn is propelled by capital controls and Russia’s record current

account surplus, due to high prices for its commodity exports and a sharp decline in imports.

### Australia

With vaccination rate targets achieved across states and easing lockdowns towards the end of CY2021, the Australian economy rebounded with GDP of 4.7%. The growth was also fueled by household spending, as a combination of pent-up consumer demand and festive season sales helped boost the growth. Additionally, the government spending on infrastructure and maintenance projects continued, with activity expanding by 0.9 percent in 2021 despite pandemic-related obstacles.

### Outlook

The economic recovery is projected to continue with real GDP growth reaching 4.2% in 2022 and 2.5% in 2023.<sup>1</sup> In the short run, increased trade and strong commodity prices will support the GDP. Personal consumption growth will be aided by a strong labour market and a gradual decline in household saving rates. Inflation will maintain its upward trend in the foreseeable future as global supply chain disruptions, high energy prices and rising wages due to a tight labour market put upward pressure on prices.

### Emerging market and developing economies (EMDEs)

The emerging market and developing economies saw a weaker and fragile rebound in 2021 as against advanced economies as a result of slower vaccination process, and more limited policy response. Additionally, the resurgence of new COVID-19 cases and related mobility restrictions hampered the recoveries in a number of countries. This was most evident in some large economies in East Asia and Pacific, where a number of indicators of real activity contracted. The financial conditions got tighter as risk sentiment deteriorated. Due to lingering supply constraints and declining external demand, EMDE industrial production decreased and manufacturing new export orders remained muted.

### Outlook

The outlook for EMDEs is tilted towards downside owing to the by the withdrawal of macroeconomic policy support. It is anticipated that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain below its pre-pandemic trend. The constant inflationary pressures and tighter monetary policy will keep weighing on private consumption in 2022.

### Indian economy

Since the second wave, which occurred in April to June, had a large impact on health but not on the economy, the economy rebounded in a K shape in the fiscal year (2021–2022). GDP at constant prices (2011–12), also known as real GDP, rose by 8.7 percent in FY 2021–22 as opposed to declining by 7.3 percent in

<sup>1</sup> OECD Economic Forecast June, 2022

FY 2020–21. The government income is on the rise, which makes it easier to reach its end-year goals, while sustaining support and laying strong emphasis on capital investment. This reflects on the strong revenue receipts, which grew by 67% YoY in April–November 2021, thus equipping the Government of India with enough fiscal capacity to offer more financial assistance.

Total consumption was forecasted to rise by 7.0%, in 2021–22,<sup>2</sup> with significant contributions from government expenditure. Similarly, Gross Fixed Capital Formation has surpassed pre-pandemic levels as a result of increasing public infrastructure expenditure. Both goods and service exports have been very robust so far in 2021–22, while imports have rebounded significantly as a result of increasing local demand and higher international commodity prices.

Governments income recovered in 2021 with revenue receipts being hiked by 67% Y.O.Y. in April–November 2021.<sup>3</sup> This means the government will be able to increase in expenditure on infrastructure development as well as capital investments.

### Outlook

Owing to the strong focus on asset creation and the subsequent rise in private sector investments, the Indian economy is expecting to grow between 8% and 8.5% in FY2023. The Gol is adopting numerous measures to tackle the supply-chain disruptions, such as industry deregulation, the abolition of retroactive taxes, etc, which further facilitates growth.

India was already battling inflation, which has been exacerbated by the war. The persistence of elevated inflation is likely to trigger RBI to adopt liquidity tightening measures. However, India has demonstrated strong resilience in the face of crisis and has now learnt to move ahead with constraints. Thus, to summarise, India is well-positioned to battle the minor externalities.

## Industry overview

### Global pharmaceutical industry

Owing to the supply-chain disruptions and raw material shortage, the pharmaceutical industry experienced several bottle-necks during the year. However, faster vaccines rollouts has played a cardinal role in reviving the sector, since healthcare systems and policy makers across economies are now more confident about spending on the pharmaceutical industry.

The global pharmaceutical industry is likely to grow at a CAGR of 9.1% in CY2022, thus reaching a market valuation of \$1587.05 billion. Companies are now adopting better measures to tackle the pandemic induced impacts, which earlier resulted in operational issues. At a CAGR of 19.2%, the pharmaceuticals industry is estimated to reach \$3201.02 billion in CY2026.

The larger section of the global demography is ageing, which makes them prone to chronic illnesses, such as rheumatoid arthritis, hypertension, diabetes, and cancer. The rise in patient pool drives the demand for medications, thus positioning the industry on path of recovery in the near short-term.

Over the next five years, the industry is expecting to launch a total of 300 new medications, with a bias toward specialised, niche, and orphan drugs. This is likely to generate \$196 billion in additional expenditure, that will counterbalance the brand spending reductions of \$188 billion, owing to loss of exclusivity.<sup>4</sup>



### US pharmaceutical industry

The US healthcare system has demonstrated strong resilience and adaptability in the face of crisis, and consequently restored to the pre-pandemic levels by end of CY2021. Medical expenditure grew significantly, in addition to the billions spent on vaccines. Due to the availability and uptake of COVID-19 vaccines and therapeutics, spending on medicines increased by 12% to generate \$407 billion in 2021, while the rest of the market grew at 5% on a net basis from stable net prices.

The rising usage of biosimilars, owing to its affordability considerably offset the usage of branded medicines. Owing to the rising cost of auto-immune and cancer treatments, specialty medications now account for 55% of total spending, whereas expenditure on standard courses is experiencing an overall decline of 3%. Moreover, net manufacturer sales rose by \$82 billion in the last five years, owing to \$88 billion spent on newly launched brands and an extra \$94 billion spent on branded pharmaceuticals, offset by \$93 billion spent on brands that have lost exclusivity.

The following factors will be driving growth in the US market:

1. **Ageing population** - Over the next five years, US population growth is anticipated to be between 0.5 percent and 1 percent annually. By 2025, there will be 64.5 million people over the age of 65, representing 18.5% to 19% of the total population, growing at a rate of 3% each year.
2. Increasing prevalence of chronic diseases, caused by "lifestyle factors"- In the United States, currently, there are more than 35 million Americans who have diabetes. Cardiovascular diseases affected 42 million people worldwide as of 2021. This figure is predicted to reach 47 million by the year 2030.
3. Increasing number of lives covered under Affordable Care Act (ACA)- Over 297 million Americans had at least one form of health insurance as of 2020, a considerable increase from the 257 million persons who were covered in 2010.

<sup>2</sup> Indian Economic Survey 2021–22

<sup>3</sup> Indian Economic Survey 2021–22

<sup>4</sup> The Global Use of Medicines 2022 - IQVIA





### UK and Euro zone pharmaceutical industry

Europe is the world's second biggest market for medicines, with businesses with diverse scale. Over 70% of the research is from emerging biopharmaceutical businesses, which further assists the thriving sector. Even though the growing illness burden, universal coverage, and easy access to healthcare facilities drives growth within the sector, the growing usage of generics and government's cost-cutting efforts limits future growth.

Anchoring on robust innovation, the pharmaceutical market in the UK is expecting to grow with a CAGR of 3.6%, thus reaching \$34.0 billion in valuation by 2023. This can be primarily attributed to the universal coverage, growing disease burden and ease of healthcare access.



### Australia and New Zealand pharmaceutical industry

The Australian pharmaceuticals market is likely to grow at a CAGR of 2.1% from 2021 to 2026, thus reaching a market valuation of

\$28,750 million in 2026.<sup>5</sup> Most of the pharmaceutical and biotech businesses are focusing on strengthening their R&D to uncover novel compounds or leads for the treatment of conditions, which are now in clinical studies.

The nation funded around \$363 million in COVID-19 preventive and treatment research and development, which is further likely to bolster market growth. Rising burden of chronic illnesses and the growing geriatric population, combined with rising expenditure on R&D for innovative treatments are likely to fuel market expansion over the forecast period.



### Russia pharmaceutical industry

The pharmaceutical industry in Russia is anticipated to grow by 2.5 billion Russian Rubles by 2023.<sup>6</sup> One of the major factors in the growth of the industry in Russia is the government's concern for national security in the supply of medicines, especially in light of the fact that major foreign producers suspended at least some operations in the country in 2022 as a result of the conflict in Ukraine. Another major driving force of the industry is the evolving online pharmaceutical sales, legalised during the COVID-19 pandemic. Besides, demographic factors will continue to fuel pharmaceutical market growth as the population ages.

## Emerging trends in the global pharmaceutical industry



### Artificial intelligence (AI)

AI and machine learning are helping to speed up the drug discovery and development process. Several entrepreneurs are resorting to these technologies to address numerous difficulties in the sector, such as manufacturing process automation and optimisation, as well as developing successful marketing and post-launch strategies. AI also makes patient identification and eligibility criteria easier, and makes the cohort identification process faster and affordable.



### Blockchain technology

The sector benefits from blockchain technology at every level of drug development and distribution. Blockchain technology, when applied by pharmaceutical companies, can enhance efficiency by streamlining operations. This holds true for transactions involving healthcare clinics, hospitals, regulators, and other parties. It further strengthens the R&D outcomes. The application of blockchain technology to combat the use of counterfeit medicines and substandard treatments that infiltrate the pharmaceutical supply chain and kill thousands of patients every year is also being investigated.







### Big data and big data analytics

Throughout the medication discovery and development process, significant amounts of data are now made public, which needs to be correctly evaluated to derive proper values. Hence, data management is becoming crucial as a growing number of pharmaceutical businesses seek to offer their key data to third parties. Their historical and real-time data are becoming significant assets for predictive, diagnostic, prescriptive, and descriptive analytics, owing to advances in analytical tools. These analytics techniques are also used to a wide range of medical data, such as patient records, medical imaging, etc.

<sup>5</sup> Australia Pharmaceuticals Market | 2022 - 27 | Industry Share, Size, Growth - Mordor Intelligence

<sup>6</sup> Statista- Pharmaceutical industry in Russia - statistics & facts

## Emerging trends in the global pharmaceutical industry (Contd..)

 <p><b>Digital transformation</b></p>	<p>Adoption of digital processes have been gaining traction in the worldwide pharmaceutical business, even before the Covid-19. Some of the primary operations needed abrupt relocation to the virtual sphere due to pandemic. This will also make it easier to comply with regulations. Many pharmaceutical businesses value digital process deployment as the benefits outweigh the costs. It also increases openness, improves process efficiency, and has the ability to reduce the loss of data.</p>
 <p><b>Cloud technology</b></p>	<p>Cloud technology is another important trend to enhance healthcare services. The capacity of cloud technology to process and transport data in an efficient, collaborative manner, turn it into relevant information, and cut expenses is gaining appeal. It enables health care organisations to transition from a highly centralised approach to a decentralised approach (where healthcare organisations focus on having real-time, easy-to-use, remote access to data, paying cloud service providers only for what they use).</p>
 <p><b>Precision medicine</b></p>	<p>Personalised medicine, which is created based on a specific patient diagnosis, ensures maximum efficacy and patient satisfaction. It has been shown to be more successful than alternative treatments. New insights into how the human body responds to medications are being gained, thanks to the advances in omics and data analysis. Personalised medicine is becoming a reality as a result of this information and new production processes, such as additive manufacturing. Precision medicine, in particular, necessitates specialised and smaller manufacturing facilities than other industries. Despite the difficulties, the trend is likely to sustain with improvements in procedures.</p>
 <p><b>Extended reality (XR)</b></p>	<p>Pharmaceutical entrepreneurs are investigating the use of extended reality visualisations in pharmaceutical research and manufacture. This allows research teams to engage in data-rich and meaningful real-time location-agonistic engagement. Human enhancement in medicine is becoming a reality because of extended reality devices and start-up led solutions.</p>

### Global Biologics industry

Biologics is the most exciting area of exploration the pharmaceutical industry, and injectables are witnessing increased adoption, as the preferred drug delivery systems due to their ease of handling, less overfills and more safety to patients. In the coming years, many biologic drugs will witness loss of patent exclusivity (LOE). This is expected to result in a huge surge in their biosimilar products thereby increasing demand for the injectable drug delivery devices for these formulations.

The market for biologic medications (including biosimilars), which accounts for almost to one-third of the worldwide pharmaceutical business, was estimated at US\$ 443 billion in FY22 and is still expanding quickly with a 5-year CAGR of more than 12%. The US has a market share of over 60% for biologics, followed by Europe with a share of only 22%. The market for biologics in the US and Europe has grown at a CAGR of around 11–12% over the last five years to reach almost US\$ 364 billion in size. Furthermore, over the previous five years, the biologics market in China expanded at a CAGR of 21%, reaching a size of almost US\$ 18 billion.<sup>7</sup>

The possibility of significant LOE incidents in the US will cause US\$112 billion worth of biologic medications to lose exclusivity in the global market by 2025. On the other hand, significant LOE events like adalimumab, trastuzumab, and bevacizumab have already occurred in Europe. Europe offers a significant potential

between 2024 and 2029 as 100 biologic medicines lose their exclusivity, with a forecasted sales value of more than \$40 billion in the year of expiration.

### Global Generics industry

The global market for generic drugs is expected to increase to US\$507.8 billion by 2026 at a CAGR of 5.6 percent throughout the study period. The small-molecular generics, is anticipated to expand at a CAGR of 5.2 percent and reach US\$325.7 billion by the conclusion of the analysis period. A growing aging population, resulting in public health budgeting pressure, will lead to a sustained and increasing demand for generic products into the future. Chronic diseases and conditions like diabetes, hypertension, and obesity will keep propelling the market ahead.

### Global OTC industry

The worldwide impact of COVID-19 has been unprecedented and staggering with OTC drugs having witnessed strong demand across all regions amid the pandemic. The pandemic has also raised awareness of the value of self-care and sped up the rise of categories like vitamins, minerals, and nutritional supplements. The size now, of the OTC global market is anticipated to increase from USD 157.0 billion in 2021 to USD 233.6 billion in 2028.<sup>8</sup> The growing availability of private label goods is anticipated to boost growth.

<sup>7</sup> IQVIA Industry report

The key factor continually contributing to the growth of the OTC market is the increasing use of self-medications. Additionally, the affordability and accessibility of various OTC type of drugs in several retail stores across the globe is also expected to drive the OTC market growth in the coming years. In emerging and developed countries, the private sector is progressively investing in the improvement of the supply chain through a number of distribution outlets and retail stores.

### Indian pharmaceutical industry

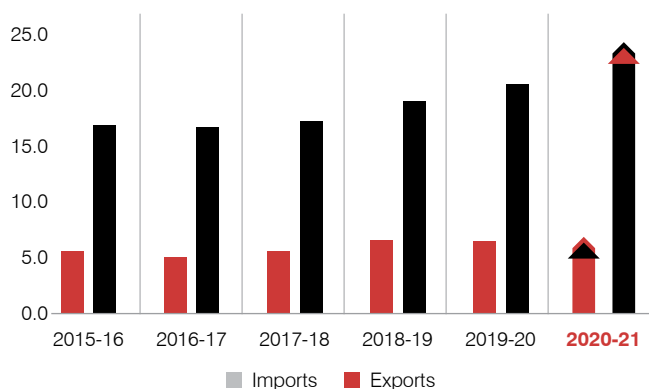
The Indian pharmaceutical industry is the 3rd largest pharmaceutical manufacturing country, in terms of volume. The nation is also the largest supplier of generic pharmaceuticals in the world, accounting for 20% of worldwide supply. Furthermore, Indian pharmaceutical firms are extremely cost-effective and offers excellent efficacy, all of which has helped the country to become the 'Pharmacy of the World'.

The Indian pharmaceutical market is now valued at \$41.7 billion and by 2024, it is likely to be worth \$65 billion. Constant government impetus, in terms of PLI scheme for bulk pharmaceuticals and manufacturing of local medical device is facilitating growth of the sector.

Between April and September, FY2022, the sector witnessed a growth of 53% in terms of FDI, thus accounting for Rs. 4,413 crore. This can be attributed to the need to meet the COVID-19-related medical and immunisation needs.

Despite being a prominent player in formulations, the country is heavily reliant on imports for bulk pharmaceuticals used in medication formulations. To reduce this reliance, the Gol introduced the PLI scheme, and allotted Rs 6,940 crore to promote domestic production of 53 important Active Pharmaceutical Ingredients (APIs) over the next 8 years.

### trade of Pharmaceutical industry (value in US\$ billions)



(Source: Survey calculations based on data from D/o Commerce. Data includes trade in Aayush and herbal products; bulk drugs, drug intermediates; drug formulations, biological; surgical.)

### Megatrends in Indian Pharmaceutical Industry

#### Opportunities & threats

- Changing Regulatory Environment** - Working successfully with the government will influence the sector's future as healthcare takes centre stage on the policy agenda. Companies must be accurate 'first time' as a result of tightening regulations and quicker regulatory approvals. An emphasis on quality assurance and control has become even more important due to regulators' heightened scrutiny.
- Shifting Industry Dynamics** - The industry is undergoing a number of changes, including a shift from 'Make in India' to 'Develop in India,' increased globalisation, a focus on rural markets, a shift from a pricing-focused to a value-added mindset, and a change from a competitive to a collaborative mindset with the merging of sectors, particularly Medical Devices, Pharmaceuticals, and Disposables.
- Digital: The Foundation of Transformation** - The sector is undergoing transformation, and the ecosystem is now moving towards integration in operations backed by digitization. Companies are being flexible in their responses to the shifting relationship dynamics brought on by new digital factors with investment in data and analytics skills.
- Adapting to New Emerging Skills** - Companies are realigning their staff capabilities to new growth models and emerging capabilities, particularly in the fields of digital and advanced analytics, and market access.
- Focus on R&D and patented goods**- India has a long history of being a leader in branded generics market with several well-established companies. Going forward, the model will alter even though the major focus will still be on branded generics. Innovation and patented goods will take centre stage. To compete in this market, a more thorough and integrated strategy will be needed.
- Development of New Trade Channels alongside Current Trade Channels** - With their growing ability to affect purchasing choices, trade channels—especially organised bodies—continue to wield their historical power. E-pharmacies, on the other hand, have seen significant expansion in recent years. The relative power of traditional channels is being undermined as they grow to constitute a significant portion of distribution channels. Companies must develop skills appropriate for both current active channels and developing fresh channels.
- Globalization** - For the past few years, industry trends have emphasised globalisation. More and more world leaders visit India, and vice versa. Indian pharmaceutical companies market presence is already in more than 200 countries, and this number is anticipated to rise. Companies operating on

<sup>8</sup> GlobeNewswire

a wider scale will expand the depth and breadth of market penetration as globalisation accelerates.

- Rural Markets** - Despite the fact that around 70% of Indians live in rural regions, approximately 70% of healthcare services are now provided in metropolitan areas. Rural and urban markets will grow more significant in the future, and pharmaceutical businesses will need to concentrate on building out their channel infrastructure to access these areas.

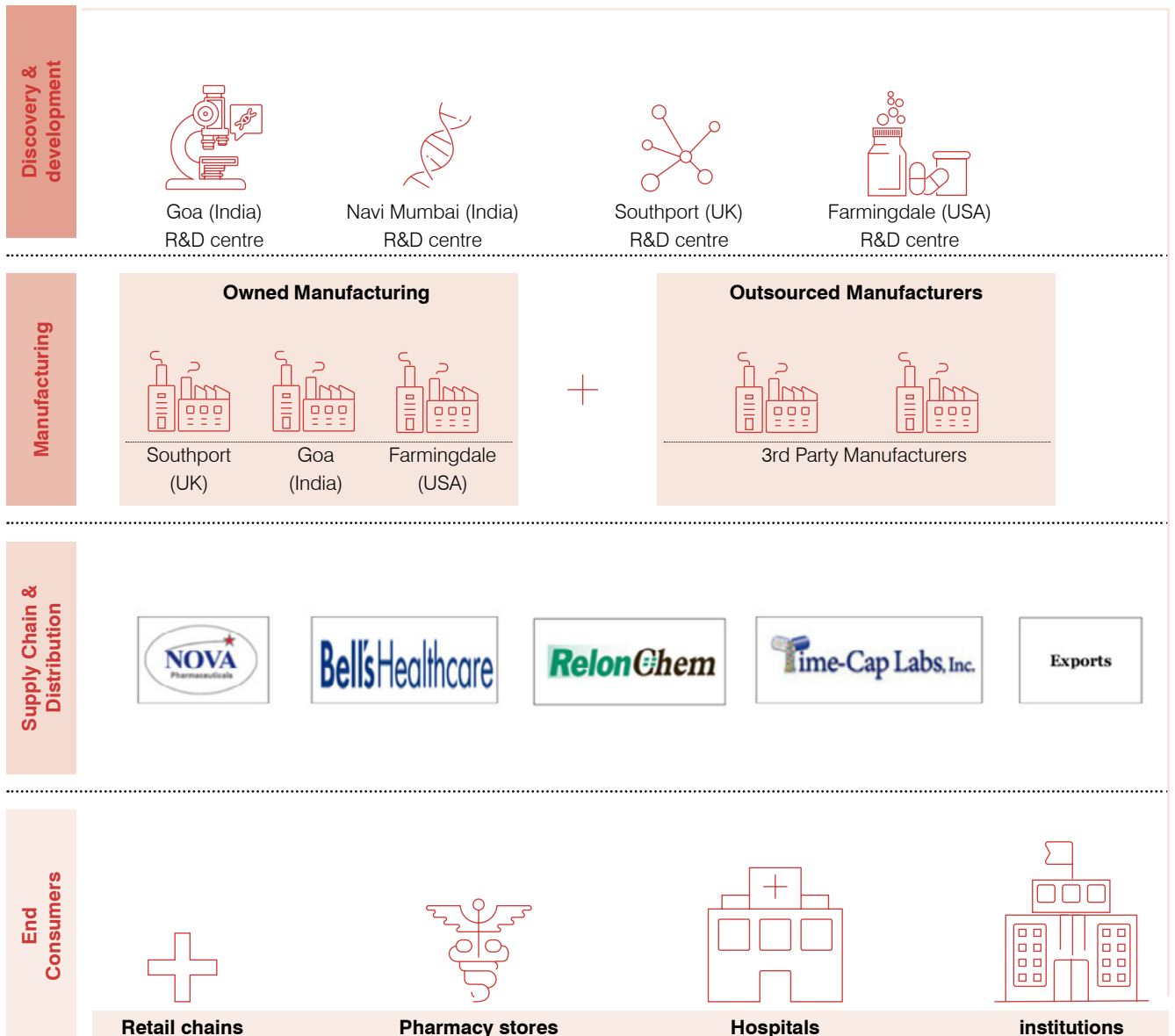
Over the next five years, India’s medical spending is expected to increase by 9–12 percent, placing it among the top 10 nations worldwide. Future domestic sales growth would also depend on firms’ capacity to focus their product portfolios on chronic

treatments for prevalent ailments including cancer, diabetes, depression, and cardiovascular disease.

### Company Overview

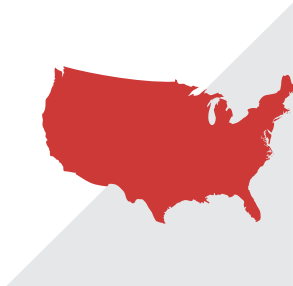
Marksans is today a fast growing pharmaceuticals company with forward integrated business model. The Company manufactures products across various therapeutic categories including Pain Management, Cough & Cold, Cardiovascular & Central Nervous System, Anti-Diabetic, Gastrointestinal, Anti-Allergic among others. The Company has a robust and state-of-the-art manufacturing set-up with facilities at Goa (India), Southport (UK) & New York (USA) equipped to deliver significant growth through maximizing its operational leverage.

### Forward integrated business model with presence across the pharma value chain



## Geographical performance

### United States



₹ **6351** Million

Total revenue

**8.5%**

Y-o-y growth

**42.6%**

Contribution to total revenue

#### Overview

The company has an extensive distribution network and unique brand-recall marketing strategies, that has enabled it to have a strategic edge in the United States which is world's largest pharma market holding over 30-40% of the global pharmaceutical market share. It is one of the few active Indian companies with a USFDA approval for generic soft gel capsules, reducing the risk of over-competition. In the USA market, the company has 50+ products in therapeutical segments in both OTC and Rx segment. In addition, it has a strong distribution channel marketing for both OTC and Rx products. Within OTC, Pain Management, Cough and Cold, Gastrointestinal and Anti-Allergy are the largest segments in terms of market size and the company plans to have ~100% coverage in these segments. In the coming years, the US market will continue to be a key growth driver for the company.

### United Kingdom



₹ **6091** Million

Total revenue

**4.7%**

Y-o-y growth

**40.9%**

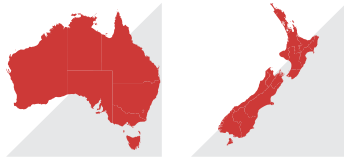
Contribution to total revenue

#### Overview

Through its two subsidiaries, Bell (OTC portfolio) and Relonchem (high-end Rx portfolio), the Company has a significant presence in the UK and is one of the top five Indian pharma businesses in the region. Marksans presence in numerous therapeutic areas in the region, such as pain management, diabetes, cough and cold, neurology, cardiology, and hormonal treatment, accounts for the largest portion of Marksans's revenue mix. It has a prominent presence in the UK market.

The Company has worked with major UK retailers to promote its goods, including AAH, Lyods, NHS, Tesco, Asda, Morrisons, Coop, Boots, and Superdrug, etc. Marksans is further developing a number of oral solid and liquid product portfolios in order to expand its market share in the generic and over-the-counter sectors, and has also invested in a manufacturing plant to produce oral liquid solutions.

## Australia and New Zealand



₹ **1798** Million

Total revenue

**22.9%**

Y-o-y growth

**12.1%**

Contribution to total revenue

## Overview

Over the years, Marksans has strengthened its position in the Australian and New Zealand pharmaceutical markets, which now accounts for the third-largest share of Marksans' overall revenue mix. The Company's activities in the region are supported by Nova, a research-driven specialty pharmaceuticals firm purchased by Marksans in 2005. Nova possesses 30 MAs and is one of the region's largest generics and private label providers.

The Company has also tied up with Australia's biggest retailers and pharmacies, including Woolworths Ltd., Coles Mayer Ltd., Aldis, Metcash, and Fauldings.

## Rest of the World



₹ **669** Million

Total revenue

**7.3%**

Y-o-y growth

**4.5%**

Contribution to total revenue

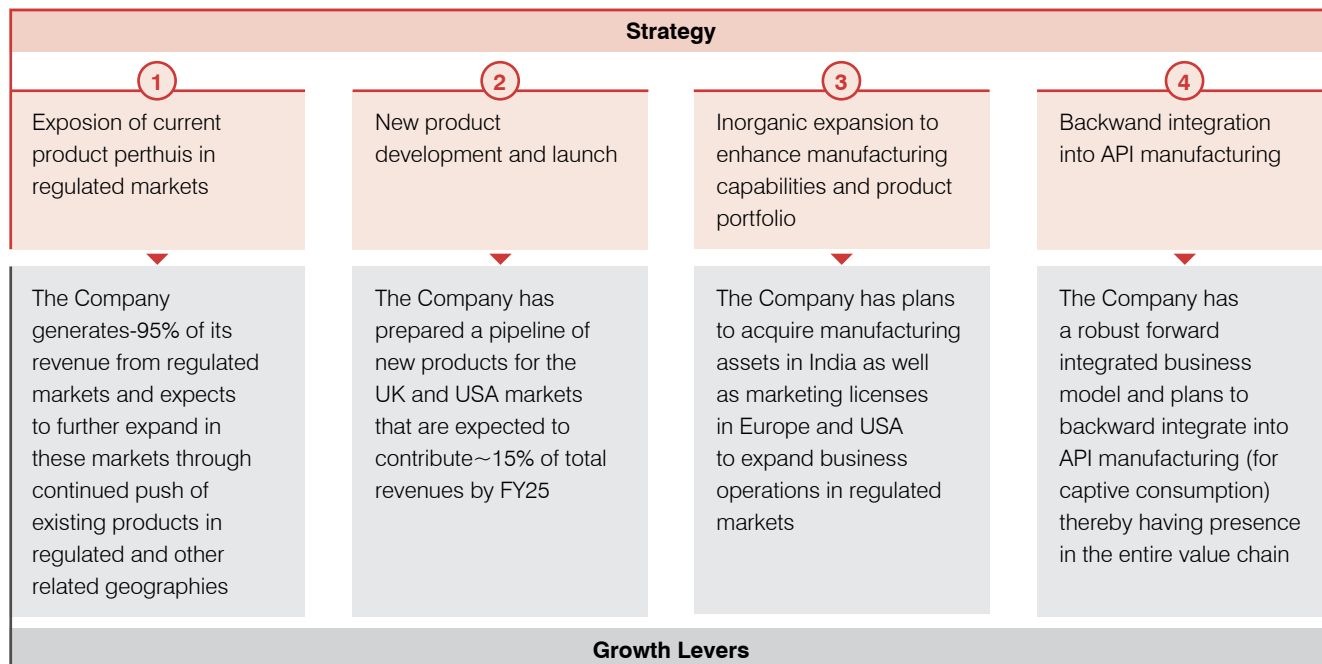
## Overview

Apart from focusing on specific regions, the Company has expanded its geographical footprints across emerging nations and has marked its presence in South East Asia, Middle East, Africa and CIS countries. Primarily, Marksans targeted specific Pharmerging countries, such as Iraq, Ukraine and Cambodia will drive the next-level of growth.

## Outlook

The Company plans to solidify its presence in these countries. Besides that it also plans to penetrate in countries which still remain under-penetrated. The company intends to generate more than 10% of its overall revenue from these countries by 2025.

## Growth strategy



## Human resources

Marksans believe in growing by attracting, keeping, and nurturing talented employees. With innovation at the core of the Company, the Company focuses on employee retention and empowerment to keep the Company relevant amid the competitive market. It has employed several team and skill enhancement initiatives, which continue to upgrade the Company's talent pool.

Marksans Pharma aims to establish a friendly and enabling work environment, that inspires the employees to take on new challenges and thus unleash their full potential. Communication sessions and the formation of cross-functional teams are conducted to improve employee engagement. It also hires prominent talents and experts to facilitate management and technical skill training programmes. As of 31st March, 2022, the total employee count stood at 1412.

## Financial review

### Revenue

Standalone turnover of the Company increased from Rs. 5995.48 Million in 2020-21 to Rs. 6582.89 Million in 2021-22 i.e. increased by 9.80%. This growth has been driven by strong performance of exports to USA & North America, UK, Australia & New Zealand and Rest of World.

### Cost of sales

Cost of sales increased to Rs. 3775.91 Million in 2021-22 from Rs. 3379.13 Million in 2020-21 on account of increase in sales i.e. increased by 11.74%.

### Other expenses

Other expenses increased from Rs.932.84 Million in 2020-21 to Rs. 1065.23 Million in 2021-22 i.e. increased by 14.19%. The increase was mainly on account of increase in freight rates.

### Depreciation and amortization expenses

Depreciation and amortization expenses provision increased from Rs. 151.93 Million in 2020-21 to Rs. 176.63 Million in 2021-22 i.e. increased by 16.26% due to increased CAPEX.

### Finance cost

Finance cost decreased from Rs. 53.45 Million in 2020-21 to Rs. 37.95 Million in 2021-22 i.e. decreased by 29% due to decrease in bank charges.

### Reserves and Surplus

Reserves & Surplus is Rs. 7437.42 Million in 2021-22 compared to Rs. 5587.86 Million in 2020-21 i.e. increased by 33.10% due to increased profits in current year.

**Trade payables**

Trade payables increased to Rs. 744.54 Million in 2021-22 from Rs. 641.55 Million in 2020-21 i.e. increased by 16.05% due to higher purchases.

**Non Current Lease liability**

Non Current Lease liability decreased to Rs. 35.46 Million in 2021-22 from Rs. 83.36 Million in 2020-21 i.e. decreased by 57.46% due to the payment of lease instalments.

**Current Lease liability**

Current Lease liability decreased to Rs. 57.59 Million in 2021-22 from Rs. 60.37 Million in 2020-21 i.e. decreased by 4.60% due to the payment of lease instalments.

**Other Current Financial Liabilities**

Other current financial liabilities increased to Rs. 163.11 Million in 2021-22 from Rs. 135.59 Million in 2020-21 i.e. increased by 20.30%, on account of increase in payables.

**Provision-Non Current Liabilities**

Provision-Non Current Liabilities decreased to Rs. 18.56 Million in 2021-22 from Rs. 21.11 Million in 2020-21.

**Provision-Current Liabilities**

Provision-Current Liabilities decreased to Rs. 7.24 Million in 2021-22 from Rs. 9.68 Million in 2020-21.

**Other Current Liability**

Other Current Liability increased to Rs. 568.80 Million in 2021-22 from Rs. 231.07 Million in 2020-21 i.e. increased by 146.16% due to increase in payables.

**Tangible Assets**

The Company's tangible assets increased to Rs. 1318.61 Million in 2021-22 from Rs. 1248.42 Million in 2020-21 i.e. increased by 5.62% due to additional CAPEX during the year.

**Intangible assets**

During 2021-22, the Company's intangible assets decreased to Rs. 36.51 Million from Rs. 42.43 Million in 2020-21 i.e. decreased by 13.95% mainly on account of depreciation.

**Current Investments**

During 2021-22, the Company's current investments increased to Rs. 4.35 Million from Rs. 2.61 Million in 2020-21.

**Other non-current financial assets**

Other non-current financial assets increased to Rs. 26.08 Million in 2021-22 from Rs. 25.63 Million in 2020-21.

**Other Current financial assets**

Other Current financial assets increased to Rs. 83.76 Million in 2021-22 from Rs. 15.64 Million in 2020-21.

**Inventories**

Inventories increased to Rs. 1036.75 Million in 2021-22 from Rs. 936.86 Million in 2020-21 i.e. increased by 10.66% mainly to support the increase in sale of formulations.

**Trade receivables**

Trade receivables increased to Rs. 2467.83 Million in 2021-22 from Rs. 1689.27 Million in 2020-21 i.e. increased by 46.09% due to incremental credit period offered to customers in USA, Australia & Rest of World Markets.

**Other current assets**

Other current assets increased to Rs. 65.43 Million in 2021-22 from Rs. 13.25 Million in 2020-21.

**Other non-current assets**

Other non-current assets decreased from Rs. 15.95 Million in 2020-21 to Rs. 15.54 Million in 2021-22 i.e. decreased by 2.57%

**Cash and cash equivalents**

Cash and cash equivalents increased to Rs. 2240.48 Million in 2021-22 from Rs. 1056.12 Million in 2020-21. This was mainly due to receipt of subscription money on account of warrants issuance also on account of cash generation during the year.








## Key ratios

Complying to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations. Therefore, the key financial ratios are mentioned below:

Key financial ratios	2020-21	2021-22	% Change	Details of Significant Changes
Debtors Turnover (Days)	101	115	13.86	-
Inventory Turnover (Days)	91	95	4.40	-
Interest Coverage Ratio (Times)	21.27	29.96	40.85	Interest Coverage Ratio improved due to better profitability
Operating Profit Margin (%)	18.97	17.27	(8.92)	-
Net Profit Margin (%)	15.6	14.84	(4.84)	-
Return on Net Worth (%)	16.4	13.25	(19.21)	-
Current Ratio (Times)	3.17	3.54	11.63	-
Debt Equity Ratio (Times)	0.02	0.03	(43.56)	Company is debt free

## Risk management

Marksans has employed a risk-management strategy, that encourages the Company to make clear decisions about the risks that it takes and suggests ways to effectively manage them. It is important to have a thorough grasp of each risk's potential, as well as the effective risk management solutions that are integrated to meet the Company's strategic goals.

	<p><b>Growth risk</b></p> <p>The current challenges in the business ecosystem makes it difficult for the growth momentum to sustain.</p>	<p>The pandemic has reinforced the importance of the pharmaceutical industry. This has resulted in support from the government, which is likely to facilitate the industry's next phase of expansion.</p>
	<p><b>Regulatory risk</b></p> <p>Compliance to the regulatory and ethical requirements are extremely necessary for the Company to grow.</p>	<p>Every pharmaceutical product that the Company develops or manufactures is submitted to rigorous regulatory, R&amp;D, and quality controls. Quality management systems are in place to ensure that the goods meet international standards. Furthermore, all of the Company's production units follow the regulatory requirements provided by the industry's leading regulatory agencies.</p>
	<p><b>Technology risk</b></p> <p>It is important for Marksans to keep up with the technological advancements to retains its competitive edge. Delay in adoption can impact profitability and sustainability.</p>	<p>The Company operates in a research-driven business, and thus pursues technological progress and spends to keep up with changing trends. Marksans' robust R&amp;D attests to its commitment of being a technologically advanced pharma firm. Furthermore, the Company maintains close relationships with prominent worldwide corporations and organisations to stay updated on recent breakthroughs.</p>
	<p><b>People risk</b></p> <p>Acquiring and retaining an experienced and talented workforce is utterly important to maintain excellent efficiency.</p>	<p>The Company's competitive advantage is largely built on the efficiency of its workforce. Marksans invests in its personnel on a regular basis and nurtures them to create a happy and productive work environment.</p>
	<p><b>Competition risk</b></p> <p>Marksans' products are prone to stiff competition, which may impact its revenues and market share.</p>	<p>Marksans' expenditures in its R&amp;D have kept the Company stay ahead of the competition. Furthermore, Marksans has employed a strong marketing and business development team that continuously analyses and assesses market trends and offers relevant recommendations to management.</p>

### Internal control systems and their adequacy

The internal control and risk management system are structured and implemented in accordance to the principles and criteria established in the corporate governance code of the Organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors. The system is under constant review by the Chairman, Managing Director, COO, CFO, and a few others, which ensures timely prevention of discrepancies.

### Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations, and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. The actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

# Directors' Report

Dear Shareholders,

**The Directors take pleasure in presenting the THIRTIETH (30th) Annual Reports along with the financial statements for the year ended 31st March 2022.**

## FINANCIAL HIGHLIGHTS

Particulars	₹ in Million	
	2021-22	2020-21
Turnover	6,582.89	5,995.48
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	1,521.71	1,395.23
Less: Depreciation & Amortization Expenses	176.63	151.93
Non-recurring expenses	-	-
Tax expenses	305.20	259.48
Profit after Tax	1,039.88	983.82

## OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2021-22, your Company achieved turnover of ₹ 6,582.89 Million with net profit of ₹ 1,039.88 Million as compared to turnover of ₹ 5,995.48 Million with net profit of ₹ 983.81 Million in the previous year.

On consolidated basis, your Company achieved turnover of ₹ 14,908.39 Million with net profit of ₹ 1868.14 Million as compared to turnover of ₹ 13,761.82 Million with net profit of ₹ 2385.38 Million in the previous year. During the year, US and North America Formulation business reported growth of 8.5%, Europe and UK formulation business reported growth of 4.7%, Australia and New Zealand formulation business reported growth of 22.9% and Rest of World formulation business reported growth of 7.3%.

In compliance with the Ind AS on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year under review.

## DIVIDEND

Your Directors have recommended a Dividend, subject to approval of the Members at the ensuing Annual General Meeting, of Re. 0.25/- (25%) per equity share of Re. 1/- each and dividend of ₹ 7/- (7%) per preference share of ₹ 100/- each for the financial year ended 31st March, 2022. Total cash outflow on account of dividend payment will be ₹ 105.83 Million for the financial year ended 31st March, 2022. The Dividend will be paid in compliance with applicable regulations. Company's policy on the Dividend

Distribution is available on the Company's website [www.marksanspharma.com](http://www.marksanspharma.com).

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

- Marksans Pharma (UK) Limited, through step down subsidiaries Bell, Sons & Co. (Druggists) Limited and Relonchem Limited which operates in the European markets, has achieved sales of ₹ 6075.84 Million as compared to sales of ₹ 5767.65 Million during previous year.
- Marksans Pharma Inc., through step down subsidiary Time-Cap Laboratories Inc. which operates mainly in US and North America, has achieved sales of ₹ 6288.02 Million as compared to sales of ₹ 5754.30 Million during previous year.
- Nova Pharmaceuticals Australasia Pty Ltd. (your company holds 60% of the share capital) which operates mainly in Australia and New Zealand has achieved sales of ₹ 1681.22 Million as compared to sales of ₹ 1341.97 Million during previous year.

Pursuant to a Central Government's Circular dated 8th February, 2011, the audited accounts together with Directors' Report and Auditors' Report of the subsidiaries namely Marksans Pharma (U.K.) Limited, Marksans Pharma Inc. and Nova Pharmaceuticals Australasia Pty Limited are not being appended to the Annual Report. However, a statement giving information in aggregate for each subsidiary including step down subsidiaries are attached to the Consolidated Balance Sheet. Statement containing the salient

features of financial statements of subsidiary companies and their contribution to the overall performance of the company are given in Note No. 42(a) (Form AOC-1) of the consolidated financial statements and forms part of this report.

Your Company has no Joint Ventures and Associate Companies.

## ACQUISITION OF ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC, DUBAI, UAE

On 6th June, 2022, your company acquired 100% share capital of Access Healthcare for Medical Products LLC, a Dubai-based front-marketing and promotion company. Access Healthcare for Medical Products (Access Healthcare) provides innovative marketing and sales solutions in the MENA (Middle East & North Africa) region. The Company supplies products in the UAE and other neighboring countries. In the UAE market, the company supplies products through the Dubai Health Authority (DHA). It has market authorizations by the UAE regulatory authorities for various products. For the year ended December 2021, Access Healthcare for Medical Products posted revenues of AED 12 Mn (INR 250 Mn) and a profit after tax of AED 4.5 Mn (INR 94 Mn). The company has no debt on its books.

This acquisition will enable Marksans to use the front-end sales and marketing infrastructure of Access Healthcare for marketing its products manufactured in the India, UK, USA and MENA regions. It will bolster Marksans' presence in the Middle East and North African regions by leveraging Access Healthcare's knowledge of local business cultures and access to a network of partners and distributors in those regions.

## MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis covering industry structure and developments, financial and operational performance of the Company, risks, concerns, opportunities, threats and outlook forms a part of this Report.

## RESERVES

Your Company has not transferred any amount out of the profit of the year to the General Reserve.

## SHARE CAPITAL

During the year under review, there was no change in the Equity Share Capital of the Company. The Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise nor issued ESOP or sweat equity shares to Directors or employees, under any Scheme.

Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on 9th July, 2021, the Board of Directors, at its meeting held on 23rd

July, 2021, has issued and allotted 10,00,000 convertible warrants to Mr. Mark Saldanha and 4,93,24,324 convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74/- per warrant on preferential basis. These warrants are convertible into equal number of equity shares of Re. 1/- each face value within 18 months from the date of allotment of warrants. The company will raise ₹ 3,724 Million from the said issue.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Company's Board comprises of 8 (Eight) Directors, of which 5 (Five) Directors are Non-Executive and 3 (Three) Directors are Executive.

### a. Appointment / resignations of Directors:

During the year under review, the Company appointed Dr. Sunny Sharma (DIN: 02267273) as a Non-Executive Non-Independent Director, whose office shall be liable to retire by rotation.

### b. Retirement of Director by rotation:

In terms of Section 152 of the Companies Act, 2013, Mrs. Sandra Saldanha (DIN: 00021023) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

### c. Appointment / resignation of Key Managerial Personnel:

During the year under review, there is no change in the Key Managerial Personnel of the Company.

## NUMBER OF MEETINGS OF THE BOARD

During the financial year 2021-22, the Board met 5 (Five) times on 31.05.2021, 15.06.2021, 23.07.2021, 11.08.2021, 10.11.2021 and 11.02.2022.

## POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Your Company has in place a policy relating to nomination and remuneration of directors as well as key managerial personnel and other employees formulated by the Nomination and Remuneration Committee. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.
2. For the appointment of KMP (other than Managing / Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience

for the position he / she is considered for the appointment. For administrative convenience, the Managing Director is authorised to identify and appoint a suitable person for the position of KMP (other than Managing / Whole-time Director) and Senior Management.

3. The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Nomination and Remuneration Committee and recommended to the Board for approval. Such remuneration / compensation / commission, etc., as the case may be, is subject to approval of the shareholders of the Company and is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Remuneration of KMP (other than Managing / Whole-time Director) and Senior Management is decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.
4. The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.
5. An Independent Director is not entitled to stock option of the Company.

## **DISCLOSURE UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013**

During the Financial Year 2021-22, Mr. Mark Saldanha, Managing Director of the Company has also received remuneration of ₹ 1,07,29,440.00 from the Company's wholly owned subsidiary Time-Cap Laboratories Inc.

## **EVALUATION OF PERFORMANCE OF BOARD, COMMITTEE AND DIRECTORS**

Performance evaluation of the Board as a whole, the Committees of Directors and all individual Directors including Independent Directors has been carried out for the year under review in accordance with the criteria framed pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Notes issued by SEBI.

### **Performance Evaluation of each individual director including independent director**

A questionnaire containing performance evaluation criteria was circulated to each Director including Independent Directors. The Directors filled-up the questionnaire pertaining to other Directors (except for himself/herself) and submitted the same to the Chairman of the Board for review.

The Nomination and Remuneration Committee also carried out performance evaluation of each director of the Company for the year 2021-22. The evaluation of each director was done by all the other directors (other than the director being evaluated) in accordance with the performance criteria suggested by the Committee and applicable SEBI Guidance Note.

### **Performance Evaluation of the Board and Committees of Directors**

The Board reviewed a questionnaire containing performance criteria for the Board and the Committees of Directors. For the evaluation, the Board took into consideration composition of the Board and Committees of Directors, frequency of the meetings, attendance of each directors at the Board and respective Committee Meetings, discharge of key functions and responsibilities prescribed under law, effectiveness of corporate governance practices in the Company, integrity of the Company's accounting/auditing and financial reporting/control systems, etc.

All the independent directors of your Company also had a separate meeting without the attendance of executive directors and management personnel and reviewed the performance of the Board of Directors as a whole, the Chairman of the Board and the executive non-independent directors during the year 2021-22. The independent directors have also reviewed the quality, quantity and timeliness of flow of information between the Company management and the directors that was necessary for the directors to effectively and reasonably perform their duties.

The results of the above performance evaluations are satisfactory and adequate and meet the requirement of the Company.

## **DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has received necessary declaration from all the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 read with Schedule IV of the Act and rules made thereunder, as well as Regulations 16(1)(b) of the SEBI Listing regulations and they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs. The Independent Directors also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. In the opinion of the Board, the independent directors fulfilled the conditions specified in the above Act and Regulations and are independent of the management.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company conducts Familiarization Programme for Independent Directors to enable them to understand their roles, rights and responsibilities and proactively keeps them informed of

the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Company's policy on the familiarization program for the independent directors as well as details of familiarization programme imparted during the year is available on the Company's weblink at <http://marksanspharma.com/pdf/familiarisation-programme-for-independent-directors-2021-22.pdf>

## COMMITTEES OF THE COMPANY

Currently, the Company has five committees; The Audit Committee, The Nomination and Remuneration Committee, The Stakeholders' Relationship Committee, The Corporate Social Responsibility Committee and The Risk Management Committee. Details of

the composition of these committees are given in the Corporate Governance Report section of this Annual Report.

## POLICIES AND CODES

Your Company always strives to promote and follow the highest level of ethical standards in all its business transactions. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated formulation of certain policies and codes for all listed companies. All the policies and codes adopted by your Company are available on the weblink at <http://marksanspharma.com/codes-policies.html>. These policies and codes are reviewed periodically by the Board and updated based on need and new compliance requirement. Key policies and codes that have been adopted by the Company are as follows:

Name of the Policy and Code	Brief Description
Code of Conduct for Directors & Employees	The Code envisages directors and employees of the Company to observe in day to day operations of the Company
Code of Conduct to Regulate, Monitor and Report Trading in securities	The Code provides framework for dealing with securities of the Company by directors and employees of the Company
Policy on Related Party Transactions	The Policy regulates all transactions between the Company and its related parties
Corporate Social Responsibility (CSR) Policy	The Policy outlines Company's strategy to bring about a positive impact on society
Whistle Blower Policy (Vigil Mechanism)	The Policy provides for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's codes of conduct and ethics
Policy for determination of materiality of events or information and disclosures	The policy provides for determination of materiality of events or information and disclosures of the same to stock exchanges
Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information	The Code envisages fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.
Policy for determining Material Subsidiary	The Policy provides criteria when a subsidiary becomes a material subsidiary
Dividend Distribution Policy	The Policy envisages criteria for distribution of dividend.
Nomination and Remuneration Policy	Policy provides for criteria for appointment and remuneration of Directors and Employees of the Company.

## DEPOSITS

During the year under review, the Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and therefore, there are no deposits which are outstanding as on the date of the Balance Sheet.

## LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given in Note No. 44 of the notes to the Standalone Financial Statements of the Company.

## RESEARCH AND DEVELOPMENT (R&D)

Your Company is committed to continuously fund its R&D capabilities. One of the Company's biggest strength lies in vibrant and productive R&D function that has continuously placed your Company ahead through consistent development of niche technology, processes and products. Your Company will continue to invest in R&D to keep pace with the changing global scenario.

Your Company has a Research & Development Centre at Verna, Goa and at Navi Mumbai, Maharashtra to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and file a larger number of ANDAs.

## REGULATORY COMPLIANCES

Your Company's facilities in UK and USA are approved by UK MHRA and US FDA respectively. The Goa facility has also gone through successful GMP audit by US FDA, UK MHRA and Australian TGA Authorities.

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

The information on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure - A**.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate system of internal control and management information systems which covers all financial and operating functions. These systems are designed in a manner which provides assurance with regard to maintenance of strict accounting control, optimum efficiency in operations and utilization of resources as well as financial reporting, protection of Company's tangible and intangible assets and compliance with policies, applicable laws, rules and regulations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Audit Committee has a process for timely check for compliance with the operating systems, accounting procedures and policies. Major risks identified by the Company are systematically addressed through mitigating action on continuing basis.

## INFORMATION TECHNOLOGY

Your Company continues to make required investments in the Information Technology area to cope up with the growing

information needs necessary to manage operations efficiently. Your Company has implemented state-of-the-art IT applications in automating the processes in Quality, Manufacturing and R & D. Your Company has also invested significant amount of resources to build IT platform to de-risk manufacturing process and to adopt best practices in the industry. The implementations spread across Lab automation, instrument integration and manufacturing execution systems. Your Company's virtually every aspect of the business operations is carried out through SAP (Systems Applications and Products in Data Processing) Enterprise Resource Planning.

## HEALTH, SAFETY & ENVIRONMENT

Your Company is committed to ensure Safety and sound Health of the employees at the work place. Your Company is also committed to strengthen pollution prevention and waste management practices for a safe and healthy environment. The Company's Plants are environment regulations compliant.

## RELATED PARTY TRANSACTIONS

Your Company has not entered into any transaction during the year with any related parties which are not at arm's length basis.

All Related Party Transactions (with the subsidiaries) that were entered into during the financial year were in the ordinary course of business on arm's length basis and repetitive in nature. These transactions were placed before the Audit Committee for information and entered in the Register maintained under Section 189 of the Companies Act, 2013. The Audit Committee has granted omnibus (ad hoc) approval for Related Party Transactions as per the provisions and restrictions contained in the policy framed under Regulation 23 of the SEBI (LODR) Regulations, 2015. Company's Policy on Related Party Transactions is available on the Company's weblink at <http://marksanspharma.com/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>. Particulars of related party transactions entered into during the FY 2021-22 have been disclosed under Note No. 39(c) of the Notes to the Standalone Financial Statement. Details of material transactions with the related parties entered into during the year is disclosed in Form – AOC – 2 annexed to this report as **Annexure - B**.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. The details of establishment of the Whistle-Blower Policy have been disclosed on the Company's weblink at <http://marksanspharma.com/pdf/whistle-blower-policy.pdf>.

The said mechanism also provides for adequate safeguards against victimisation of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee. During the financial year 2021-22, no employee of the Company was denied access to the Audit Committee and there were no instances of any unethical behaviour, actual or suspicious fraud or violation in the Company's operational policies.

## RISK MANAGEMENT SYSTEM

Your directors are aware of the risks associated with the Company's business. Your Company makes timely and regular analyses of various risks associated with the Company's business and takes corrective actions for managing/mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risks under the supervision of the Risk Management Committee of the Company. The key risks and mitigation measures are also reviewed by the Audit Committee. There is no element of risk which in the opinion of the Board may threaten the existence of the Company.

## CORPORATE SOCIAL RESPONSIBILITY

Your company understands its responsibility towards the society, community and environment and committed to spend sensibly to meet its CSR objectives. The report on the CSR activities undertaken by the Company in the format prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is given in **Annexure – C** annexed to this Report.

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

Your Company is fully committed to uphold and maintain dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at work place. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up in compliance with provisions relating to the constitution of Internal Complaints Committee under the said Act to redress complaints regarding sexual harassment at Mumbai office, Goa plant and R & D Centre at Navi Mumbai. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, the Company has not received any complaints related to sexual harassment at any of the locations and the necessary annual report has been submitted to the competent authority in this regard.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no orders passed by the Regulators/Courts/tribunal which would impact the going concern status of the Company and its future operations. During the year under review, securities of the Company were not suspended from trading in the stock exchanges in which they are listed.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of Business of the Company.

## MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

## CORPORATE GOVERNANCE

Corporate Governance is an ethical business process to create and enhance value of stakeholders and reputation of an organization. Your directors function as trustee of the shareholders and ensure long term economic value for its stakeholders. Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, a detailed report on Corporate Governance and a certificate from the Auditors regarding compliance with the conditions of Corporate Governance is annexed to this report as **Annexure - D**.

## ANNUAL RETURN

In accordance with the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in the prescribed Format proposed to be submitted to the Registrar of Companies for the financial year ended 31st March, 2022 is available in the Company's weblink at <http://marksanspharma.com/annual-reports.html>.

## INSOLVENCY AND BANKRUPTCY CODE 2016

There is no application made nor any proceeding pending under the Insolvency and Bankruptcy Code 2016.

## EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section



197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure - E**.

The statement showing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure - F**.

## HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The guiding principle of HR Policy at your Company is that the "Intellectual Capital" and dedication of employees will help the Company emerge as a successful player in this highly competitive scenario.

The recruitment procedure ensures that people with talent and the right skill sets are selected. Nurturing of talent and a Performance Management System (PMS) is in place to ensure that the coordinated efforts of our people lead to achievement of the Business Goals of the company.

Empowerment and a motivational package ensure that employees keep performing at peak levels. The HR Policy is directed towards creating "Ownership of Goals" at each level and synchronizing the efforts of all employees to achieve the company's quality and business goals.

Development of skills through mentoring and training by our seasoned professionals ensures that the talent pool keeps expanding. The Leadership Role played by our senior professionals helps to keep the next rung of leadership ready to take up the challenges thrown up by the global market.

The management helps the process of decision making by decentralizing and empowering professionals to execute tasks in a speedy manner. The management fosters information sharing and free exchange of ideas. Above all, the sense of ownership and empowerment to take decisions helps the Company to adapt and be ahead of the competition in this rapidly changing global environment.

The industrial relation at all the plant sites of your Company is cordial.

As on 31st March, 2022, the Company's permanent employee strength was 890 (833 as on 31st March, 2021).

## DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2022 and Profit of the Company for the period ended 31st March, 2022;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal finance controls were in place and that the financial controls were adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year 2021-22 forms part of this Annual Report as required under Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure – G**.

## AUDIT & AUDITORS

### Statutory Audit:

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended 31st March, 2022. The Auditor's reports for the financial year 2021-22 do not contain any qualification, reservation or adverse remark.

M/s. Bhuta Shah & Co. LLP, Chartered Accountants (ICAI Firm Regt. No. W100100) were appointed as Statutory Auditors of the Company at the 26th Annual General Meeting held on Thursday, 27th September, 2018 for a term of five (5) years i.e. till the conclusion of the 31st Annual General Meeting of the Company. However, M/s. Bhuta Shah & Co. LLP vide their resignation letter dated 30th May, 2022 have resigned as Statutory Auditors of the Company with effect from 31st May, 2022 due to the reasons of preoccupation in other assignments and voluminous audit related work involved. The Board of Directors of the Company at their meeting held on 30th May, 2022, on the recommendation of the Audit Committee, has appointed M S K A & Associates, Chartered Accountants (ICAI Firm Regt. No. 105047W) to fill the Casual Vacancy caused due to resignation of M/s. Bhuta Shah & Co. LLP till the conclusion of 30th AGM. The Board of Directors has also

recommended for regular appointment of M S K A & Associates as the statutory auditors of the Company for a term of 5 consecutive years from the conclusion of 30th AGM till the conclusion of 35th AGM of the Company.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s Jinesh Dedhia & Associates, Practising Company Secretaries (Membership No. 54731, Certificate of Practice No. 20229) as Secretarial Auditor to undertake Secretarial Audit of the Company for the financial year 2021-22. The report of the Secretarial Auditor is annexed to this report as **Annexure - H**. There are no qualifications, reservation or adverse remark made by the auditor in their report.

**Cost Audit:**

The Company has maintained the cost accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. However your Company is a 100% export oriented unit and therefore, it is exempted from audit of its cost accounting records.

**Reporting of Frauds:**

There was no instance of any fraud during the year under review which required the Statutory Auditors to report to the Audit Committee or the Board under Section 143(12) of Act and Rules framed thereunder.

**Secretarial Standards**

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

**APPRECIATION:**

The directors place on record their appreciation for the contribution made by the employees at all levels enabling the Company to achieve the performance during the year under review.

The directors also appreciate the valuable co-operation and continued support extended by Company's Bankers, Medical Professionals, Business Associates and Investors who have put their faith in the Company.

For and on behalf of the Board of Directors of  
**Marksans Pharma Limited**

Mumbai  
Dated : 29 July, 2022

**Mark Saldanha**  
Chairman & Managing Director  
DIN : 00020983

# Annexure - A

## Annexure to the Report of the Board of Directors

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

#### A. Conservation of Energy

##### a) Energy Conservation measures taken:

The Company continues with its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy.

The following energy conservation methods were implemented during the year.

- a) Intensified internal audit aimed at detecting wastage and leakage of utility Circuits.
- b) Scheduled production to avoid usage of diesel during "Weekly Power Shutdown".
- c) Optimisation of Agro Waste Fired Boilers.
- d) Optimisation in use of cooling water pumps.
- e) Use of energy efficient pumps and motors.
- f) Chemical dosing of cooling/chilling water system.
- g) Installed energy efficient motors for chilling plant compressors.
- h) Cold insulation ducting and HVAC system are regularly checked and sections redone.
- i) Conducted compressed air audit.
- j) Optimised air compressor pressure.

##### b) Additional investments:

- a) Continuously install electronic devices to improve quality of power and reduction of energy consumption.
- b) Install efficient steam boiler burner.
- c) Harmonics and power factor improvements.
- d) Install energy saving lamps.
- e) Install VFD for air compressor motors.

##### c) Impact of above measures:

The adoption of energy conservation measures has resulted in considerable savings and increased level of awareness amongst the employees. The energy conservation measures have also resulted in improvement of power factor and consequential tariff benefits. These measures have also resulted into better quality of power, reduction in fossil fuel combustion, optimal utilization of

resources resulted in overall efficiency improvement and reduced consumption of fuel, water and power resulted in lowering overall costs.

(₹ in Million)

ENERGY CONSERVATION Particulars	2021-22	2020-21
1 Electricity		
(a) Purchases		
Units (in kwhs)	12192900	10894170.00
Total Amount (₹)	74790216	64636372.00
Rate/ Unit (₹)	6.13	5.93
(b) Own Generation		
(i) Through Diesel		
Units (units in '000)	924.20	1447.10
Units per Ltr of Diesel	3.2	3.50
Oil		
Cost/ Unit (₹)	28.20	20.10
2 Agro waste consumption		
Qty (units in '000)	3054.59	2952.89
Total Amount (₹'000)	11834.93	11489.37
Average Rate	3.87	3.89

#### B. Technology Absorption

##### Research and Development (R&D)

##### 1 Specific areas in which R&D carried out by the Company.

Foray into Generic business and identification of few niche areas for product development, mainly in dossier development, post patent filing for regulated and emerging markets. The company is building future by strengthening its research formulation through consistent investments in every aspect of its R&D programs, be its Generics Research or Advanced Drugs Delivery Systems (ADDs). The Generics R&D programs continues to create meaningful product pipelines for the US, European and other advanced and emerging markets.

##### 2 Benefits derived as a result of above R & D

The year was a strong year for the company's R&D as the Company continued to benefit from its consistent investments in research through increase in number of products exported to US, Europe and other regulated and emerging markets.

### 3 Future plan of action

Development of new and innovative products will lead to evolution of comprehensive range of generics leading to Abbreviated New Drug Applications / Dossiers for filing.

### 4 Expenditure on R&D

The Company continues to benefit from the extensive Research and Development (R&D) activity carried on. The Company has set-up a New Research & Development centre at Navi Mumbai, Maharashtra with a view to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and to file a larger number of ANDAs.

During the year, the Company has incurred expenses of R & D nature for new product development and ANDA / Dossiers filing for regulated and emerging markets.

Expenditure on R&D	₹ in Million
a. Capital expenditure	3.63
b. Revenue expenditure	188.87
<b>C. Total</b>	<b>192.5</b>

d. Total R&D expenditure as a percentage of total standalone revenue – : 2.75%

### 5. Technology absorption, adaptation and innovation.

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Improvements in process parameters, up-gradation of plant and systems facility, working systems, documentation and practices to international regulatory standards for European and U.S. Market.

#### 2. Benefits derived as a result of the above efforts.

Bio Fuel being substantially cheaper to Furnace Oil, its usage will generate savings in fuel cost. Also it will save time on steam generation and add to operator safety. Access to highly regulated markets, thereby increasing the sales volumes. Installation of new testing equipment has substantially reduced dependency on external testing, thereby reducing the overall operational time cycles. The same has also resulted in reduction in manpower. Improvements in process parameters have reduced the percentage rejection in the process thereby reducing the wastage of costly raw material.

#### 3. Imported Technology

Nil

### C. Foreign Exchange Earnings & Outgo

During the financial year 2021-22, the Company used foreign exchange amounting to ₹ 1040.01 Million (Previous year ₹ 1,014.24 Million) and earned foreign exchange amounting to ₹ 6418.59 Million (Previous Year ₹ 5,874.24 Million).

For and on behalf of the Board of Directors of  
**Marksans Pharma Limited**

Mumbai  
Dated : 29 July, 2022

**Mark Saldanha**  
Chairman & Managing Director  
DIN : 00020983

# Annexure - B

**Annexure to the Report of the Board of Directors**

## **Form No. AOC -2**

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangements or transactions at arm's length basis:
  - a) Name of the related party: Time-Cap Laboratories Inc.
  - b) Nature of relationship: Wholly owned subsidiary.
  - c) Nature of contracts/ arrangements/ transactions: Sale of finished goods.
  - d) Duration of the contracts/ arrangements/ transactions: -
  - e) Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ 3164.86 Million.
  - f) Date(s) of approval by the Board, if any: Not applicable, since the contracts were entered in the ordinary course of business and are on arm's length basis.
  - g) Amount paid as advances: Nil

For and on behalf of the Board of Directors of  
**Marksans Pharma Limited**

Mumbai  
Dated : 29 July, 2022

**Mark Saldanha**  
Chairman & Managing Director  
DIN : 00020983

# Annexure - C

## Annexure to the Report of the Board of Directors

### Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company:

Marksans Pharma Limited ('Marksans') actively contributes to the social and economic development of the communities and build a better sustainable way of life for weaker sections of society. The Company's CSR activities are spread across Maharashtra & Goa states, largely addressing in the areas of preventive healthcare, eradicating malnutrition, welfare of women and children, rural development projects and other activities as the Company may choose to select in fulfilling its CSR objectives.

#### 2. The Composition of the CSR Committee:

As on 31st March 2022, CSR Committee of the Company consists of three (3) directors which include one (1) Independent Director. The Composition of the CSR Committee is set out below:

Sr. No.	Name	Designation	Category
1.	Mr. Varddhman Vikramaditya Jain	Chairman	Wholetime Director
2.	Mrs. Sandra Saldanha	Member	Wholetime Director
3.	Mr. Seetharama R. Buddharaju	Member	Independent Director

#### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR Committee is available on the Company's web-link at <http://marksanspharma.com/general-information.html>

The Company's CSR Policy is available on the Company's web-link at <http://marksanspharma.com/pdf/CSR-Poilcy.pdf>

The Company's CSR Projects is available on the Company's web-link at <http://marksanspharma.com/pdf/CSR-Projects-21-22.pdf>

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

Not Applicable

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	65,467.55	65,467.55

## 6. Average Net Profits of the Company as per section 135(5):

The average net profit of the Company made during the three immediately preceding financial years calculated as specified by the Companies Act, 2013 for FY 2021-22 was ₹ 77,09,12,523.33

## 7. (a) Two percent of average net profit of the company as per section 135(5)

The prescribed CSR expenditure requirement for FY 2021-22 was ₹ 1,54,18,250.47.

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

Not Applicable

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

The amount available for set off for the F.Y 2021-22 is ₹ 65,467.55

## (d) Total CSR obligation for the financial year (7a+7b-7c).

Total CSR obligation for the financial year is ₹ 1,53,52,782.92

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 1,53,63,351.42	Not Applicable				

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

(1)	(2)	(3)	(4)	(5)	(6)
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration
Not Applicable					

(7)	(8)	(9)	(10)	(11)	
Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				Name	CSR Registration Number
Not Applicable					

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project	
				State	District
1.	Covid 19 related expenses: antibody testing and other medical charges for local, provided essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers, etc in the fight against COVID-19 pandemic and other expenses in connection thereto	Promotion of Health Care including preventive health care	Yes	Goa	North Goa
2.	Distribution of free food items to the people affected by lockdown due to Covid 19 pandemic.MPL joined hands with NGO'S to serving meals, ration, grocery kits to migrant families	Eradication of Hunger, poverty & malnutrition	Yes	Goa	North Goa
3.	Medical treatment to under privileged society suffering from cancer and other blood disorders	Promotion of Health Care including preventive health care	Yes	Maharashtra	Mumbai City
4.	Womenandchilddevelopment, professionalizing Anganwadis and national nutrition mission in Goa	Overall wellbeing of women and children	Yes	Goa	North Goa
5.	Tree plantation in Verna Industrial Estate,Goa	Environmental sustainability, ecological balance and protection of flora and fauna	Yes	Goa	North Goa
6.	Provided two Oxygen Concentrator to the newly opened up PHC (Hospital) at Cansaulim	Promotion of Health Care including preventive health care	Yes	Goa	North Goa
7.	Providing of Sanitary Pads to poor women under the "MY PAD, MY RIGHT" program, an initiative of Swatch Bharat scheme of Beti Bachao scheme of the Govt. of India, under the Ministry of Women & Child Development and Skill Development	Promoting sanitation	Yes	Goa	North Goa
<b>Total</b>					



(6) Amount spent for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
		Name	CSR Registration Number
₹ 79,86,641.26	Yes	-	-
₹ 34,81,019.04	Yes	-	-
₹ 24,18,654	Yes	-	-
₹ 6,14,834	Yes	-	-
₹ 6,02,843.12	Yes	-	-
₹ 1,30,000	Yes	-	-
₹ 1,29,360	Yes	-	-
<b>₹ 1,53,63,351.42</b>			

**(d) Amount spent in Administrative Overheads**

Not Applicable

**(e) Amount spent on Impact Assessment, if applicable**

Not Applicable

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹ 1,53,63,351.42

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

₹ 10,568.51

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,54,18,250.47
(ii)	Total amount spent for the Financial Year	1,54,28,818.97*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,568.50
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,568.50
	* It includes Rs. 65,467.55 brought forward from previous year.	

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

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹). 2020-21	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
			Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable						

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

(1)	(2)	(3)	(4)	(5)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration

Not Applicable

(6)	(7)	(8)	(9)
Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing

Not Applicable

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

Not Applicable

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

Not Applicable. The Company has spent the entire estimated CSR expenditure during the financial year 2021-22.

**For and on behalf of the CSR Committee**

Place: Mumbai  
Date: 30th May, 2022

**Mr. Varddhman V. Jain**  
Chairman- CSR Committee  
DIN: 08338573

**Mr. Mark Saldanha**  
Managing Director  
DIN: 00020983

# Annexure – D

## Annexure to the Report of the Board of directors

### CORPORATE GOVERNANCE REPORT 2021-22

#### Company's Philosophy on Code of Governance

The Company is committed to the principles of good corporate governance to achieve long term corporate goals and to enhance shareholders value by managing its operations at all levels with highest degree of transparency, responsibility and delegation with equity in all facets of its operations leading to sharp focus and operationally efficient growth. The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies. The strong internal control system and procedures and codes of conduct for observance by the Company's directors and employees are conducive in achieving good corporate governance practices in the Company. The compliance report is prepared and given below in conformity to the mandatory requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### Board of Directors

As on March 31, 2022, the total number of Directors on the Board is eight (8); of which, three (3) including the chairman are executive and five (5) are non-executive, of which, four (4) are independent directors; Two (2) are women directors, of which, one (1) is independent. The composition of the board is compliant with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. All the directors have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority.

During the financial year under review, Six (6) Board Meetings were held on 31.05.2021, 15.06.2021, 23.07.2021, 11.08.2021, 10.11.2021 and 11.02.2022. The necessary quorum was present at all the meetings. The time gap between any two consecutive meetings was not more than 120 days.

None of the Directors are members of more than 10 Committees nor are the Chairman of more than 5 Committees across all the companies in which they are directors. The details regarding Composition, Shareholding in the company, Attendance at the Board Meetings and the last Annual General Meeting, details of directorships and board committee memberships/chairmanships in other companies held by them are set out below:

Name of the Director (DIN No.)	Category (Executive/ Non-executive/ Independent/ Non- Independent/ Promoter)	No. of Shares held in the Company	No. of Board Meetings attended out of 6 meetings held	No. of directorship in other Companies*	Member- ship held in Committee of Directors**	Chairman- ship held in Committee of Directors**	Whether attended last AGM held on 23.09.2021
Mr. Mark Saldanha (Chairman & Managing Director) (DIN: 00020983)	Executive, Non- Independent & Promoter	197491553	5	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha (DIN: 00021023)	Executive, Non- Independent & Promoter	180	5	Nil	Nil	Nil	Yes
Mr. Varddhman Vikramaditya Jain (DIN: 08338573)	Executive & Non- Independent	Nil	6	Nil	Nil	Nil	Yes
Mr. S R Buddharaju (DIN: 03630668)	Non-Executive & Independent	Nil	6	Nil	Nil	Nil	Yes
Mr. Digant Mahesh Parikh (DIN: 00212589)	Non-Executive & Independent	Nil	6	1	Nil	Nil	Yes

Name of the Director (DIN No.)	Category (Executive/ Non-executive/ Independent/ Non-Independent/ Promoter)	No. of Shares held in the Company	No. of Board Meetings attended out of 6 meetings held	No. of directorship in other Companies*	Membership held in Committee of Directors**	Chairmanship held in Committee of Directors**	Whether attended last AGM held on 23.09.2021
Mr. Abhinna Sundar Mohanty (DIN: 00007995)	Non-Executive & Independent	Nil	5	1	Nil	Nil	Yes
Dr. Meena Rani Surana (DIN: 08863769)	Non-Executive & Independent	Nil	5	Nil	Nil	Nil	Yes
Dr. Sunny Sharma (DIN: 02267273) (w.e.f 11.08.2021)	Non-Executive & Non-Independent	Nil	2	1	Nil	Nil	Yes

\*This excludes directorship held in private companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013. Also excludes directorship in the Company.

\*\*Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders Relationship Committee in public companies only. This does not include membership/chairmanship in Committee of Directors of the Company.

#### Name of other listed companies in which Company's directors are also director and Disclosure of relationships between directors inter-se.

Name of the Director (DIN No.)	Name of other listed companies in which also holds directorship	Category of directorship	Relationship between Directors inter se	Convertible Instruments held in the Company
Mr. Mark Saldanha	Nil	-	Relative of Mrs. Sandra Saldanha	10,00,000 Warrants
Mrs. Sandra Saldanha	Nil	-	Relative of Mr. Mark Saldanha	Nil
Mr. Varddhan Vikramaditya Jain	Nil	-	None	Nil
Mr. Seetharama Raju Buddharaju	Nil	-	None	Nil
Mr. Digant Mahesh Parikh	Nil	-	None	Nil
Mr. Abhinna Sundar Mohanty	Nil	-	None	Nil
Dr. Meena Rani Surana	Nil	-	None	Nil
Dr. Sunny Sharma	Advanced Enzyme Technologies Limited	Non-Executive & Non-Independent	None	Nil

#### Details of core skills/expertise/competencies identified by the Board of Directors required in the context of its business and sector for it to function effectively and those actually available with the Board

Skills/expertise/competencies identified by the Board which are required in the context of its business and sector	<p>The Board of Directors shall comprise of directors having right skills/expertise/competencies that allow them to make effective contributions to the Board and its Committees. Such Skills/expertise/competencies as identified by the Board are:</p> <ol style="list-style-type: none"> <li>All Board members shall be financially literate and at least one member shall have accounting or related financial management expertise.</li> <li>Members of the Board shall be capable of risk assessment and suggest risk mitigation measures in general and particularly with respect to risk associated with the pharma sector.</li> <li>Right qualification and expertise necessary to run pharma industry.</li> <li>Expertise in corporate strategy, budgets and business plans and setting performance objectives.</li> </ol>
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	<p>5. Best corporate governance practice.</p> <p>6. Monitoring in general management of affairs of the Company.</p> <p>7. Board members should act in good faith and with due diligence and care and in the best interest of the Company and shareholders.</p> <p>8. Board members should be capable of exercising independent judgment.</p> <p>9. Board members should be able to commit themselves effectively to their responsibilities.</p>
<p>Skills/expertise/competencies identified by the Board which are required in the context of its business and sector</p> <p>Skills/expertise/competencies actually available with the Board</p>	<p>All the directors of the Company are financially literate and one director is an MBA in Finance. All the directors are well versed with pharmaceutical business, general management and administration, risk identification and management, good corporate governance practices, etc. The directors possess strong working experience in the above fields. The Company's Board is comprised of perfect blend of the above skills/expertise/competencies.</p>

The Core Skills identified to each of the Directors of the Company are as follows:

<b>Names of the Directors</b>	<b>Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company</b>
Mr. Mark Saldanha	Business Marketing, Production and Finance
Mrs. Sandra Saldanha	Human Resource Management, Business Development, Projects and Supply Chain Management
Mr. Varddhman Vikramaditya Jain	Manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosages
Mr. Seetharama Raju Buddharaju	Sales Management, Marketing and Business Administration
Mr. Digant Mahesh Parikh	Corporate Finance, Strategic Planning and Business Set-up & Scale up
Mr. Abhinna Sundar Mohanty	Sales and Marketing, Business Development and Business Strategy.
Dr. Meena Rani Surana	Pharmaceutical regulatory affairs, quality assurance, formulation and pre-formulation.
Dr. Sunny Sharma	Corporate Finance and Investment Banking

### Independent Directors

The Company has received necessary declaration from all the independent directors confirming that they meet the criteria of independence. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013. In the opinion of the Board of Directors of the Company, the independent directors fulfill the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

During the financial year under review, the Independent Directors held a meeting on 11th February, 2022 without the attendance of non-independent directors and the management. The Independent Directors reviewed performance of non-independent directors and the Board of Directors as a whole and performance of the Chairman of the Company. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and the directors.

The Company proactively keeps its independent directors informed of the activities of the Company, its management and

operations and provides an overall industry perspective as well as issue being faced by the industry. The Company also familiarized the independent directors about their role, functions and responsibilities. Details of the familiarisation programme for the Independent Directors are placed on the Company's weblink at <http://marksanspharma.com/pdf/familiarisation-programme-for-independent-directors-2021-22.pdf>. During the financial year under review, none of the Independent Directors have resigned from the Board of the Company.

### Audit Committee

The Audit Committee consists of four (4) Directors, namely Mr. Digant Mahesh Parikh (Chairman), Mr. Seetharama Raju Buddharaju, Mr. Abhinna Sundar Mohanty and Dr. Sunny Sharma. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Managing Director and Head of Finance are invited to the audit committee meetings. Company Secretary acts as the Secretary to the Committee. The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 18 and Schedule II Part C of the SEBI (LODR) Regulations, 2015

as well as under Section 177 of the Companies Act, 2013.

Terms of reference of the Committee, inter alia, includes the following:

1. Oversight of financial reporting process and disclosure of its financial information.
2. Reviewing with the management, the annual financial statements, quarterly financial statements, auditors' report/ limited review report.
3. Recommendation for appointment, remuneration and terms of appointment of auditors.
4. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
5. Scrutiny of inter-corporate loans and investments.
6. Evaluation of internal financial controls and risk management systems.
7. Reviewing with the management, performance of statutory auditors and internal auditors, adequacy of internal control systems.
8. Reviewing the adequacy of internal audit function.
9. Reviewing the functioning of the whistle blower mechanism.
10. Reviewing the statement of significant related party transactions.
11. Reviewing the internal audit reports.

During the financial year under review, the Audit Committee met five (5) times on 31.05.2021, 15.06.2021, 11.08.2021, 10.11.2021 and 11.02.2022. The necessary quorum was present at all the meetings. The time gap between any two consecutive meetings was not more than 120 days. The Chairman of the Committee was present at the last Annual General Meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 5 held
1.	Mr. Digant Mahesh Parikh	Chairman	Non-executive & Independent	5
2.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	5
3.	Mr. Varddhman Vikramaditya Jain (upto 11.08.2021)	Member	Executive & Non-Independent	3
4.	Dr. Sunny Sharma (w.e.f 11.08.2021)	Member	Non-executive & Non-Independent	2
5.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	4

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of four (4) directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Digant Mahesh Parikh, Mr. Abhinna Sundar Mohanty and Dr. Sunny Sharma. All members of the committee are non-executive director. The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 19 and Schedule II Part D – Para A of the SEBI (LODR) Regulations, 2015 as well as under Section 178 of the Companies Act, 2013.

Terms of reference of the Committee, inter alia, includes the following:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
2. Formulation of policy on Board diversity, criteria for evaluation of performance of individual directors, Board and its committees.
3. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board their appointment and removal.
4. Determining whether to extend or continue the terms of appointment of the independent directors on the basis of their performance evaluation.
5. Recommend to the board, all remuneration, in whatever form, payable to senior management.

During the financial year under review, the Nomination and Remuneration Committee met three (3) times on 23.07.2021, 11.08.2021 and 11.02.2022. The necessary quorum was present at all the meetings. The Chairman of the Committee was present at the last Annual General Meeting.

The composition and attendance of members at the Committee meetings is given below:

<b>Sr. No.</b>	<b>Name of Committee Member</b>	<b>Position</b>	<b>Category</b>	<b>Meetings Attended out of 3 held</b>
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	3
2.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	3
3.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	3
4.	Dr. Sunny Sharma (w.e.f 11.08.2021)	Member	Non-executive & Non-Independent	1

### **Nomination and Remuneration Policy:**

The Company has in place Nomination and Remuneration Policy in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board for his/her appointment.
2. For the appointment of KMP (other than Managing/Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. For administrative convenience, the Managing Director is authorised to identify and appoint a suitable person for the position of KMP (other than Managing/Whole-time Director) and Senior Management.
3. Remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Committee and recommended to the Board for approval. Remuneration / compensation / commission, etc., as the case may be, are subject to approval of the shareholders of the Company and are in accordance with provisions of the Companies Act, 2013 and Rules made thereunder. The Managing Director of the Company is authorised to decide remuneration of KMP (other than Managing/ Whole-time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.
4. Remuneration / commission / sitting fees, as the case may be, to the Non-Executive/ Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
5. An Independent Director is not entitled to any stock option of the Company.

### **Remuneration of Directors**

The executive directors are paid remuneration under the applicable provisions of the Companies Act, 2013 read with SEBI Listing Regulations, subject to the approval of the shareholders in the General Meeting.

### **Criteria for making payment to Non-Executive Directors**

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. Non-Executive Directors are not paid any remuneration except sitting fees for attending the meeting of the Board and Committees. Apart from this, there is no pecuniary relationship or transaction between any non-executive directors (including Independent Directors) and the Company.

Details of the remuneration paid to the directors of the Company during the financial year ended 31st March, 2022 are given below:

<b>Name of Directors</b>	<b>Basic</b>	<b>Allowances</b>	<b>Bonus</b>	<b>Medical Reimbursement</b>	<b>Sitting Fees#</b>	<b>Total</b>
Mr. Mark Saldanha	3,52,00,000	29,91,840	60,000	--	--	3,82,51,840
Mrs. Sandra Saldanha	10,80,000	59,22,564	12,000	15,000	--	70,29,564
Mr. Varddhan Vikramaditya Jain	60,00,000	1,29,34,828	--	15,000	--	1,89,49,828
Mr. Seetharama Raju Buddharaju	--	--	--	--	30,000	30,000
Mr. Digant Mahesh Parikh	--	--	--	--	2,00,000	2,00,000
Mr. Abhinna Sundar Mohanty	--	--	--	--	25,000	25,000
Dr. Meena Rani Surana	--	--	--	--	25,000	25,000
Dr. Sunny Sharma (w.e.f 11.08.2021)	--	--	--	--	--	--

\*The above figures are inclusive of fees paid for attendance of Board and Committee meetings

**Note:**

- The above figure does not include provisions for Company's Contribution to Provident Fund & Gratuity.
- Apart from the above remuneration, the executive directors are not paid any performance linked incentives nor are entitled to any severance fees.
- The Company has not issued any stock options either to its directors or employees.
- The non-executive directors do not hold any equity shares in the Company.

**Performance Evaluation criteria for directors including independent directors as set out by the Nomination and Remuneration Committee and approved by the Board of Directors:**

1. Attendance and contribution at Board and Committee meetings.
2. His stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.

8. His global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/ procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His contribution to enhance overall brand image of the Company.
12. Adherence to the various codes of conduct and policies framed by the Company as applicable.

The performance evaluation of all independent directors have been done by the entire board of directors at its meeting held on 11th February, 2022 and on the basis of such report, confirms to continue their terms of appointment.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of four (4) Directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Varddhman Vikramaditya Jain, Mr. Digant Mahesh Parikh and Mr. Abhinna Sundar Mohanty. Mr. Harshavardhan Panigrahi, Company Secretary, acts as the Company's Compliance Officer.

The Committee looks into the shareholders' and Investors' grievances. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures to improve the level of investor services.

Number of complaints received during the year : 0

Number of complaints not resolved to the satisfaction of complainants : 0

Number of complaints outstanding as on 31.03.2022 : 0

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 31.05.2021, 11.08.2021, 10.11.2021 and 11.02.2022. The necessary quorum was present at all the meetings. The Chairman of the Committee was present at the last Annual General Meeting.



The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 4 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	4
2.	Mr. Varddhman Vikramaditya Jain	Member	Executive & Non-Independent	4
3.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	4
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	3

### Corporate Social Responsibility (CSR) Committee

CSR Committee of the Company consists of (3) directors, namely Mr. Varddhman Vikramaditya Jain (Chairman), Mrs. Sandra Saldanha and Mr. Seetharama Raju Buddharaju. The Company has in place a CSR Policy formulated by CSR Committee and approved by the Board of the Company.

The terms of reference of the Corporate Social Responsibility Committee inter alia, includes the followings:

1. To formulate and recommend to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Schedule VII to the Act.
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. To monitor the CSR policy of the Company from time to time.
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

During the financial year under review, CSR Committee met two (2) times on 31.05.2021 and 11.02.2022. Necessary quorum was present at all the meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 2 held
1.	Mr. Varddhman Vikramaditya Jain	Chairman	Executive & Non-Independent	2
2.	Mrs. Sandra Saldanha	Member	Executive & Non-Independent	2
3.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	2

### Risk Management Committee

Risk Management Committee of the Company consists of three (3) members, namely Mr. Varddhman Vikramaditya Jain (Chairman), Mr. Seetharama R. Buddharaju and Mr. Jitendra Sharma. The Company has a Risk Management Policy formulated by Risk Management Committee and approved by the Board of the Company. The terms of reference of the Committee are those prescribed under Regulation 21 read with Schedule II Part D - Para C of the SEBI (LODR) Regulations, 2015. The Committee is responsible to implement and monitor risk assessment and minimization procedure and periodically report to the Board a risk assessment report and recommend to the Board risk mitigation measures, if any, for approval.

During the financial year under review, Risk Management Committee met three (3) times on 31.05.2021, 10.11.2021 and 11.02.2022. Necessary quorum was present at all the meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 3 held
1.	Mr. Varddhman Vikramaditya Jain	Chairman	Executive & Non-Independent	3
2.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	3
3.	Mr. Jitendra Sharma	Member	Chief Financial Officer	3

## Share Transfer System

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent for both physical and demat segment. The Company has authorised Mr. Mark Saldanha, Managing Director, Mr. Jitendra Sharma, Chief Financial Officer and Mr. Harshavardhan Panigrahi, Company Secretary of the Company to approve dematerialization/rematerialisation of shares, issue of duplicate share certificate on surrender of defaced/damaged/mutilated share certificates. The shares lodged for the above purposes given effect and returned in 15 days from the date of receipt, so long as the documents are complete in all respects. The Company obtains a yearly certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of SEBI (LODR) Regulations, 2015 and the same is filed with the Stock Exchanges. The Certificate has also been received from a Practising Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996 Vide Gazette Notification dated June 8, 2018 and as amended, SEBI has mandated that with effect from January 24, 2022, transfer/ transmission/ transposition of shares as well as issuance of duplicates thereof or issuance of new certificates of the Company would be carried out in dematerialised form only. No physical shares will be accepted for that date.

The Board has designated Mr. Harshavardhan Panigrahi, Company Secretary of the Company as Compliance Officer.

- a) Related Parties Transactions: The Company has been selling goods to its subsidiaries, namely Bell, Sons & Co (Druggists) Limited, Relonchem Limited, Time-Cap Laboratories Inc. and Nova Pharmaceuticals Australasia Pty Ltd. from time to time. These subsidiaries are related parties and are wholly owned subsidiaries of the Company except Nova Pharmaceuticals Australasia Pty Ltd. The Audit Committee has granted an omnibus (ad hoc) approval for Sales to Nova Pharmaceuticals Australasia Pty. Ltd., in which the Company holds 60% of the share capital for smooth operations and in the interest of the Company. The said approval is in accordance with the Company's Policy on Related Party Transactions and it is within the limit of the Omnibus (ad hoc) approval of the Audit Committee of the Company. The transactions entered with Time-Cap Laboratories Inc. exceeds the materiality limit as provided under the SEBI Listing Regulations. However, since time-cap laboratories Inc. is a wholly owned subsidiary, neither audit committee nor shareholder prior approval would require. Further, all the transactions with these subsidiaries are in the ordinary course of business on arm's length basis and are repetitive in nature. These transactions are entered in the Register of Contracts and placed before the Board of Directors on a regular basis. The details of these related party transactions are also placed before the Audit Committee for review. Details of related party transactions during the year ended 31st March, 2022 has been set out under Note No. 39(c) of the Notes annexed to the Financial Statements for the year ended 31st March, 2022. There is no materially significant related party transaction that may have potential conflict with the interests of the Company. Company's policy on dealing with Related Party Transactions and policy for determining material subsidiaries are available on the Company's weblink at <http://marksanspharma.com/codes-policies.html>.
- b) There was no non-compliance during the last three years by the Company on any matter related to the capital market.
- c) The Company has in place a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. Details of the Whistle Blower Policy are available on the Company's weblink at <http://marksanspharma.com/pdf/whistle-blower-policy.pdf>. The said vigil mechanism also provides for adequate safeguard against victimisation of the person who uses such mechanism and direct access to the chairperson of the Audit Committee. During the financial year 2021-22, there was no instance of any unethical behaviour, actual or suspicious fraud or violation of the Company's operational policies and codes of conduct and no employee of the Company sought access to the Audit Committee.
- d) During the period under review, the Company has raised funds through issue of 5,03,24,324 Convertible Warrants @ ₹ 74.00 each on preferential basis. The Company will raise ₹ 372.40 Crore from the said preferential issue. Out of that the Company has received 25% of price i.e. ₹ 93.10 Crore. The balance 75% price will be received at the time of conversion of the warrants into equity shares. The Company has not yet utilised the said amount received from the preferential issue.
- e) A certificate from M/s. Jinesh Dedhia & Associates, Practising Company Secretaries (Membership No. 54731, Certificate of Practice No. 20229) that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.
- f) During the financial year under review, the Board has accepted all the recommendations of the Committees of Directors.
- g) Total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor is specified under Note No. 36.1 of the Notes annexed to the consolidated Financial Statements for the year ended 31st March, 2022.
- h) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

- a. Number of complaint filed during the financial year 2021-22 : Nil
- b. Number of complaint disposed of during the financial year 2021-22 : NA
- c. Number of complaints pending as at end of the financial year 2021-22 : Nil
- i) During the financial year under review, neither the Company nor its subsidiaries has given any Loans and advances in the nature of loans to any firms/companies in which directors of the Company are interested.
- j) The Company is not into any commodity trading activities.
- k) The entire revenue of the Company is derived from the export market. The Company also imports some of the raw materials. Therefore, the Company is exposed to foreign exchange fluctuation risk. The Company manages these risks by taking adequate forward cover from time to time.
- l) The Company is fully compliant with the corporate governance requirements specified in the Companies Act, 2013 and in Schedule V of SEBI (LODR) Regulations, 2015 to the extent applicable.
- m) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:
- i. The Company has an executive chairperson.
- ii. Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.
- iii. Every endeavor is made to make the financial statements with unmodified audit opinion.
- iv. The internal auditors' reports are placed before the Audit Committee from time to time.
- n) There is no shares in the demat suspense account/unclaimed suspense account.
- o) The Audit Committee of the Company reviews the financial statements of its subsidiary companies. Minutes of the meetings of the subsidiary companies are also placed before the Board of Directors of the Company from time to time.
- p) The Company has in place Succession Plans for appointment to the Board of Directors and Senior Management.
- q) During the year ended 31st March, 2022, all members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct framed pursuant to SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

**Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Regulation No.	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Subsidiary Company.	Yes
25	Independent Directors	Yes
26	Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

**Management Discussion & Analysis Report.**

The Annual Report has a separate and detailed chapter on Management Discussion & Analysis covering Industry structure and development, financial and operational performance of the Company, risks, concerns, opportunities, threat and outlook forming part of this report.

## Means of Communication

Quarterly, Half-yearly, and Annual results of the Company are published in one English newspaper (Business Standard) and one Marathi newspaper (Tarun Bharat). These results are also submitted to the stock exchanges in accordance with the Listing Regulations and are available on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) & NSE ([www.nseindia.com](http://www.nseindia.com)) and also on the Company's website ([www.marksanspharma.com](http://www.marksanspharma.com)). The Company also displays official news releases on its website from time to time. The Company also makes presentation to institutional investors or analyst and are displayed on its website.

## Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

## Credit Ratings

India Ratings & Research (Fitch Group) has upgraded Marksans Pharma Limited's Fund based limits rating to "IND A/Positive" from "IND A-" and affirming Non-Fund based limits rating at "IND A1".

## General Body Meetings

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
Twenty Ninth	23.09.2021	11:00 A.M.	Video Conferencing	4*
Twenty Eighth	29.09.2020	11:00 A.M.	Video Conferencing	5**
Twenty Seventh	26.09.2019	10:30 A.M.	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.	1***

\*Four (4) Special Resolutions were passed in the AGM held on 23rd September, 2021

1. Approval of re-appointment and remuneration to Mr. Varddhan Vikramaditya Jain (DIN: 08338573) as a Whole-time Director
2. Approval of appointment of Mrs. Meena Rani Surana DIN: 08863769) as an Independent Director.
3. Approval of Marksans Employees Stock Option Scheme 2021.
4. Approval of revision in remuneration of Mr. Mark Saldanha (DIN: 00020983).

\*\* Five (5) Special Resolutions were passed in the AGM held on 29th September, 2020:-

1. Approval of appointment and remuneration to Mr. Varddhan Vikramaditya Jain (DIN: 08338573) as a Whole-time Director.
2. Approval of re-appointment of Mr. Seetharama Raju Buddharaju (DIN: 03630668) as an Independent Director.
3. Approval of re-appointment and remuneration to Mr. Mark Saldanha (DIN: 00020983) as the Managing Director.
4. Approval of re-appointment and remuneration to Mrs. Sandra Saldanha (DIN: 00021023) as a Whole-time Director.
5. Approval of Marksans Employees Stock Option Scheme 2020.

\*\*\* One (1) Special Resolution was passed in the AGM held on 26th September, 2019:-

1. Approval of Marksans Employees Stock Option Scheme 2019.

## Postal ballot

Company has not passed any resolution through postal ballot in last year. As of date, there is no proposal to pass any resolution by postal ballot. However, the Company is providing remote e-voting facility to its members to exercise their votes electronically.

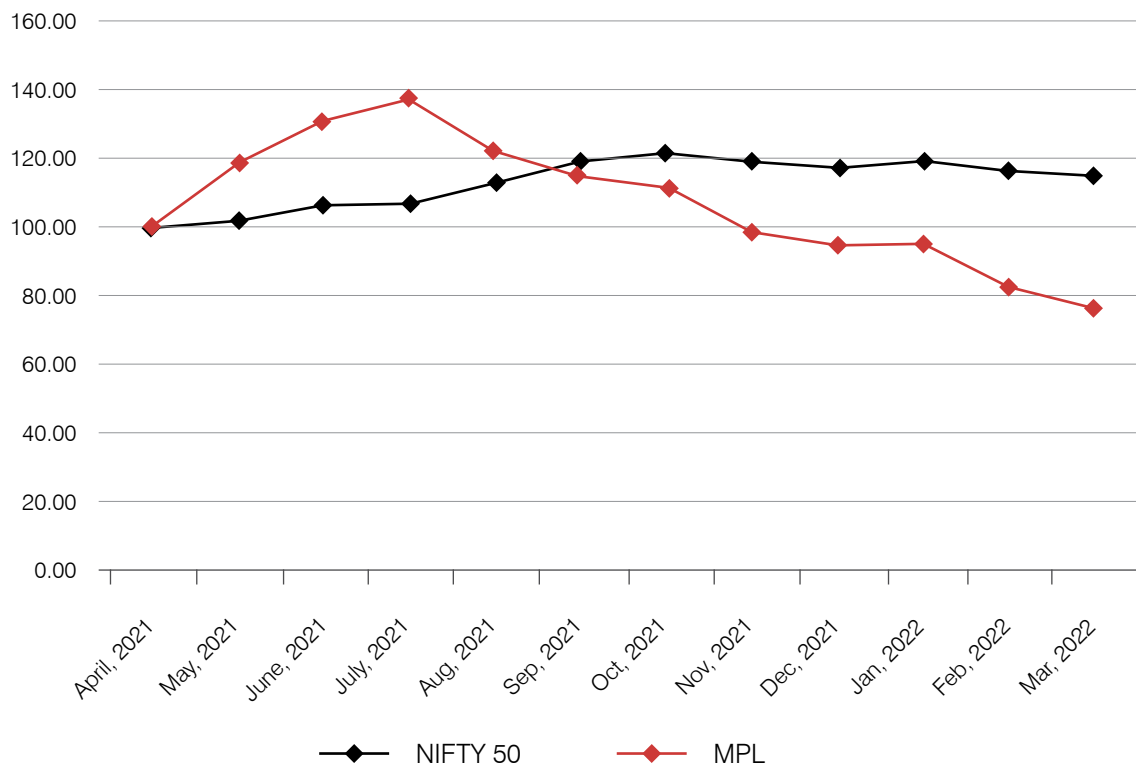
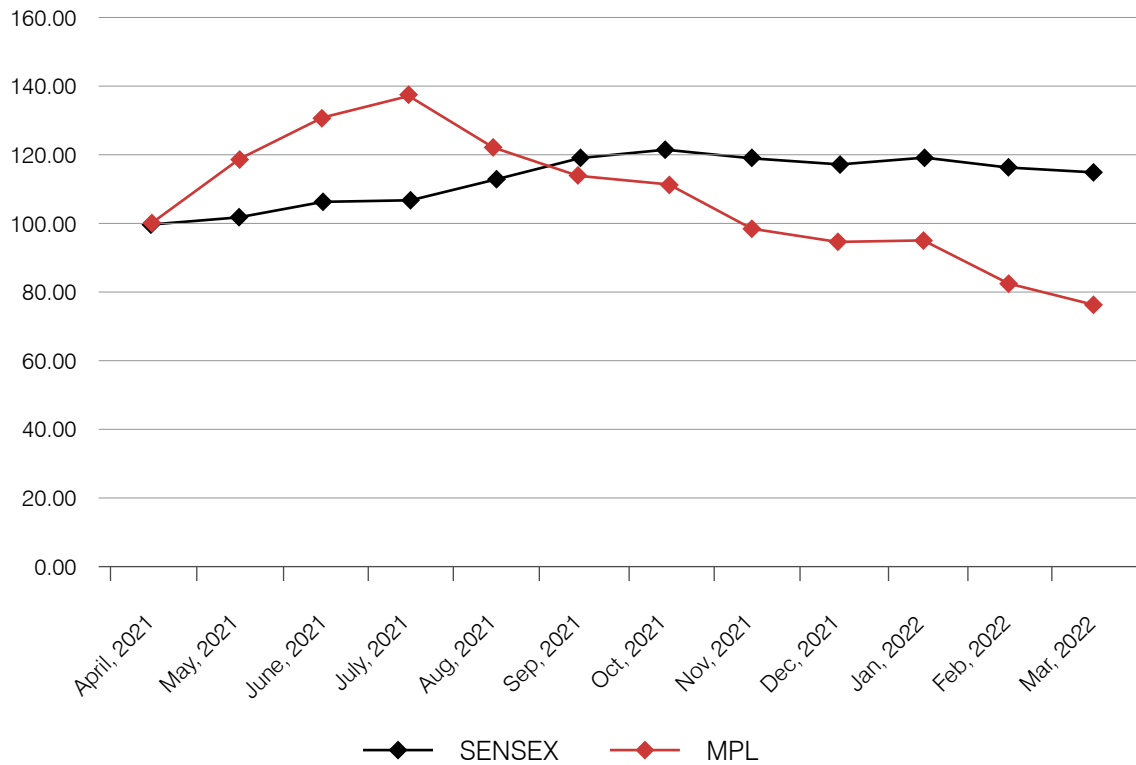
**General Shareholder Information**

CIN	L24110MH1992PLC066364
Registered Office	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053.
AGM	Thirtieth (30th) Annual General Meeting.
Day & Date	Monday, 29th August, 2022
Financial Year	2021-2022
Time	09:00 AM
Venue	Through Video Conferencing / Other Audio Visual Means.
Financial calendar (Tentative schedule)	Financial Year - April to March First Quarter Results – 2nd week of August Second Quarter Results – 2nd week of November Third Quarter Results – 2nd week of February Last Quarter Results – 3rd / 4th week of May
Date of Book Closure	From Tuesday, 23rd August, 2022 upto Monday, 29th August, 2022 (both days inclusive)
Dividend payment date	On or after 9th September, 2022
Listing on Stock Exchanges along with address	BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
Listing Fee Payment	The annual listing fees for the financial year 2021-22 has been paid to the above Stock Exchanges.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026
Depositories	Central Depository Services (India) Limited National Securities Depository Limited

**Monthly Open, High, Low & Close market price of shares on BSE & NSE during the period April 2021 to March 2022 are as under:**

Month	BSE Market Price				NSE Market Price			
	Open (₹)	High (₹)	Low (₹)	Close (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)
April 2021	50.70	76.85	50.45	71.55	50.60	76.90	50.10	71.50
May 2021	71.00	81.90	70.25	73.95	70.95	81.95	70.30	73.90
June 2021	74.70	97.50	68.30	86.25	74.50	97.60	68.30	86.25
July 2021	87.20	93.50	80.05	81.85	86.60	93.60	80.10	81.75
August 2021	82.60	87.80	62.40	70.85	81.90	88.00	62.20	70.85
September 2021	71.50	75.00	67.60	69.00	71.25	75.00	67.55	69.00
October 2021	69.00	77.70	64.65	66.05	68.80	78.00	64.60	66.05
November 2021	67.00	68.40	53.20	56.50	66.25	68.45	53.20	56.35
December 2021	57.00	64.40	55.00	60.05	56.55	64.45	55.00	60.15
January 2022	60.95	64.90	54.60	56.20	60.50	65.00	54.60	56.10
February 2022	57.00	58.15	43.40	47.10	56.95	58.15	43.55	47.10
March 2022	47.10	51.75	45.10	45.55	47.00	51.70	45.25	45.50

**Marksans Pharma Ltd (“MPL”) share price performance versus BSE SENSEX & NSE NIFTY50 during April 2021 – March 2022.**



**Shareholding Pattern as on 31.03.2022**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident Individuals	214239	97.34	366805211	89.61
HUF	2866	1.30	5543280	1.35
Bodies Corporate	493	0.22	10988878	2.69
Mutual Funds	1	0.00	1893000	0.46
Trust	2	0.00	118000	0.03
Bank & Financial Institutions	3	0.00	2911	0.00
Clearing Members	118	0.05	1929367	0.47
NRIs	2317	1.05	7246376	1.77
FII (includes FPIs)	50	0.02	14180963	3.47
IEPF	1	0.00	605712	0.15
<b>Total</b>	<b>220090</b>	<b>100.00</b>	<b>409313698</b>	<b>100.00</b>
Promoters	2	0.01	197491733	48.25
Non-Promoters	220088	99.99	211821965	51.75
<b>Total</b>	<b>220090</b>	<b>100.00</b>	<b>409313698</b>	<b>100.00</b>

**Shareholding Pattern as on 31.03.2022**

Shareholding	No. of Folios	% of Folios	No. of Shares held	% of Shareholding
Upto 5000	220174	97.92	82360277	20.12
5001 – 10000	2566	1.14	19142686	4.68
10001 – 20000	1110	0.49	16104006	3.93
20001 – 30000	345	0.15	8655355	2.11
30001 – 40000	176	0.08	6268920	1.53
40001 – 50000	119	0.05	5506249	1.35
50001 – 100000	190	0.09	13705627	3.35
Above 100000	170	0.08	257570578	62.93
<b>Total</b>	<b>224850</b>	<b>100</b>	<b>409313698</b>	<b>100</b>

\* No. of Folios are not PAN clubbed whereas No. of Shareholders under above Shareholding Pattern are PAN clubbed.

Registrar and Transfer Agents	<p>Bigshare Services Pvt. Ltd. Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Ph. No. 022-62638200 Fax No. 022-62638299 E-mail: investor@bigshareonline.com; Website: www.bigshareonline.com</p> <p>The Company's RTA has launched Gen-Next Investor Interface Module "iBoss" the most advanced tool to interact with investors. Shareholders are requested to login into "iBoss" and help them to serve you better.</p>
Dematerialization of the Shares and Liquidity	<p>Based on SEBI directives, Company's shares are traded in dematerialized form. As on 31.03.2022, 99.91% of the paid up equity share capital of the Company was in dematerialized form.</p>
In case the securities are suspended from trading, the directors report shall explain the reason thereof	<p>The securities of the Company are not suspended from trading by the Stock Exchanges.</p>

Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	Pursuant to Special Resolution passed by the Company at the Extra Ordinary General Meeting held on 9th July, 2021, the Board of Directors of the Company at their meeting held on 23rd July, 2021 have allotted 4,93,24,324 Warrants to OrbiMed Asia IV Mauritius FVCI Limited and 10,00,000 Warrants to Mr. Mark Saldanha at ₹ 74/- per warrant on receipt of application money at the rate 25% i.e. ₹ 18.5 per warrant. These Warrants are to be converted into equity shares of Re. 1/- each on payment of balance 75% price before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants.
Plant Locations	India Formulation Plant Marksans Pharma Limited L-82 & L-83 Verna Industrial Estate, Verna, Goa- 403 722. U.K. Plant Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL. U.S.A. Plant Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.
Address for Correspondence	Mr. Harshavardhan Panigrahi Company Secretary & Compliance Officer Marksans Pharma Limited 11th Floor, Grandeur, Veera-Desai Extension Road, Oshiwara, Andheri (West), Mumbai 400 053. Tel. No. : 022- 40012000 Fax No. 022- 40012011 Email: <a href="mailto:companysecretary@marksanspharma.com">companysecretary@marksanspharma.com</a>

**Brief resume of the person proposed to be re-appointed as Director of the Company at the Annual General Meeting.**

Name	Mrs. Sandra Saldanha (DIN: 00021023)
Age	50 Years
Qualification	Master of Arts (Sociology)
Date of first appointment on Board	25.09.2014
Nature of expertise in specific functional areas	Human Resource Management, Business Development, Projects and Supply Chain Management.
Brief profile including experience	Mrs. Sandra Saldanha has a Master Degree in Arts (Sociology) and has vast experience in the field of Human Resource Management, Business Development, Projects and Supply Chain Management.
Name of the other public Companies in which also holds directorship	1. Marksans Pharma (UK) Limited 2. Marksans Holdings Limited 3. Relonchem Limited 4. Bell, Sons and Co (Druggists) Limited 5. Marksans Pharma Canada Inc
Name of the other public Companies in the committee of which also holds membership / chairmanship	Nil
Names of the Listed Companies from which resigned in the past three years	Nil



No. of shares held in the Company (as on 31st March, 2022)	180 Equity Shares
No. of board meetings attended during the year	5/6
Relationship with other Directors / Key Managerial Personnel.	Relative of Mr. Mark Saldanha
Terms and conditions of appointment including remuneration last drawn	Re-appointed as a Wholetime Director for a period of three years w.e.f 25.09.2020, liable to retire by rotation. The detail of remuneration last drawn within the terms as approved by members is as below: Remuneration: 70,29,564 per annum

## Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of

### Marksans Pharma Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 16th May, 2022.
2. We, Bhuta Shah & Co LLP, Chartered Accountants, the Statutory auditors of Marksans Pharma Limited ("the Company") have examined the compliance of conditions of corporate governance by the Company, for the year ended 31 March, 2022, as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

### Managements' Responsibility

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.
6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016), 'Guidance Note on Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this

certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as per the Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No. 101474W/W100100

**Ketan Kataliya**

Partner

Place: Mumbai

Date: 30th May, 2022

Membership No. 165186

UDIN: 22165186AJXEZW4363

## CEO / CFO CERTIFICATION

To,  
The Board of Directors  
**Marksans Pharma Limited**

This is to certify with reference to the Annual Accounts of the Company for the year ended 31st March, 2022 that:-

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit committee:
  - i. That there is no significant changes in internal control over financial reporting during the year;
  - ii. That there are no significant changes in accounting policies during the year; and
  - iii. That there is no instance of any fraud which we have become aware of.

For **Marksans Pharma Limited**

**Mark Saldanha**  
Managing Director

**Jitendra Sharma**  
Chief Financial Officer

Place: Mumbai  
Date: 30th May, 2022

## Declaration on Compliance of the Company's Code of Conduct

This is to confirm that during the year ended 31st March, 2022, all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

For **Marksans Pharma Limited**

Place: Mumbai  
Date: 30th May, 2022

**Mark Saldanha**  
Managing Director

# Annexure - E

## Annexure to the Report of the Board of Directors

### The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of employees
  - a. Mr. Mark Saldanha, Managing Director: 174.44
  - b. Mrs. Sandra Saldanha, Whole-time Director: 32.06
  - c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 86.42
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31st March, 2022
  - a. Mr. Mark Saldanha, Managing Director: 266.67
  - b. Mrs. Sandra Saldanha, Whole-time Director: 0
  - d. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 29.08
  - e. Mr. Jitendra Sharma, Chief Financial Officer: 29.65
  - f. Mr. Harshavardhan Panigrahi, Company Secretary: 6.76
3. Percentage increase in the median remuneration of employees in the financial year ended 31st March, 2022 in comparison to the financial year ended 31st March, 2021: 13.68
4. Number of permanent employees as on 31st March, 2022: 890
5.
  - a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 1.90
  - b. Percentile increase in the managerial remuneration in the last financial year:
    - i. Mr. Mark Saldanha, Managing Director: 0
    - ii. Mrs. Sandra Saldanha, Whole-time Director: 0
    - iii. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 6.77
    - iv. Mr. Jitendra Sharma, Chief Financial Officer: 0
    - v. Mr. Harshavardhan Panigrahi, Company Secretary: 0.33
  - c. Justification of the above: Remuneration is based on individual performance
  - d. Any exceptional circumstances for increase in the managerial remuneration: None
6. The remuneration of all the Directors, Key Managerial Personnel and other employees are as per the remuneration policy of the Company.

# Annexure - F

## Annexure to the Report of the Board of Directors

### Statement of particulars of top ten employees in terms of remuneration pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name | Age | Qualification | Experience | Designation | Date of Commencement of employment | Gross remuneration | Nature of employment | Previous employment | Percentage of equity shares held in the Company | Whether relative of any director or manager of the Company

1. Mr. Mark Saldanha | 49 Years | Science Graduate | 26 Years | Managing Director | 06.10.2005 | ₹ 3,82,51,840.00 | Contractual | - | 48.25% | Relative of Mrs. Sandra Saldanha.
2. Mrs. Sandra Saldanha | 50 Years | MA (Sociology) | Whole-time Director | 25.09.2014 | ₹ 70,29,564.00 | Contractual | - | 0.00% | Relative of Mr. Mark Saldanha.
3. Mr. Varddhman V. Jain | 52 Years | M. Pharm | 30 Years | Whole-time Director | 24.05.2016 | ₹ 1,89,49,828.00 | Contractual | Watson Pharma Pvt. Ltd. | Nil | No.
4. Mr. Jitendra Sharma | 52 Years | B.Com.; CA & CWA | 28 Years | CFO | 06.09.2002 | ₹ 1,53,03,380.00 | Contractual | - | Nil | No.
5. Mr. Sunil K Rane | 52 Years | PG Diploma – Analytical Chemistry | 28 Years | Sr. VP – QC | 04.04.2016 | ₹ 1,04,07,083.52 | Contractual | Cipla Ltd. | Nil | No.
6. Mr. Anjani Kumar | 62 Years | B. Pharm | 34 Years | COO- GLOBAL OPERATIONS | 25.02.2021 | ₹ 1,02,93,120.00 | Contractual | Wockhardt Ltd. | Nil | No.
7. Mr. Sopan Pisal | 50 Years | PG Diploma – Analytical Chemistry | 28 Years | Director QA | 10.03.2016 | ₹ 59,79,316.48 | Contractual | Emcure Pharmaceuticals Ltd. | Nil | No.
8. Mr. Supratika Tripathi | 62 Years | M. Pharm | 37 years | Director – Operations | 09.09.2019 | ₹ 50,00,040.00 | Sun Pharmaceuticals Ltd. | Nil | No.
9. Mr. Manda Murali Bhaskar Rao | 48 Years | B. Tech. | 25 Years | Sr. Manager- E&P | 25.05.2020 | ₹ 40,94,393.00 | Contractual | Sanofi Healthcare Limited | Nil | No.
10. Mr. Jagadeesh Thipperudraiah | 48 Years | PhD | 22 Years | Sr. General Manager-Research & Development | 28.12.2020 | ₹ 35,95,684.82 | Contractual | Neo Pharma LLC | Nil | No.

# Annexure - G

Annexure to the Report of the Board of Directors

## BUSINESS RESPONSIBILITY REPORT 2021-22

### Section A: General Information about the Company

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L24110MH1992PLC066364
2.	Name of the Company	MARKSANS PHARMA LIMITED
3.	Registered address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
4.	Website	<a href="http://www.marksanspharma.com">www.marksanspharma.com</a>
5.	E-mail id	<a href="mailto:companysecretary@marksanspharma.com">companysecretary@marksanspharma.com</a>
6.	Financial Year reported	1st April, 2021 to 31st March, 2022
7.	Sector(s) that the Company is engaged in	Pharmaceuticals Formulation
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Solid Orals, Tablets and Capsules (including Soft Gelatin Capsules)
9.	Total number of locations where business activity is undertaken by the Company	<p><b>In India</b></p> <p><b>Corporate Office:</b> 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053</p> <p><b>Manufacturing facility:</b> Plot no. L-82 &amp; 83, Verna Industrial Estate, Verna, Goa – 403722.</p> <p><b>Overseas</b></p> <ol style="list-style-type: none"> <li>Bell, Sons &amp; Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL.</li> <li>Relonchem Limited Cheshire House, Gorse Lane Widnes Cheshire, WA8 0RP, UK.</li> <li>Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York – 11735, USA.</li> <li>Nova Pharmaceuticals Australasia Pty Ltd. Suite 305, 10 Norbik Drive, Bella Vista NSW 2153, Australia</li> </ol>
10.	Markets served by the Company – Local/ State/ National/ International/	International

### Section B: Financial Details of the Company

Sr. No.	Particulars	FY2021-22
1.	Paid up Capital (INR)	45,93,13,698.00 (includes preference share capital)
2.	Total Turnover (INR)	6,582.89 Million
3.	Total profit after taxes (INR)	1039.88 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.00 %

Sr. No.	Particulars	FY2021-22
5.	List of activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> <li>1. Covid 19 related expenses: antibody testing and other medical charges for local, provided essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers, etc in the fight against COVID-19 pandemic and other expenses in connection thereto.</li> <li>2. Distribution of free food items to the people affected by lockdown due to Covid 19 pandemic. MPL joined hands with NGO'S to serving meals, ration, grocery kits to migrant families.</li> <li>3. Medical treatment to under privileged society suffering from cancer and other blood disorders.</li> <li>4. Women and child development, professionalizing Anganwadis and national nutrition mission in Goa</li> <li>5. Tree plantation in Verna Industrial Estate,Goa</li> <li>6. Provided two Oxygen Concentrator to the newly opened up PHC (Hospital) at Cansaulim</li> <li>7. Providing of Sanitary Pads to poor women under the "MY PAD, MY RIGHT" program, an initiative of Swatch Bharat scheme of Beti Bachao scheme of the Govt. of India, under the Ministry of Women &amp; Child Development and Skill Development.</li> </ol>

### Section C: Other Details

**1. Does the Company have any Subsidiary Company/ Companies?**

- Yes. The Company has 10 foreign Subsidiaries as on 31.03.2022.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)**

- No. All the Company's subsidiaries are foreign entities.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [ Less than 30%, 30-60%, More than 60%]**

- No.

**b) Details of the BR head:**

Mr. Mark Saldanha (DIN: 00020983), Managing Director of the Company, oversees the BR implementation. Telephone No. 022 4001 2000, E-mail Id: info@marksanspharma.com.

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

P1: Ethics, Transparency and Accountability

P2: Safety and sustainability throughout the life cycle of goods and services

P3: Well-being of all employees

P4: Respecting interest of all stakeholders especially those who are disadvantaged, vulnerable and marginalised

P5: Promotion of human rights

P6: Protection of environment

P7: Responsibly influencing public and regulatory policy

P8: Inclusive growth and equitable development

P9: Value addition to customers and consumers

### Section D: BR Information

**1. Details of Director/Directors responsible for BR**

**a) Details of the Director/Director responsible for implementation of the BR policy/policies:**

The Board of Directors of the Company is responsible for the BR.



Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	-	-	-	-	-	-	-
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	-	-	-	-	-	-	-	-	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	-
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-
6.	Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y*	Y*	Y*	-	Y*	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	-
10.	Has the company carried out independent 3 audit/evaluation of the working of this policy by an internal or external agency?	-	-	-	-	-	-	-	-	-

\* www.marksanspharma.com

**2a. If answer to Sr.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	√
6.	Any other reason (please specify)							√#		

# It is a general practice to present industry concern to the Government through trade and industry associations.

**3. Governance related to BR**

\* Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year

- Annually

\* Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- The BR report for 2021-22 can be accessed through the link www.marksanspharma.com. It is published annually when applicable.

**Section E: Principle-wise performance**

**Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company has in place policies and procedures to ensure high level of governance and ethics, transparency and accountability in business transactions. The Company has also in place a whistle blower policy under which directors and employees can report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. During the year, the Company has not received any complaints on unethical practices.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

With strong R&D capability, the Company manufactures quality products that meet standard of major health authorities globally.

The Company has a relentless focus on Quality Control and Quality Assurance. Strict adherence to cGMP norms as well as our efforts towards continuous improvement of product, process and the skill of work force enables us to improve our offerings to our customers and consumers on a regular basis. The Company makes optimum utilization of resources in its manufacturing processes.

**Principle 3: Businesses should promote the well-being of all employees**

The Company is committed to ensure safety, sound health and overall well being of the employees at all the work places. The Company maintains equal opportunity in employee recruitment irrespective of caste, creed, gender, race and religion. The Company does not employ child labor, forced labor, or any form of involuntary labor. It provides healthy work environment to its employees.

The Company is fully committed to uphold and maintain dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at work place. To ensure this, the Company has in place a Prevention of Sexual Harassment Policy.

As on 31st March, 2022, the Company has 83 women employees out of the total permanent employee strength of 890.

No complaint pertaining to child labor, forced labor or involuntary labor was reported during the year. Further, no complaint related to sexual harassment of woman at the work place was received.

Safety and skill up-gradation training is imparted to the employees periodically.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Company provides its highest attention to the needs of disadvantaged and marginalized stakeholders and has mapped its internal and external stakeholders. Concerned department officials are engaged in consultation with stakeholders and periodic reports are submitted to the Managing Director for review.

**Principle 5: Businesses should respect and promote human rights**

Marksans believes that all its employees live with social and economic dignity and freedom regardless of nationality, gender, race, economic status or religion. All its business associates like suppliers, service providers and customers should be treated likewise and also they should not suffer in any respect due to any action or inaction of the Company. Therefore, Marksans ensure that it upholds the spirit of human rights. Marksans believes the business should support and report the protection of internationally proclaimed human rights and make sure that they are not complicit

in human right abuses. The Company has in place a policy on protection of human rights. During the year, the Company has not received any complaints on human rights violation.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

Marksans continuously endeavors to protect the environment through all possible ways. Company's processes are more resource efficient, uses renewable energy sources and minimizes release of wastes in the environment. Emissions/Wastes generated by the Company are within the permissible limits and during the year, the Company has not received any show cause or legal notice on environment issue. The Company's plant is environment regulations compliant.

The Company has Business Continuity plan in place to resume its critical business processes after a disruption. The goal of the plan is to prevent loss of life, reduce property damage and minimise the impact on the overall business functions. The overall objective of the plan is to provide the information and procedures necessary to rapidly respond to a disaster or emergency situation, notify necessary trained personnel, assemble business recovery teams, rapidly recover services to clients, and to rapidly resume normal business functions

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company is a member of Bombay Chamber of Commerce and does participate in presenting industry related issues to the Government.

**Principle 8: Businesses should support inclusive growth and equitable development.**

The Company is continuously exploring various focus areas for its CSR activities and is also in the process of identifying NGOs working in the areas of health and education to support them in their endeavors.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Every endeavor is made to achieve maximum customer satisfaction by manufacturing world class quality product and ensuring fair treatment in all customer dealings. The Company complies with all applicable labeling standards. Customer's complaints are attended on priority basis.

There is no customer complaints/ consumer cases pending resolutions at the end of the financial year. There is no case against the Company regarding unfair trade practice, irresponsible advertising, anti-competitive behavior during the last five years. The Company carries out consumer survey periodically.

# Annexure - H

Annexure to the Report of the Board of Directors

Form No. MR-3

## Secretarial Audit Report

For The Financial Year Ended on 31st March, 2022

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

To  
The Members  
**Marksans Pharma Limited**  
11th Floor, Grandeur  
Veera Desai Extension Road  
Oshiwara, Andheri (West)  
Mumbai – 400 053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Marksans Pharma Limited** (CIN: L24110MH1992PLC066364) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
2. Air (Prevention and Control of Pollution) Act, 1974;
3. Water (Prevention and Control of Pollution) Act, 1981.

Having regard to the compliance system prevailing in the Company, we, further report that on the examination of the relevant records and documents in pursuance thereof, on test-check basis, the Company has complied with the same.

We have also examined compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines etc.

#### We further report that

The Board of Directors of the Company is duly constituted with

proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the meetings of the Board of Directors were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

We further report that during the audit period, the specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. are mentioned below:

Date of event	Details of the specific events/ actions bearing on Company's affairs pursuance of the above referred laws, rules, regulations, guidelines etc.
09th July, 2021	The Members of the Company at their Extra-ordinary General Meeting had approved to create, issue, offer and allot on preferential basis at a price of INR 74 (Rupees Seventy Four Only) per convertible warrant including premium for an aggregate of upto following: (i) 10,00,000 (Ten Lakh) convertible warrants to Mr. Mark Saldanha (Promoter of the Company); and (ii) 4,93,24,324 (Four Crore Ninety Three Lakh Twenty Four Thousand Three Hundred and Twenty Four) convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited.
23rd July, 2021	The Board of Director at their meeting had approved issue and allotment on preferential basis at a price of INR 74 (Rupees Seventy Four Only) per convertible warrant including premium to the following: (i) 10,00,000 (Ten Lakh) convertible warrants to Mr. Mark Saldanha (Promoter of the Company); and (ii) 4,93,24,324 (Four Crore Ninety Three Lakh Twenty Four Thousand Three Hundred and Twenty Four) convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited.
23rd September, 2021	At the Annual General Meeting, the members approved the Marksans Employees Stock Option Scheme 2021 (Marksans ESOS 2021).

For Jinesh Dedhia & Associates  
Company Secretaries

**Jinesh Dedhia**

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731D000630548

Place: Mumbai

Date: 15th July, 2022

**Note:** This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

## Annexure A

To  
The Members  
**Marksans Pharma Limited**  
11th Floor, Grandeur  
Veera Desai Extension Road  
Oshiwara, Andheri (West)  
Mumbai - 400053

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jinesh Dedhia & Associates  
Company Secretaries

Place: Mumbai  
Date: 15th July, 2022

**Jinesh Dedhia**  
Proprietor  
Peer Review Certificate No.:1914/2022  
ACS:54731 CP 20229  
UDIN: A054731D000630548

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**MARKSANS PHARMA LIMITED**  
11th Floor, Grandeur,  
Veera Desai Extension Road, Oshiwara,  
Andheri (W), Mumbai 400053.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Marksans Pharma Limited (CIN:L24110MH1992PLC066364)** and having registered office at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai 400053 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1	Seetharama Raju Buddharaju	03630668	05/10/2011
2	Sandra Saldanha	00021023	25/09/2014
3	Mark Saldanha	00020983	06/10/2015
4	Digant Mahesh Parikh	00212589	14/03/2018
5	Varddhman Vikramaditya Jain	08338573	24/01/2019
6	Abhinna Mohanty Sundar	00007995	11/07/2019
7	Meena Rani Surana	08863769	04/09/2020
8	Sunny Sharma	02267273	11/08/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jinesh Dedhia & Associates  
Company Secretaries

Place: Mumbai  
Dated : 15th July, 2022

**Jinesh Dedhia**  
Proprietor  
Peer Review Certificate No.1914/2022  
ACS:54731 CP: 20229  
UDIN: A054731D000630482



▶ **Standalone  
Financial  
Statements**

# Independent Auditor's Report

To the Members of

**Marksans Pharma Limited**

## Report on Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Marksans Pharma Limited ("the Company"), which comprises the Standalone Balance Sheet as at 31 March 2022, the Standalone Statement of Profit and Loss (including other Comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit 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 Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 ethical 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 on the standalone financial statements.

### Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Assessment of recoverability of the carrying value of investment in subsidiaries:</b></p> <p>Investment constitute significant portion of the standalone financial statements. The Company has investments of ₹ 2,360.74 million (31 March 2021: ₹ 2,360.74 millions) in subsidiaries and all subsidiaries are located outside India. The determination of recoverable amounts of the Company's investments in subsidiaries is dependent on management's estimates with respect to such entity's performance, future cash flows and making judgment with respect to assumptions used in computing the recoverable amount of investments in subsidiaries (recoverable amount). Considering the uncertainty involved in forecasting of cash flows and the judgement involved in respect of assumptions used in computing the Recoverable amount this audit area is considered a key audit matter.</p>	<p>We performed following procedures, among others:</p> <ul style="list-style-type: none"> <li>We evaluated the forecast of future cash flows used by the management in the model to compute the Recoverable amount.</li> <li>We compared the forecast of future cash flows to business plan and previous forecasts to the actual results.</li> <li>We focused our analysis on management assumptions in respect of future sales growth rate and discount rate used to compute the Recoverable amount. We recalculated estimates using the management model including involvement of a internal specialists to evaluate the key assumptions and methodologies used in computing the Recoverable amount.</li> <li>We assessed the disclosures made in the Standalone financial statements.</li> </ul>



Sr. No.	Key Audit Matter	Auditor's Response
2	<p>The Company recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. We identified the recognition of revenue from sale of products as a key audit matter because Revenue is a key performance indicator of the Company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period. Establishing an appropriate accrual towards rebate, discount, returns and allowances requires significant estimation on the part of management and change in this estimates can have a significant financial impact. Considering the extent of estimation and judgment involved, recognition of revenue from such contracts has also been considered as key audit matter</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;</li> <li>• Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue and measurement of rebates, discounts, returns;</li> <li>• Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents.</li> <li>• Obtaining and assessing appropriateness of positions for returns and rebates.</li> <li>• Performing retrospective review to identify any management bias;</li> <li>• Assessing manual journal posted to revenue to identify unusual items not already covered by our audit testing;</li> <li>• Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</li> </ul>

### Other information

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements 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 a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, changes equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 judgments 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the 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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone 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.
2. 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. 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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 disclosure 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) 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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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 as on 31 March 2022 on its financial position in its standalone financial statements – Refer note 41 to the standalone financial statements.
- b) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) i The management has represented that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.
- For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Reg. No.: 101474W / W100100
- Ketan Kataliya**  
Partner  
Membership Number: 165186  
UDIN: 22165186AJWXTL1442
- Mumbai  
30 May, 2022

# Annexure A

## to the Independent Auditor's Report of even date on the standalone financial statements of Marksans Pharma Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (Other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii (a) According to the information and explanation given to us, the inventories have been physically verified at reasonable intervals during the year by the management and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Hence, reporting under clause 3(iii) of the order is not applicable to the Company.
- iv According to the information and explanations given to us and based on our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, applicable.
- v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, CSS and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited on account of any dispute.
- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors of the Company during the year.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to

our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Reg. No.: 101474W / W100100

**Ketan Kataliya**

Partner

Mumbai  
30 May, 2022

Membership Number: 165186  
UDIN: 22165186AJWXTL1442

## Annexure “B”

### to the Independent Auditors’ report on the standalone financial statements

(Referred to in paragraph 2A(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Marksans Pharma Limited** of even date)

#### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

##### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Marksans Pharma Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the company has in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were opening as at 31 March 2022, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

##### **Management’s Responsibility for Internal Financial Controls**

The management of the company is responsible for establishing and maintaining internal financial controls based on the internal financial 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 “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 of the company based on our audit. We conducted our audit in accordance with 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”) 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

##### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference

to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Reg. No.: 101474W / W100100

**Ketan Kataliya**  
Partner

Mumbai  
30 May, 2022

Membership Number: 165186  
UDIN: 22165186AJWXTL1442



# Standalone Balance Sheet

as at 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,318.61	1,248.42
Intangible assets	4	36.51	42.43
<b>Financial assets</b>			
(i) Investments	5	2,360.74	2,360.74
(ii) Other financial assets	6	26.08	25.63
Other non-current assets	7	15.54	15.95
<b>Total non-current assets</b>		<b>3,757.48</b>	<b>3,693.17</b>
<b>Current assets</b>			
Inventories	8	1,036.75	936.86
<b>Financial Assets</b>			
(i) Investments	9	4.35	2.61
(ii) Trade receivables	10	2,467.83	1,689.27
(iii) Cash and bank balances	11	2,240.48	1,056.12
(iv) Other financial assets	12	83.76	15.64
Other current assets	13	65.43	13.25
<b>Total current assets</b>		<b>5,898.60</b>	<b>3,713.75</b>
<b>TOTAL ASSETS</b>		<b>9,656.08</b>	<b>7,406.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	409.31	409.31
Other equity	15	7,437.42	5,587.86
<b>Total equity</b>		<b>7,846.73</b>	<b>5,997.17</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	16	35.46	83.36
Other financial liabilities	17	-	50.00
Provisions	18	18.56	21.11
Deferred tax liabilities (net)	19	90.08	84.88
Other non-current liabilities		-	-
<b>Total non current liabilities</b>		<b>144.10</b>	<b>239.35</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	50.00	-
Lease liabilities	21	57.59	60.37
Trade payables	22		
a) Total outstanding dues to micro, small & medium enterprises		67.48	14.03
b) Total outstanding dues to other than micro, small & medium enterprises		677.06	627.52
Other financial liabilities	23	163.11	135.59
Other current liabilities	24	568.80	231.07
Provisions	25	7.24	9.68
Current tax liabilities (net)	26	73.97	92.14
<b>Total current liabilities</b>		<b>1,665.25</b>	<b>1,170.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,656.08</b>	<b>7,406.92</b>

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

**FOR AND ON BEHALF OF**
**Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

**Ketan Kataliya**

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
**MARK SALDANHA**

Chairman &amp; Managing Director

DIN: 00020983

**HARSHAVARDHAN PANIGRAHI**

Company Secretary &amp; Legal Manager

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**JITENDRA SHARMA**

Chief Financial Officer

# Standalone Statement of Profit and Loss

 for the Year ended 31 March, 2022  
 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March, 2022	For Year Ended 31 March, 2021
<b>INCOME</b>			
Revenue from operations	27	6,582.89	5,995.48
Other income	28	422.51	311.56
<b>Total Income</b>		<b>7,005.40</b>	<b>6,307.04</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	3,279.91	2,912.93
Purchases of stock-in-trade		457.06	460.66
Changes in inventories of finished goods, work-in-process and stock-in-trade	30	38.94	5.54
Employee benefits expense	31	604.60	546.39
Finance costs	32	37.95	53.45
Depreciation and amortization expense	33	176.63	151.93
Other expenses	34	1,065.23	932.84
<b>Total expenses</b>		<b>5,660.32</b>	<b>5,063.74</b>
<b>Profit before tax</b>		<b>1,345.08</b>	<b>1,243.30</b>
<b>Tax expense:</b>			
(1) Current Tax		300.08	281.88
(2) Current tax for earlier years		0.08	-
(3) Deferred tax		5.04	(22.39)
<b>Total tax expenses</b>		<b>305.20</b>	<b>259.49</b>
<b>Profit for the year</b>		<b>1,039.88</b>	<b>983.81</b>
<b>Other Comprehensive Income/(Loss)</b>			
<b>Items that will not be reclassified to Statement of Profit and Loss</b>			
- Remeasurement of the net defined benefit plans		0.61	(2.62)
- Income tax relating to above		(0.15)	0.66
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>0.46</b>	<b>(1.96)</b>
<b>Total Comprehensive income for the year</b>		<b>1,040.34</b>	<b>981.85</b>
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		2.54	2.40
(2) Diluted (in ₹)		2.54	2.40

The accompanying notes form an integral part of these financial statements  
 As per our report of even date.

## FOR AND ON BEHALF OF

### Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: 101474W/W100100

### Ketan Kataliya

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

## FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

### MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

### HARSHAVARDHAN PANIGRAHI

Company Secretary & Legal Manager

### SANDRA SALDANHA

Whole - time Director

DIN: 00021023

### JITENDRA SHARMA

Chief Financial Officer

# Standalone Cash Flow Statement

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	For Year Ended 31 March, 2022	For Year Ended 31 March, 2021
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	1,345.08	1,243.30
Adjustments to profit before tax:		
- Depreciation and amortisation expenses	176.63	151.93
- Exchange (gain)/Loss on foreign exchange fluctuations	(89.52)	9.89
- Profit on sale of Property, plant and equipment	-	(0.37)
- Finance costs	37.95	53.45
- Dividend income	(98.86)	(283.46)
- Interest income	(59.32)	(11.48)
- Net gain arising on financial assets measured at fair value	(56.23)	(16.25)
- Bad debts	10.01	8.09
<b>Operating profit before working capital changes</b>	<b>1,265.74</b>	<b>1,155.10</b>
<b>Movements in working capital :</b>		
(Increase) in Inventories	(99.89)	(190.84)
(Increase) in Trade receivables	(705.65)	(78.67)
(Increase)/Decrease in Other financial assets	(0.45)	(4.09)
(Increase)/Decrease in Other assets	(52.18)	26.97
Increase in Trade payables, provisions and other liabilities	420.47	362.85
<b>Cash generated from operations</b>	<b>828.04</b>	<b>1,271.32</b>
Income taxes paid (net)	(318.33)	(202.12)
<b>Net cash generated from operating activities (A)</b>	<b>509.71</b>	<b>1,069.20</b>
<b>B. Cash flow from Investing Activities:</b>		
Payments to acquire property, plant and equipment and intangible assets	(228.50)	(209.99)
Proceeds from sale of property, plant and equipment and intangible assets	-	4.78
Purchase of Investments	(1.50)	-
Dividend income	98.86	283.46
Interest income received	47.19	10.46
<b>Net Cash (used in)/ generated from Investing Activities (B)</b>	<b>(83.95)</b>	<b>88.71</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceed from issue of share warrants(net of issue expenses)	911.55	-
Dividend paid	(105.83)	(44.43)
Short term borrowing	50.00	-
Repayment of principal portion of lease liabilities	(62.67)	(40.93)
Interest cost paid (including interest on lease liabilities)	(34.45)	(49.95)
<b>Net Cash Flow (used in) Financing Activities (C)</b>	<b>758.60</b>	<b>(135.31)</b>
<b>Net increase in cash and bank balances (A+B+C)</b>	<b>1,184.36</b>	<b>1,022.60</b>
<b>Cash &amp; Bank balances at the beginning of the period</b>	<b>1,056.12</b>	<b>33.52</b>
<b>Cash &amp; Bank balances at the end of the period</b>	<b>2,240.48</b>	<b>1,056.12</b>

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening Balance	143.73	107.61
Current Borrowings	143.05	143.73
Movement of borrowings(net)	0.68	(36.12)

Notes :

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- 2 The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

**FOR AND ON BEHALF OF**

**Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

**Ketan Kataliya**

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

**JITENDRA SHARMA**

Chief Financial Officer

# Standalone Statement of Changes in Equity

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## A Equity share capital

Particulars	31 March, 2022		31 March, 2021	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	409,313,698	409.31	409,313,698	409.31
<b>Shares outstanding at the end of the year</b>	<b>409,313,698</b>	<b>409.31</b>	<b>409,313,698</b>	<b>409.31</b>

## B Other equity

Particulars	Reserves and surplus						
	Capital reserves	Capital redemption reserve	Securities premium	General reserve	Retained Earnings	Convertible Warrants	Total
<b>Balance as at 1 April, 2021</b>	0.12	85.00	1,751.32	3,137.37	614.05	-	5,587.86
Profit for the year	-	-	-	-	1,039.88	-	1,039.88
Other comprehensive income- Remeasurement of the net defined benefit plans (net of tax)	-	-	-	-	0.46	-	0.46
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,040.34</b>	<b>-</b>	<b>1,040.34</b>
Dividend paid on equity shares	-	-	-	-	(102.33)	-	(102.33)
Warrant issue expenses( Net)	-	-	(19.45)	-	-	-	(19.45)
Convertible Warrants	-	-	-	-	-	931.00	931.00
<b>Balance as at 31 March, 2022</b>	<b>0.12</b>	<b>85.00</b>	<b>1,731.87</b>	<b>3,137.37</b>	<b>1,552.06</b>	<b>931.00</b>	<b>7,437.42</b>

Particulars	Reserves and surplus						
	Capital reserves	Capital redemption reserve	Securities premium account	General reserve	Retained Earnings	Total	
<b>Balance as at 1 April, 2020</b>	0.12	85.00	1,751.32	3,137.37	(326.87)	4,646.94	
Profit for the Year	-	-	-	-	983.81	983.81	
Other comprehensive income- Remeasurement of the net defined benefit plans (net of tax)	-	-	-	-	(1.96)	(1.96)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>981.85</b>	<b>981.85</b>	
Dividend paid on equity shares	-	-	-	-	(40.93)	(40.93)	
<b>Balance as at 31 March 2021</b>	<b>0.12</b>	<b>85.00</b>	<b>1,751.32</b>	<b>3,137.37</b>	<b>614.05</b>	<b>5,587.86</b>	

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

### FOR AND ON BEHALF OF

**Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

**Ketan Kataliya**

Partner

Membership No.: 165186

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

**JITENDRA SHARMA**

Chief Financial Officer

Place : Mumbai

Date : 30 May, 2022

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## 1. Corporate information

Marksans Pharma Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053, India.

The Company is primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulations.

The Company's shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in India

## 2. Significant accounting policies

### 2.1. Statement of compliance and basis of preparation and presentation

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 30 May, 2022.

### 2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

### 2.3. Basis of fair values

A number of Company's accounting policies and disclosures require the measurement of full values for both financial and non-financial assets & liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### 2.4. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these standalone financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments and goodwill.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

#### (ii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

### (iii) Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

### (iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

### (v) Estimation uncertainty relating to the COVID-19 pandemic

The Company has considered various internal and external source information while finalizing various estimates and recoverability of assets in relation to its financial statement captions upto the date of approval of these standalone financial statements by the Board of Directors. The impact of Covid-19 may be different from what is estimated as at such date of approval of the standalone financial statements and the Company will continue to monitor any material changes to future economic conditions.

## 2.5. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## 2.6. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from the use. Any profit or loss on such de-recognition of the asset is calculated as difference between net disposal proceeds and the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

The management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at the reporting date and the cost of property, plant and equipment not put to use/ready for its intended use before such date are disclosed under capital work-in-progress.

## 2.7. Intangible assets

Intangible assets are initially recognised at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are amortised over their estimated life on straight-line method as follows:

Internally Generated Abbreviated New Drug Application (ANDA), Market Authorisation and Product Licences - 5 to 10 years.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

## 2.8. Impairment of assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is indication that the asset is impaired:

- i) An intangible asset that is not yet available for use; and
- ii) An intangible asset that is having indefinite useful life.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. 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.

## 2.9. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on weighted average basis. Cost incurred in bringing each product to its present location and condition are accounted as follows:-

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.



# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower

## 2.10. Foreign exchange transactions and translations

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments and Hedge Accounting).

## 2.11. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Classification and subsequent measurement

### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below. Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

## Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is

a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

## Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

## Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written

off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 2.12. Revenue recognition

### Sale of goods

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognised at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transferred to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

### Export incentives

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports Incentive Scheme) scrips.

Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### Interest income

Interest income is recognised with reference to the Effective interest rate method.

### Dividend income

Dividend income from investment is recognised as revenue when right to receive is established.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## 2.13. Employee Benefits

### Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

Post retirement contribution plans such as Employees' Pension Scheme, Labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

### Defined benefit plans

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss. The Defined benefit plans of the groups are unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Other benefit plans

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

### Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

### Share based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is exposed on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

## 2.14. Borrowing Costs

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## 2.15. Income Taxes

### Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred

tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business.

## 2.16. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 2.17. Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

## 2.18. Critical accounting estimates and significant judgment in applying accounting policies

### (i) Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2022 is representative of the position of the year.

### (ii) Credit Risk

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD & GBP and any appreciation in the INR will effect the credit risk. The Company is not significantly exposed to geographical distribution risk as the counterparties operate in various countries across the Globe.

### (iii) Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:-

- i. Debt availed in foreign currencies.
- ii. Net investments in subsidiaries that are in foreign currencies.
- iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Company.

### (iv) Liquidity Risk

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Risk Management Committee as per the Risk Management Policy adopted by the Company.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.3 Property, Plant and Equipment

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total
<b>Balance as at 1 April, 2021</b>	<b>399.95</b>	<b>1,354.49</b>	<b>88.46</b>	<b>68.44</b>	<b>12.50</b>	<b>65.11</b>	<b>1,988.95</b>
Acquisitions	25.19	188.82	12.18	0.41	0.38	2.30	229.28
Disposals/Transfers	-	-	-	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>425.14</b>	<b>1,543.31</b>	<b>100.64</b>	<b>68.85</b>	<b>12.88</b>	<b>67.41</b>	<b>2,218.23</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 1 April, 2021</b>	<b>128.73</b>	<b>600.69</b>	<b>37.02</b>	<b>46.55</b>	<b>8.91</b>	<b>58.79</b>	<b>880.69</b>
Depreciation for the year	11.00	76.80	8.08	7.89	1.17	2.50	107.44
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>139.73</b>	<b>677.49</b>	<b>45.10</b>	<b>54.44</b>	<b>10.08</b>	<b>61.29</b>	<b>988.13</b>
Carrying Value							
<b>Balance as at 31 March, 2022</b>	<b>285.41</b>	<b>865.82</b>	<b>55.54</b>	<b>14.41</b>	<b>2.80</b>	<b>6.12</b>	<b>1,230.10</b>
<b>Balance as at 31 March, 2021</b>	<b>271.22</b>	<b>753.80</b>	<b>51.44</b>	<b>21.89</b>	<b>3.59</b>	<b>6.32</b>	<b>1,108.26</b>

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total
<b>Balance as at 1 April, 2020</b>	<b>395.47</b>	<b>1,160.41</b>	<b>86.07</b>	<b>66.92</b>	<b>12.41</b>	<b>62.90</b>	<b>1,784.18</b>
Acquisitions	4.48	204.69	2.39	1.52	0.09	2.21	215.38
Disposals/Transfers	-	10.61	-	-	-	-	10.61
<b>Balance as at 31 March, 2021</b>	<b>399.95</b>	<b>1,354.49</b>	<b>88.46</b>	<b>68.44</b>	<b>12.50</b>	<b>65.11</b>	<b>1,988.95</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 1 April, 2020</b>	<b>118.08</b>	<b>540.33</b>	<b>29.03</b>	<b>38.89</b>	<b>7.59</b>	<b>55.83</b>	<b>789.75</b>
Depreciation for the year	10.65	66.56	7.99	7.66	1.32	2.96	97.14
Disposals	-	6.20	-	-	-	-	6.20
<b>Balance as at 31 March, 2021</b>	<b>128.73</b>	<b>600.69</b>	<b>37.02</b>	<b>46.55</b>	<b>8.91</b>	<b>58.79</b>	<b>880.69</b>
Carrying Value							
<b>Balance as at 31 March, 2021</b>	<b>271.22</b>	<b>753.80</b>	<b>51.44</b>	<b>21.89</b>	<b>3.59</b>	<b>6.32</b>	<b>1,108.26</b>
<b>Balance as at 31 March, 2020</b>	<b>277.39</b>	<b>620.08</b>	<b>57.04</b>	<b>28.03</b>	<b>4.82</b>	<b>7.07</b>	<b>994.43</b>

### Note No.3.1 Right to use asset

Particulars	Land	Property	Plant and Equipment	Total
<b>Balance as at 1 April, 2021</b>	<b>9.67</b>	<b>72.62</b>	<b>128.25</b>	<b>210.54</b>
Acquisitions	-	7.54	4.08	11.62
Disposals/Transfers	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>9.67</b>	<b>80.16</b>	<b>132.33</b>	<b>222.16</b>
<b>Accumulated Depreciation</b>				
<b>Balance as at 1 April, 2021</b>	<b>0.25</b>	<b>26.08</b>	<b>44.05</b>	<b>70.38</b>
Depreciation for the year	0.25	18.74	44.28	63.27
Disposals	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>0.50</b>	<b>44.82</b>	<b>88.33</b>	<b>133.65</b>
Carrying Value				
<b>Balance as at 31 March, 2022</b>	<b>9.17</b>	<b>35.34</b>	<b>44.00</b>	<b>88.51</b>
<b>Balance as at 31 March, 2021</b>	<b>9.42</b>	<b>46.54</b>	<b>84.20</b>	<b>140.16</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.3.1 Right to use asset (Contd.)

Particulars	Land	Property	Plant and Equipment	Total
<b>Balance as at 1 April, 2020</b>	<b>9.67</b>	<b>56.09</b>	<b>64.79</b>	<b>130.55</b>
Acquisitions	-	16.53	63.46	79.99
Disposals/Transfers	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>9.67</b>	<b>72.62</b>	<b>128.25</b>	<b>210.54</b>
Accumulated Depreciation				
<b>Balance as at 1 April, 2020</b>	<b>-</b>	<b>12.51</b>	<b>9.00</b>	<b>21.51</b>
Depreciation for the year	0.25	13.57	35.05	48.87
Disposals	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>0.25</b>	<b>26.08</b>	<b>44.05</b>	<b>70.38</b>
Carrying Value				
<b>Balance as at 31 March, 2021</b>	<b>9.42</b>	<b>46.54</b>	<b>84.20</b>	<b>140.16</b>
<b>Balance as at 31 March, 2020</b>	<b>9.67</b>	<b>43.58</b>	<b>55.79</b>	<b>109.04</b>

Land held on leasehold basis. Building includes those constructed on leasehold land.

## Note No.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	31 March, 2022	31 March, 2021
Capital Expenditure	3.63	1.17

## Note No.3.3

Refer Note No.45 for mortgage of above Fixed Assets.

## Note No.4 Intangible Assets

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total
<b>Balance as at 1 April, 2021</b>	<b>573.01</b>	<b>573.01</b>
Acquisitions	-	-
Disposals/Transfers	-	-
<b>Balance as at 31 March, 2022</b>	<b>573.01</b>	<b>573.01</b>
Accumulated Depreciation		
<b>Balance as at 1 April, 2021</b>	<b>530.58</b>	<b>530.58</b>
Depreciation for the year	5.92	5.92
Disposals	-	-
<b>Balance as at 31 March, 2022</b>	<b>536.50</b>	<b>536.50</b>
Carrying Value		
<b>Balance as at 31 March, 2022</b>	<b>36.51</b>	<b>36.51</b>
<b>Balance as at 31 March, 2021</b>	<b>42.43</b>	<b>42.43</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.4 Intangible Assets (Contd.)

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total
<b>Balance as at 1 April, 2020</b>	<b>573.01</b>	<b>573.01</b>
Acquisitions	-	-
Disposals/Transfers	-	-
<b>Balance as at 31 March, 2021</b>	<b>573.01</b>	<b>573.01</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at 1 April, 2020</b>	<b>524.66</b>	<b>524.66</b>
Depreciation for the year	5.92	5.92
Disposals	-	-
<b>Balance as at 31 March, 2021</b>	<b>530.58</b>	<b>530.58</b>
Carrying Value		
<b>Balance as at 31 March, 2021</b>	<b>42.43</b>	<b>42.43</b>
<b>Balance as at 31 March, 2020</b>	<b>48.35</b>	<b>48.35</b>

## Note No.5 Non-current investments

Particulars	31 March, 2022	31 March, 2021
<b>Unquoted equity shares</b>		
Investment in subsidiaries	2,360.74	2,360.74
Refer Note No.5.1		
	<b>2,360.74</b>	<b>2,360.74</b>

### Note No.5.1 Investment in equity instruments (fully paid)

Particulars	Extent of holding (%)	Face Value	31 March, 2022		31 March, 2021	
			No of shares	Amount	No of shares	Amount
Nova Pharmaceuticals Australasia Pty Ltd.	60%	AUD 1	90	15.91	90	15.91
Marksans Pharma (UK) Limited	100%	GBP 1	8,596,941	669.23	8,596,941	669.23
Marksans Pharma Inc.	100%	USD 0.01	110	1,675.60	110	1,675.60
				<b>2,360.74</b>		<b>2,360.74</b>

Particulars	31 March, 2022	
	No of shares	Amount
Aggregate amount of quoted investment	-	-
Aggregate amount of Unquoted investment	2,360.74	2,360.74
Aggregate amount of Impairment in the Value	-	-

### Note No.5.2

The Company has Subsidiary namely Marksans Pharma GmbH which was formed in the financial year 2014-2015. The amount repatriated for its formation had been charged off to Statement of Profit & Loss in the year of its incorporation as Subsidiary is dormant, since its incorporation.

The Company has dissolved Marksans Pharma Canada Inc in the current year with the effect dt 26 October, 2021.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.6 Other financial assets

Particulars	31 March, 2022	31 March, 2021
<b>Unsecured, considered good at amortised cost</b>		
Security deposits	26.08	25.63
	<b>26.08</b>	<b>25.63</b>

## Note No.7 Other non-current assets

Particulars	31 March, 2022	31 March, 2021
Capital Advances	15.54	15.95
	<b>15.54</b>	<b>15.95</b>

## Note No.8 Inventories

Particulars	31 March, 2022	31 March, 2021
a. Raw materials and packing materials	900.28	761.45
b. Work-in-progress	89.86	116.63
c. Finished Goods	29.93	33.59
d. Stock-in-Trade	16.68	25.19
	<b>1,036.75</b>	<b>936.86</b>

\*Mode of valuation of inventories is stated in Note 2.9.

The cost of inventory recognised as an expense is disclosed in notes 29,30 and as purchase of stock in trade in the statement of profit and loss.

## Note No.9 Investment

Particulars	31 March, 2022	31 March, 2021
Investment in Mutual Fund (Quoted)	4.35	2.61
	<b>4.35</b>	<b>2.61</b>

Quoted at fair value through P&L

## Note No.10 Trade receivables

Particulars	31 March, 2022	31 March, 2021
Unsecured, considered good	2,467.83	1,689.27
Less:- Allowance for Bad and doubtful debts	-	-
	<b>2,467.83</b>	<b>1,689.27</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.10 Trade receivables (Contd.)

### Ageing of Trade receivable as on March 31,2022

Particulars	Outstanding for following period from the due date of payments			More than 3 years	Total
	Less than 1 year	1-2 years	2-3 years		
<b>Trade receivable</b>					
(i) Undisputed Trade Receivables – considered good	2,459.17	7.91	0.75	-	2,467.83
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good					-
(iv) Disputed Trade Receivables - considered doubtful					-
	<b>2,459.17</b>	<b>7.91</b>	<b>0.75</b>	<b>-</b>	<b>2,467.83</b>

### Ageing of Trade receivable as on March 31,2021

Particulars	Outstanding for following period from the due date of payments			More than 3 years	Total
	Less than 1 year	1-2 years	2-3 years		
<b>Trade receivable</b>					
(i) Undisputed Trade Receivables – considered good	1,669.53	4.15	0.06	15.53	1,689.27
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good					-
(iv) Disputed Trade Receivables - considered doubtful					-
	<b>1,669.53</b>	<b>4.15</b>	<b>0.06</b>	<b>15.53</b>	<b>1,689.27</b>

## Note No.11 Cash and bank balances

Particulars	31 March, 2022	31 March, 2021
<b>a. Cash and cash equivalents</b>		
<b>Balances with bank</b>		
In current accounts	288.93	219.61
In Exchange Earners' Foreign Currency account (EEFC)	25.64	-
Fixed deposit with original maturity less than 3 months	497.20	604.31
Cash in hand	0.12	0.27
<b>Total Cash and cash equivalents</b>	<b>811.89</b>	<b>824.19</b>
<b>b. Bank Balances</b>		
Earmarked balances with banks	2.30	1.96
Balances with bank in margin accounts	27.77	27.09
Fixed deposit	1,398.52	202.88
<b>Total bank balances</b>	<b>1,428.59</b>	<b>231.93</b>
	<b>2,240.48</b>	<b>1,056.12</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.11 Cash and bank balances (Contd.)

### Note No.11.1

Earmarked balances with banks represent balance maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividend. The corresponding liability for payment of dividends is included in other current financial liability.

Margin Money represent money given against Bank Guarantees.

## Note No.12 Other financial assets

Particulars	31 March, 2022	31 March, 2021
<b>Carried at fair value profit and loss</b>		
Derivative financial assets - forward contract	70.61	14.62
<b>Carried at amortised cost</b>		
Interest accrued on fixed deposit	13.15	1.02
	<b>83.76</b>	<b>15.64</b>

## Note No.13 Other current assets

Particulars	31 March, 2022	31 March, 2021
<b>Unsecured, considered good</b>		
Advance to vendors	23.44	9.77
Other Receivables	1.56	-
Others	40.43	3.48
	<b>65.43</b>	<b>13.25</b>

## Note No.14 Equity Share capital

Particulars	31 March, 2022		31 March, 2021	
	Number	₹ in million	Number	₹ in million
<b>Authorised</b>				
Equity shares of ₹ 1/- each	550,000,000	550.00	550,000,000	550.00
7% Redeemable cumulative preference shares of ₹ 100/- each	1,400,000	140.00	1,400,000	140.00
<b>Total</b>	551,400,000	690.00	551,400,000	690.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of ₹ 1/- each	409,313,698	409.31	409,313,698	409.31
	<b>409,313,698</b>	<b>409.31</b>	<b>409,313,698</b>	<b>409.31</b>

### a. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹1/- per share. All the equity shares rank pari passu in all respect. Each holder of equity shares is entitled to one vote per share. The equity share holders are entitled to dividend, if declared by the shareholders in an Annual General Meeting, in proportion to the number of equity shares held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.14 Equity Share capital (Contd.)

### b. Terms/rights attached to Preference Shares

The Company's Issued, Subscribed and Paid-up Preference Share Capital is ₹50 Million divided into 500,000 Preference shares of ₹100/- each. With consent of the sole shareholder, redemption date of these preference shares have been extended upto 27th March, 2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at its option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07 February, 2015, 150,000 preference share at par on 31 March, 2017, 100,000 preference shares at par on 14 March, 2018, 100,000 preference shares at par on 30 October, 2019, 200,000 preference shares at par on 17 January, 2020 and 200,000 preference shares at par on 31 March, 2020.

### d. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31 March, 2022		31 March, 2021		Change in current year
	No. of shares held	% of Holding	No. of shares held	% of Holding	
<b>Equity shares of ₹ 1/- each fully paid</b>					
Mr. Mark Saldanha	197,491,553	48.25	197,491,553	48.25	-

## Note No.15 Other equity

Particulars	31 March, 2022	31 March, 2021
<b>a. Capital Reserves</b>	0.12	0.12
	<b>0.12</b>	<b>0.12</b>
<b>b. Capital redemption reserve</b>		
Opening Balance	85.00	85.00
<b>Closing balance</b>	<b>85.00</b>	<b>85.00</b>
<b>c. Securities Premium Account</b>		
Opening Balance	1,751.32	1,751.32
(-) Warrant issue expenses	(19.45)	
<b>Closing balance</b>	<b>1,731.87</b>	<b>1,751.32</b>
<b>d. General reserve</b>		
Opening balance	3,137.37	3,137.37
<b>Closing balance</b>	<b>3,137.37</b>	<b>3,137.37</b>
<b>e. Retained earnings</b>		
Opening balance	614.05	(326.87)
(+) Net Profit for the current year	1,039.88	983.81
(-) Dividend paid on equity share	(102.33)	(40.93)
Other Comprehensive Income/(Loss)		

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.15 Other equity (Contd.)

Particulars	31 March, 2022	31 March, 2021
Items that will not be reclassified to statement of Profit and Loss		
(+) Remeasurement of the net defined benefit plans (Net of Tax)	0.46	(1.96)
<b>Closing balance</b>	<b>1,552.06</b>	<b>614.05</b>
<b>f. Convertible Warrants (Refer Note No. 38)</b>		
Opening balance	-	-
Add:	931.00	-
<b>Closing balance</b>	<b>931.00</b>	<b>-</b>
	<b>7,437.42</b>	<b>5,587.86</b>

### 1. Capital reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

### 2. Capital redemption reserve

The Company has redeemed 850,000 7% Redeemable Cumulative Preference Shares of ₹100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹85 Million has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

### 3. Securities premium account

The Company has on 30th March, 2015, issued and allotted 24,006,494 equity shares of ₹ 1/- each face value to qualified institutional buyers under QIP at a premium of ₹ 53.67 per equity share. Accordingly, the premium amount of ₹ 1,288.43 Million has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹ 462.89 Million received by the Company over and above the face value of shares issued on earlier dates.

### 4. General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

### 5. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.

### 6. Dividend

The Board of Directors, in its meeting held on 30 May, 2022, have recommended for approval of members a dividend of ₹ 0.25 per equity share of ₹ 1/- each (25%) for the Financial Year 2021-2022.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

The composition and attendance of members at the Committee meetings is given below:

## Note No.16 Lease liability

Particulars	31 March, 2022	31 March, 2021
<b>Carried at amortised cost</b>		
Lease liability	35.46	83.36
	<b>35.46</b>	<b>83.36</b>

### Note No.16.1

The following is the break-up of current and non-current lease liabilities:

Particulars	31 March, 2022	31 March, 2021
Non-Current	35.46	83.36
Current	57.59	60.37
	<b>93.05</b>	<b>143.73</b>

### Note No.16.2

The following is the movement in lease liabilities for the year ended

Particulars	31 March, 2022	31 March, 2021
Balance recognised at the beginning of the year	143.73	107.61
Additions during the year	11.99	77.05
Finance cost accrued during the year	13.98	19.48
Payment of lease liabilities	(76.65)	(60.41)
<b>Balance recognised at the end of the year</b>	<b>93.05</b>	<b>143.73</b>

Weighted average incremental borrowing rate applied to lease liabilities is in the range of 4 to 9 %.

### Note No.16.3

The below table provides details regarding the contractual maturities of lease liabilities in an undiscounted basis

Particulars	31 March, 2022	31 March, 2021
Less than 1 year	57.59	60.37
1 year to 5 year	35.46	82.42
More than 5 years	-	0.94

## Note No.17 Other financial liabilities

Particulars	31 March, 2022	31 March, 2021
<b>At amortised cost</b>		
7% Redeemable cumulative preference shares of ₹100/- each	-	50.00
	<b>-</b>	<b>50.00</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.18 Provisions

Particulars	31 March, 2022	31 March, 2021
Provision for Gratuity (Refer Note No.35)	15.73	14.17
Provision for Leave encashment	2.83	6.94
	<b>18.56</b>	<b>21.11</b>

## Note No.19 Deferred tax liabilities (net)

Particulars	31 March, 2022	31 March, 2021
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	98.98	90.11
Others	-	(0.90)
<b>Total Deferred tax liability</b>	<b>98.98</b>	<b>89.21</b>
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefit	6.65	7.09
Change in fair valuation of financial assets	2.40	(3.42)
<b>Total Deferred tax assets</b>	<b>9.05</b>	<b>3.67</b>
Deferred Tax on OCI (Liabilities) / Assets	0.15	(0.66)
<b>Net Deferred tax Liability</b>	<b>90.08</b>	<b>84.88</b>

### Note No.19.1 Current Tax:

Particulars	31 March, 2022	31 March, 2021
<b>Amounts recognised in profit or loss</b>		
<b>Current tax :</b>		
Current year	300.08	281.88
Prior years	0.08	-
<b>Current income tax</b>	<b>300.16</b>	<b>281.88</b>
<b>Deferred tax :</b>		
Current year origination and reversal of temporary differences	5.04	(22.39)
Deferred tax expense	5.04	(22.39)
<b>Total income tax recognised in profit or loss</b>	<b>305.20</b>	<b>259.49</b>

Amounts recognised in other comprehensive income	31 March, 2022	31 March, 2021
Remeasurements of the defined benefit plans	(0.15)	0.66
<b>Total income tax recognised in other comprehensive income</b>	<b>(0.15)</b>	<b>0.66</b>

Reconciliation of effective tax rate	31 March, 2022	31 March, 2021
<b>Profit before tax</b>	1,345.08	1,243.30
Tax using the Company's domestic tax rate	25.17%	25.17%
Expected income tax expenses	338.56	312.91
Tax effect of:		
Effect of expenses that are not deductible in determining taxable profit (net of allowed as taxable)	(8.57)	1.14
Corporate social responsibility expenditure disallowed	3.87	2.12



# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.19 Deferred tax liabilities (net) (Contd.)

### Note No.19.1 Current Tax: (Contd.)

Reconciliation of effective tax rate	31 March, 2022	31 March, 2021
Effect on Concessions	(25.84)	-
On account of rate difference	-	(30.32)
Prior years	0.08	-
Provision for Assets held for sales	-	(0.09)
Change in tax rate	-	(29.62)
Others	(2.90)	3.35
<b>Tax expenses as per statement of profit and loss</b>	<b>305.20</b>	<b>259.49</b>

## Note No.20 Borrowings

Particulars	31 March, 2022	31 March, 2021
7% Redeemable Cumulative Preference Shares of ₹100/- each	50.00	-
	<b>50.00</b>	<b>-</b>

### Note No.20.1

Working capital facilities are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the Company's plant at Verna, Goa on a pari-passu basis. The Company has taken working capital from banks at interest rates of Libor+1% (In case of foreign currency) to 11.50% (in case of borrowings in INR). There was Zero outstanding in the fund based facilities as at 31 March, 2022.

## Note No.21 Lease liability

Particulars	31 March, 2022	31 March, 2021
Lease liability (refer note no 16.1)	57.59	60.37
	<b>57.59</b>	<b>60.37</b>

## Note No.22 Trade payables

Particulars	31 March, 2022	31 March, 2021
a) Total outstanding dues to micro, small & medium enterprises	67.48	14.03
b) Total outstanding dues to other than micro, small & medium enterprises	677.06	627.52
	<b>744.54</b>	<b>641.55</b>

### Ageing of Trade payable as on March 31,2022

Particulars	Outstanding for following period from the due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	67.48	-	-	-	67.48
Others	665.44	6.84	3.66	1.12	677.06
Disputed - MSME					
Disputed -Others					
	<b>732.92</b>	<b>6.84</b>	<b>3.66</b>	<b>1.12</b>	<b>744.54</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.22 Trade payables (Contd.)

### Ageing of Trade payable as on March 31,2021

Particulars	Outstanding for following period from the due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	14.03	-	-		14.03
Others	616.12	8.94	1.78	0.68	627.52
Disputed - MSME					
Disputed -Others					
	<b>630.15</b>	<b>8.94</b>	<b>1.78</b>	<b>0.68</b>	<b>641.55</b>

## Note No.23 Other financial liabilities

Particulars	31 March, 2022	31 March, 2021
<b>Carried at amortised cost</b>		
Employee dues	78.28	71.10
Unclaimed dividend	2.30	1.96
Security Deposits	1.01	1.01
Other current liability	81.52	61.52
	<b>163.11</b>	<b>135.59</b>

There are no amount due and outstanding to be credited to investor education and protection fund. Other Current Liability includes provision for expenses.

## Note No.24 Other current liabilities

Particulars	31 March, 2022	31 March, 2021
Advance from customers	554.73	221.38
Statutory dues payable	14.07	9.69
	<b>568.80</b>	<b>231.07</b>

## Note No.25 Provisions (Current)

Particulars	31 March, 2022	31 March, 2021
Provision for Gratuity ( Refer Note 35)	5.91	5.45
Provision for Leave encashment	1.33	4.23
	<b>7.24</b>	<b>9.68</b>

## Note No.26 Current tax liabilities (net)

Particulars	31 March, 2022	31 March, 2021
Provision for Income tax (net)	73.97	92.14
( Net of Advance tax ₹ 238.65 million (PY ₹ 202.22 million)		
	<b>73.97</b>	<b>92.14</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.27 Revenue from operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products	6,475.74	5,917.40
Other operating revenues :-		
Scrap sales	14.24	12.22
Export incentives	92.91	65.86
<b>Total</b>	<b>6,582.89</b>	<b>5,995.48</b>

### Reconciliation of revenue recognised in the standalone statement of profit and loss with the contracted price :

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue as per contracted price	6,653.02	6,042.43
Less : Trade discounts, sales and expiry returns	70.13	46.95
<b>Revenue from operations</b>	<b>6,582.89</b>	<b>5,995.48</b>

Contract Liabilities from contracts with customers :

The Company records a contract liability when cash payments are received in advance of its performance.

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Contract liabilities from contracts with customers	554.73	221.38

## Note No.28 Other income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Income on financial assets measured at amortised cost	59.32	11.48
Insurance claim received	1.16	-
Profit on sale of Property, Plant and Equipment	-	0.37
Net gain arising on financial assets/ liabilities measured at FVTPL	56.23	16.25
Exchange gain in foreign currency translation & transaction	205.38	-
Dividend from equity investments in subsidiaries	98.86	283.46
Other income	1.56	-
<b>Total</b>	<b>422.51</b>	<b>311.56</b>

## Note No.29 Cost of materials consumed

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Inventory	761.45	565.07
Add: Purchases	3,418.74	3,109.31
Less: Closing Inventory	(900.28)	(761.45)
	<b>3,279.91</b>	<b>2,912.93</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.30 Changes in inventories of finished goods, work-in-process and stock-in-trade

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Inventory		
Finished goods	33.59	46.09
Work-in-process	116.63	101.23
Stock-in-trade	25.19	33.63
	<b>175.41</b>	<b>180.95</b>
Less: Closing Inventory		
Finished goods	29.93	33.59
Work-in-process	89.86	116.63
Stock-in-trade	16.68	25.19
	<b>136.47</b>	<b>175.41</b>
<b>Total</b>	<b>38.94</b>	<b>5.54</b>

## Note No.31 Employee benefits expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and Wages including bonus	573.47	491.69
Contributions to - Provident fund , E.S.I.C. and other fund and retirement benefits(Refer Note No 35)	26.40	34.90
Staff welfare expenses	4.73	19.80
<b>Total</b>	<b>604.60</b>	<b>546.39</b>

## Note No.32 Finance costs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest expense for financial liabilities measured at amortised cost	13.99	25.07
Bank charges	20.46	24.88
Dividend on preference share	3.50	3.50
<b>Total</b>	<b>37.95</b>	<b>53.45</b>

## Note No.33 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on tangible assets	107.44	97.14
Depreciation on Right to use	63.27	48.87
Amortization of intangible assets	5.92	5.92
<b>Total</b>	<b>176.63</b>	<b>151.93</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.34 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Water charges	2.21	3.83
Power & fuel	112.69	105.21
Repairs & maintenance - plant and equipments	44.16	35.17
Repairs & maintenance - building	8.33	0.52
Other manufacturing expenses	41.20	34.13
Rent	11.44	16.09
Rates & Taxes	1.67	0.07
Travelling expenses	33.48	21.56
Communication expenses	2.47	2.26
Courier & postage expenses	2.19	1.97
Printing & stationery	3.25	2.27
Auditors remuneration (Refer Note No.34.1)	3.86	4.11
Vehicle expenses & local conveyance	6.89	5.24
Legal & professional fees	16.75	14.17
Office expenses	4.97	3.94
Insurance charges	5.22	7.72
Foreign exchange ( net)	-	9.89
Corporate social responsibility expenses (Refer Note No. 43)	15.36	8.42
Food and drug administration fees	83.79	73.70
Freight outward & export clearing expenses	593.66	441.08
Bad debts	10.01	8.09
Selling & distribution expenses	10.89	80.36
Other operating expenses	50.74	53.04
<b>Total</b>	<b>1,065.23</b>	<b>932.84</b>

### Note No.34.1 Details of payments to the auditors

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
for statutory audit (including limited review fees)	2.11	2.11
for tax audit	0.80	0.80
for GST audit	0.60	1.20
for others	0.35	-

### Note No. 34.2

Short term lease / leases recognised as an expense for the year ended 31 March, 2022 is aggregating to ₹ 11.44 million (31 March, 2021: ₹ 16.09 million).

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 35 - EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company

### I Gratuity (Defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31 March, 2022	31 March, 2021
Current Service Cost	3.19	2.48
Interest Cost	0.78	0.71
<b>Scheme Cost (Income) to P&amp;L</b>	<b>3.97</b>	<b>3.19</b>

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31 March, 2022	31 March, 2021
<b>Change in Financial Assumption</b>	(0.62)	0.49
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	(0.62)	0.49
<b>Experience Adjustment</b>	0.01	2.13
<b>Total Actuarial (Gain) / Loss related to Liability</b>	<b>(0.61)</b>	<b>2.62</b>

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31 March, 2022	31 March, 2021
Defined Benefit Obligations (DBO)	21.64	19.62
Fair Value of Plan Assets	-	-
<b>Net (Assets) / Liabilities</b>	<b>21.64</b>	<b>19.62</b>

d Break-up of the defined benefit plan related balance sheet amounts as at 31 March 2022 and 31 March 2021, is shown below.

Particulars	31 March, 2022	31 March, 2021
Current Liability	5.91	5.45
Non-Current Liability	15.73	14.17
<b>Total</b>	<b>21.64</b>	<b>19.62</b>

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

Particulars	31 March, 2022	31 March, 2021
<b>DBO at the beginning of the year</b>	19.62	15.07
Current Service Cost	3.19	2.48
Past Service (Cost) / Gain	-	-
Interest Cost	0.78	0.71
Benefits paid including to be paid	(1.34)	(1.26)
Remeasurements due to Actuarial Gain / (Loss)	(0.61)	2.62
<b>DBO at the end of the year</b>	<b>21.64</b>	<b>19.62</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 35 - EMPLOYEE POST- RETIREMENT BENEFITS (Contd.)

**f Change in Fair Value of Assets for the period ended as at 31 March 2022 and 31 March 2021:**

The Company has not invested in any plan assets.

**g The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2022 are as follows:**

Particulars	31 March, 2022	31 March, 2021
Discount Rate	5.41%	4.64%
Rate of Salary Increase	8.00%	8.00%

**h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:**

Particulars	31 March, 2022	31 March, 2021
Retirement Age	58 Years	58 Years

**i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.**

Particulars	31 March, 2022 Amount	31 March, 2021 Amount	31 March, 2022 %	31 March, 2021 %
<b>Base Scenario</b>	21.64	19.62		
Discount Rate: Increase by 1%	20.89	18.93	-3.47%	-3.51%
Discount Rate: Decrease by 1%	22.45	20.36	3.76%	3.81%
Salary Escalation Rate: Increase by 1%	20.90	18.94	-3.42%	-3.44%
Salary Escalation Rate: Decrease by 1%	22.42	20.33	3.63%	3.64%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

The Company's contribution to Provident Fund, E.S.I.C. and other fund aggregating ₹ 28.31million (2021: ₹ 24.02 million) has been recognised in Profit or Loss under the head Employee Benefits Expense.

### Employee Stock Option Plan

The Shareholders of the Company at the 29th Annual General Meeting held on 23rd September, 2021, approved Marksans Employees Stock Option Scheme 2021. Under the said scheme, the Company can grant a total of 81,86,273 options to the eligible employees for issue and allotment of equal number of equity shares of ₹1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.36- Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company. Net Debt and Equity is given in the table below:

Particulars	31 March, 2022	31 March, 2021
Total Shareholders'Equity as reported in Balance Sheet(A)	7,846.73	5,997.17
<b>Net Debt</b>		
Lease liability (including current lease liability)	93.05	143.73
Other financial liabilities (preference shares)	-	50.00
Current Financial liabilities (Borrowings)	50.00	-
Gross Debt	143.05	193.73
<b>Less: Cash &amp; cash equivalents</b>	2,240.48	1,056.12
Net Debt (B)	(2,097.43)	(862.39)
<b>Total Capital deployed (A-B)</b>	<b>9944.16</b>	<b>6859.56</b>
<b>Net debt to equity ratio (B/A)</b>	<b>(0.27)</b>	<b>(0.14)</b>

## Note No.37 Financial instruments – fair values and risk management

### A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, capital creditors, loans and cash and cash equivalents as at 31 March, 2022 and 31 March, 2021 are considered to be the same as their fair values, due to their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and short term borrowings subsequently measured at amortised cost is not significant in each of the year presented.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

#### Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.37 Financial instruments – fair values and risk management (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	As at 31 March 2022			As at 31 March 2022		
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 13
<b>Financial assets</b>						
Other Non-current financial assets	-	-	26.08	-	-	-
Investment-Current	4.35	-	-	-	4.35	-
Trade receivables	-	-	2,467.83	-	-	-
Cash and cash equivalents	-	-	2,240.48	-	-	-
Others current financial assets	70.61	-	13.15	-	70.61	-
<b>Total</b>	<b>74.96</b>	<b>-</b>	<b>4,747.54</b>	<b>-</b>	<b>74.96</b>	<b>-</b>
<b>Financial Liabilities</b>						
Short term borrowings	-	-	50.00	-	-	-
Lease liability (including current lease liability)	-	-	93.05	-	-	-
Trade payables	-	-	744.54	-	-	-
Other current financial liabilities	-	-	163.11	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,050.70</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2021			As at 31 March 2021		
	Carrying amount			Fair Value		
	FVPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Other Non-current financial assets	-	-	25.63	-	-	-
Investment-Current	2.61	-	-	-	2.61	-
Trade receivables	-	-	1,689.27	-	-	-
Cash and cash equivalents	-	-	1,056.12	-	-	-
Others current financial assets	14.62	-	1.02	-	14.62	-
<b>Total</b>	<b>17.23</b>	<b>-</b>	<b>2,772.04</b>	<b>-</b>	<b>17.23</b>	<b>-</b>
<b>Financial Liabilities</b>						
Other Non-current financial liabilities	-	-	50.00	-	-	-
Trade payables	-	-	641.55	-	-	-
Lease liability (including current lease liability)	-	-	143.73	-	-	-
Other current financial liabilities	-	-	135.59	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>970.87</b>	<b>-</b>	<b>-</b>	<b>-</b>

## B. Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely Credit risk, Liquidity risk and Market risk

### (i) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.37 Financial instruments – fair values and risk management (Contd.)

The Company has significant concentration of credit risk with respect to the sale of goods as the Company sells majority of the productions to the group companies. Management closely monitors the credit quality and collectability of receivables. Since majority of the Company's sales are to the group companies, there is no credit risk attached to the Company's receivables. The Company establishes an allowances for credit losses and impairment that represents its estimates of Expected Credit Loss (ECL) in respect of cash and cash equivalent and investment.

### Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹ 2240.48 Million at 31 March, 2022 (31 March, 2021: ₹1056.12 Million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

### Trade and other receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is in Note 10.

Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### (ii) Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March, 2022 the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowing	50.00	-	-
Trade payable	744.54	-	-
Non current financial liabilities	-	-	-
Lease liability	57.59	35.46	-
Other current financial liabilities	163.11	-	-
<b>Total</b>	<b>1015.24</b>	<b>35.46</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.37 Financial Instruments – fair values and risk management (Contd.)

As at 31 March, 2021 the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payable	641.55	-	-
Non current financial liabilities	-	50.00	-
Lease liability	60.37	82.42	0.94
Other current financial liabilities	135.59	-	-
<b>Total</b>	<b>837.51</b>	<b>132.42</b>	<b>0.94</b>

### (iii) Market Risk Analysis

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### (a) Foreign Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the functional currency of the Company.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	31 March, 2022			31 March, 2021		
	USD	GBP	EUR	USD	GBP	EUR
<b>Short term exposure</b>						
EEFC Account	25.64	-	-	-	-	-
Other current assets	2.27	-	-	-	-	0.02
Other non-current assets	-	-	1.16	-	-	-
Trade receivables	2,452.27	-	-	1,666.62	-	-
<b>FINANCIAL ASSETS</b>	<b>2,480.18</b>	<b>-</b>	<b>1.16</b>	<b>1,666.62</b>	<b>-</b>	<b>0.02</b>
<b>Financial liabilities</b>						
Other Current liability	17.23	537.34	-	2.41	215.70	-
Trade payables / other	55.45	-	27.77	78.53	0.84	16.23
<b>FINANCIAL LIABILITIES</b>	<b>72.68</b>	<b>537.34</b>	<b>27.77</b>	<b>80.94</b>	<b>216.54</b>	<b>16.23</b>
<b>Short term exposure</b>	<b>2,407.50</b>	<b>(537.34)</b>	<b>(26.61)</b>	<b>1585.68</b>	<b>(216.54)</b>	<b>(16.21)</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.37 Financial instruments – fair values and risk management (Contd.)

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	31 March, 2022			31 March, 2021		
	USD	GBP	EUR	USD	GBP	EUR
Strengthening	240.75	(53.73)	(2.66)	158.57	(21.65)	(1.62)
Weakening	(240.75)	53.73	2.66	(158.57)	21.65	1.62

### (b) Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations.

#### Exposure to interest rate risk

Since the Company does not have any interest bearing financial liabilities, a change in interest rates at the reporting date would not have any significant impact on the financial statements of the Company.

## Note No. 38: Earning per share

Earning per share is calculated by dividing the profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	31 March, 2022	31 March, 2021
<b>Earning Per Share (EPS)</b>		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	1,039.88	983.81
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	409.31	409.31
b) For Diluted Earning Per Share of Re. 1/- each		
No. of Share for Basic EPS as per 2(a)	409.31	409.31
Add: weighted average outstanding	-	-
No. of share for diluted Earnings Per Share of Re. 1/- each	409.31	409.31
3) Earning Per Share (Weighted Average)		
Basic	2.54	2.40
Diluted	2.54	2.40

Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting held on 9th July, 2021, the Board of Directors of the Company at its meeting held on 23rd July, 2021, has issued and allotted 1,000,000 convertible warrants to Mr. Mark Saldanha and 49,324,324 convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74.00 per warrant on preferential basis. In terms of the issue of the warrants, the Company has received 25% of the price i.e. ₹ 931 million and the balance 75% will be received within 18 months from the date of allotment of warrants on conversion into equity shares. The Company will raise ₹ 3,724.00 Million from the above preferential issue.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 39: Related Party Disclosures

### (a) Related parties where control exists

- 1) Marksans Pharma (UK) Limited
- 2) Marksans Holdings Limited ( Step-down subsidiary)
- 3) Bell, Sons and Co. (Druggists) Limited ( Step-down subsidiary)
- 4) Relonchem Limited ( Step-down subsidiary)
- 5) Marksans Pharma Inc.
- 6) Time-Cap Laboratories Inc. ( Step-down subsidiary)
- 7) Custom Coatings Inc. ( Step-down subsidiary)
- 8) Marksans Realty LLC ( Step-down subsidiary)
- 9) Nova Pharmaceuticals Australasia Pty Ltd

### (b) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha	:	Managing Director
Mrs. Sandra Saldanha	:	Whole-time Director
Mr. Varddhman Vikramaditya Jain	:	Whole-time Director
Mr. Jitendra Sharma	:	Chief Financial Officer
Mr. Harshavardhan Panigrahi	:	Company Secretary
Mr. Abhinna Sundar Mohanty	:	Independent Director
Mr. Digant Mahesh Parikh	:	Independent Director
Mr. Seetharama Raju Buddharaju	:	Independent Director
Dr. Meena Rani Surana	:	Independent Director
Dr. Sunny Sharma (w.e.f. 11 August, 2021)	:	Non-executive Director

### (c) List of related parties with whom transactions have taken place during the year are as follows:

Name of Transactions	31 March, 2022	31 March, 2021
<b>Sale of goods</b>	<b>5719.57</b>	<b>5088.89</b>
Nova Pharmaceuticals Australasia Pty Ltd	672.23	521.45
Bell, Sons and Co. (Druggists) Limited	569.29	843.35
Relonchem Limited	1313.19	994.02
Time-Cap Laboratories Inc.	3164.86	2730.07
<b>Sales of property, plant &amp; equipment:</b>	<b>-</b>	<b>4.28</b>
Time-Cap Laboratories Inc.	-	4.28
<b>Dividend received</b>	<b>98.86</b>	<b>283.46</b>
Marksans Pharma (UK) Limited	98.86	283.46
<b>Guarantee Commission</b>	<b>1.57</b>	<b>-</b>
Bell, Sons and Co. (Druggists) Limited	0.01	-
Relonchem Limited	0.01	-
Time-Cap Laboratories Inc.	1.55	-

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 39: Related Party Disclosures (Contd.)

Name of Transactions	31 March, 2022	31 March, 2021
<b>Purchases</b>	-	<b>8.70</b>
Bell, Sons and Co. (Druggists) Limited	-	0.04
Relonchem Limited	-	0.77
Time-Cap Laboratories Inc.	-	7.89
<b>Purchase of property, plant &amp; equipment</b>	-	<b>15.35</b>
Time-Cap Laboratories Inc.	-	15.35
<b>Rent paid</b>	<b>10.65</b>	<b>10.65</b>
Mr. Mark Saldanha	10.65	10.65
<b>Managerial remuneration</b>	<b>82.35</b>	<b>46.53</b>
Mr. Mark Saldanha	38.25	10.43
Mrs. Sandra Saldanha	7.03	7.03
Mr. Varddhman Vikramaditya Jain	18.95	14.68
Mr. Jitendra Sharma	15.30	11.80
Mr. Harshavardhan Panigrahi	2.53	2.37
Mr. Abhinna Sundar Mohanty	0.03	0.03
Mr. Seetharama Raju Bhuddharaju	0.03	0.02
Mr. Digant Mahesh Parikh	0.20	0.16
Dr. Meena Rani Surana	0.03	0.01

### (d) Balances outstanding at the end of the year

Particulars	31 March, 2022	31 March, 2021
<b>Trade receivable</b>	1,677.52	1,225.38
Nova Pharmaceuticals Australasia Pty Ltd	295.44	231.77
Bell, Sons and Co. (Druggists) Limited	(171.82)	(62.44)
Relonchem Limited	(365.51)	(153.26)
Time-Cap Laboratories Inc.	1,919.41	1,209.31
<b>Trade payable</b>	0.05	24.61
Bell, Sons and Co. (Druggists) Limited	-	0.04
Relonchem Limited	-	0.80
Time-Cap Laboratories Inc.	0.05	23.77

## Note no 40. Segment Information:

### A. Operating Segments

The Company operates under a single operating segment which consists of manufacturing pharmaceutical formulation. The pharmaceutical product is considered as the single operating business segment in which the Company is exclusively engaged. Accordingly, disclosures relating to products information under the Indian Accounting Standard on Operating segments (Ind AS-108) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 are not relevant to the Company.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note no 40. Segment Information: (Contd.)

### B. Geographical Information:

Particulars	31 March, 2022	31 March, 2021
<b>Segment revenue</b>	6,582.89	5,995.48
Overseas	6,469.10	5,916.55
Domestic	113.79	78.93

### C. Information about major customers

During the years ended 31 March, 2022 and 31 March, 2021, revenues from transactions with a single customer amount to 10% or more of the Company's revenues from customers includes 3 customers amounting to ₹ 5719.58 million and ₹ 5088.89 million respectively.

## Note No. 41. Provisions, contingent liabilities & contingent assets

### Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March, 2022	31 March, 2021
<b>Contingent liabilities</b>	1,143.58	1,151.04
Guarantees and letter of credit	1,143.58	1,151.04
A.Y 2006-07	Uncertain	Uncertain
Appellate Authority - High Court (Demand for regular assessment)		
A.Y 2006-07	Uncertain	Uncertain
Appellate Authority - High Court (Penalty)		

## Note No. 42: Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Company as Research and Development expenditure during the financial year:-

Particulars	31 March, 2022	31 March, 2021
<b>R &amp; D Expenditure</b>	192.50	128.66
Capital Expenditure	3.63	1.17
Revenue Expenditure	188.87	127.49

## Note No. 43: Corporate Social Responsibility (CSR)

The information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2022 is as follows:

- Gross amount required to be spent by the Company during the year as per provisions of section 135 of the Companies Act, 2013 - ₹ 15.42 million (Previous Year ₹ 8.36 million).
- Amount spent during the year on CSR by way of projects undertaken (excess amount spent is carried forward):

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 43: Corporate social responsibility (CSR) (Contd.)

Particulars	Amount brought forward from previous year	Amount paid in cash during the year 2021-22	Amount carried forward to next year
<b>CSR Expense</b>	0.07	15.36	<b>0.01</b>
Covid-19 related expenses	-	7.99	-
Distribution of free food items	-	3.48	-
Medical treatment to under privileged	-	2.42	-
Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	-	0.61	-
Tree plantation	-	0.60	-
Provided oxygen concentrators to hospital	-	0.13	-
Distribution of sanitary pad to poor women	-	0.13	-

## Note No.44 - DISCLOSURE AS PER SECTION 186 OF COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (i) Details of Investments made are given in Note 5.1.
- (ii) Details of guarantees given by the Company are as follows:

Name of Company	Relationship	Guarantee in favour of	31 March,2022	31 March,2021
Bell, Sons & Co. (Druggists) Limited	Step down Subsidiary	Bank of Baroda (London)	294.75	298.05
Relonchem Limited	Step down Subsidiary	Bank of Baroda (London)	152.29	153.99
Time-Cap Laboratories Inc.	Step down Subsidiary	Bank of Baroda (New York)	526.4	501.2

Purpose: Guarantees are given by the Company for general business purpose to support subsidiaries / step down subsidiaries.

## Note No.45:

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the Company's plant at Verna,Goa on a pari-passu basis. The Company has taken working capital from banks at interest rates of Libor+1% (In case of foreign currency) to 7.90% (in case of borrowings in INR).

## Note No. 46: Subsequent events:

There are no subsequent events that occurred after the reporting date.



# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 47: Ratio analysis

Particulars	31 March, 2022	31 March, 2021	Variance in%
<b>A) Current ratio</b>			
Current Assets	5,898.60	3,713.75	
Current Liabilities	1,665.25	1,170.40	
	<b>3.54</b>	<b>3.17</b>	11.63
<b>B) Debt Equity Ratio</b>			
Debt (represents Lease liability & 7% Redeemable Cumulative Preference Shares of ₹ 100/- each)	143.05	193.73	
Total Shareholders' Equity	7,846.73	5,997.17	
	<b>0.02</b>	<b>0.03</b>	-43.56
<b>C) Debt Service Coverage ratio</b>			
EBITDA less Other income	1,137.15	1,137.12	
Total Debts	143.05	193.73	
	<b>7.95</b>	<b>5.87</b>	35.43
<b>D) Return equity ratio</b>			
Net Profit after Tax	1,039.88	983.81	
Total Shareholders' Equity	7,846.73	5,997.17	
	<b>13.25%</b>	<b>16.40%</b>	-19.22
<b>E) Inventory turnover ratio</b>			
COGS	3,775.91	3,379.13	
Average inventory	986.81	841.44	
	<b>3.83</b>	<b>4.02</b>	-4.72
<b>F) Trade Receivable turnover ratio</b>			
Revenue from Operation	6,582.89	5,995.48	
Average Trade receivable	2,078.55	1,653.98	
	<b>3.17</b>	<b>3.62</b>	-12.63
<b>G) Trade payable turnover ratio</b>			
Purchase	3,875.80	3,569.97	
Average Trade payable	693.05	604.05	
	<b>5.59</b>	<b>5.91</b>	-5.38
<b>H) Net Capital turnover ratio</b>			
Revenue from Operation	6,582.89	5,995.48	
Total Shareholders' Equity	7,846.73	5,997.17	
	<b>0.84</b>	<b>1.00</b>	-16.08
<b>I) Net profit ratio</b>			
Net Profit after tax	1,039.88	983.81	
Total revenue	7,005.40	6,307.04	
	<b>14.84%</b>	<b>15.60%</b>	-4.84
<b>J) Return on capital employed</b>			
EBIT less Other income	960.52	985.19	
Total Assets - Current Liability	7,990.83	6,236.52	
	<b>12.02%</b>	<b>15.80%</b>	-23.91

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 48: Reclassification of previous year's figures

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

### FOR AND ON BEHALF OF

#### **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

#### **Ketan Kataliya**

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

#### **MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

#### **HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

#### **SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

#### **JITENDRA SHARMA**

Chief Financial Officer



▶ **Consolidated  
Financial  
Statements**

# Independent Auditor's Report

To the Members of

**Marksans Pharma Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Marksans Pharma Limited ("the Company") and its subsidiaries (including step down subsidiaries) (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flows for the year then ended, and a summary of 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 ("Act") in the manner so required and give a true and fair view in conformity, with 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 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit matters

Key audit matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Recoverability of carrying value of Intangible assets: The Group has 867.17 million as total carrying value of intangible assets as at March 31, 2022.</p> <p>An intangible asset is for the purpose of furtherance of business development.</p> <p>We have focused on intangibles assets because of the amount involved and the required management judgment in respect of expected future economic benefits of the intangibles assets.</p>	<p>Our audit procedures over intangible assets:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of use and future economic benefits from the intangible assets.</li> <li>• Assessing the impact due to recent industrial developments influencing current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions.</li> <li>• Reconciled on a sample basis the costs for the period to the underlying invoices and supporting documents.</li> <li>• Evaluation of the robustness of valuation methodology</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>The Group recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. We identified the recognition of revenue from sale of products as a key audit matter because Revenue is a key performance indicator of the Company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period. Establishing an appropriate accrual towards rebate, discount, returns and allowances requires significant estimation on the part of management and change in this estimates can have a significant financial impact. Considering the extent of estimation and judgment involved, recognition of revenue from such contracts has also been considered as key audit matter</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;</li> <li>• Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue and measurement of rebates, discounts, returns;</li> <li>• Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents.</li> <li>• Obtaining and assessing appropriateness of positions for returns and rebates.</li> <li>• Performing retrospective review to identify any management bias;</li> <li>• Assessing manual journal posted to revenue to identify unusual items not already covered by our audit testing;</li> </ul> <p>Evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</p>

### Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements 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, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of 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.

### Board of Director's Responsibilities for the Consolidated 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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies 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 judgments and estimates that are reasonable and prudent; and the 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 consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 and its, 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 transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors 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 consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the 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 disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

1. The accompanying Statement includes the audited financial statements and other financial

information, in respect of two subsidiaries (including step down subsidiaries), whose financial statements / information, without giving effect to elimination of intra-group transaction, reflect total assets of INR 9,944.11 million as at 31 March, 2022, total revenue of INR 12,447.70 million, total net profit after tax of INR 949.44 million and total comprehensive income of INR 949.44 million for the quarter and the year ended on that date respectively, and net cash flows INR 129.02 million for the year ended that date, as considered in the Statement which have been audited by their respective independent auditors. The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding

Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Holding Company and audited by us.

2. The accompanying Statement includes the unaudited financial statements and other financial information, in respect of a subsidiary, whose financial statements and other financial information, without giving effect to elimination of intra-group transaction, reflect total assets of INR 943.81 million as at 31 March, 2022, total revenue of INR 607.16 million and INR

1693.66 million, total net profit after tax of INR 38.59 million and INR 56.13 million and total comprehensive income of INR 38.59 million and INR 56.13 million for the quarter and the year ended on that date respectively, and net cash flows INR 42.06 million for the year ended that date, as considered in the Statement which have been furnished to us by the Board of Directors.

3. These unaudited financial statements and other financial information of the entity have been approved and furnished to us by management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such unaudited financial statements and other information. In our opinion and according to the information and explanations given to us by management, these financial statements and other financial information are not material to the Group after considering the impact of elimination of intra-group transactions.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by management.

## Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account 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 Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidation financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31 March 2022 taken on record by the Board of Directors of the Company,

none of the directors is disqualified as on 31 March 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
1. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.
  2. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

3. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2022.

4. The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, we report that there are no qualifications or adverse remarks in the CARO report. Further, Section 143(11) of the Act is not applicable to its subsidiaries since these subsidiaries are incorporated outside India.

For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Reg. No.:101474W / W100100

Mumbai  
30 May,2022

**Ketan Kataliya**  
Partner  
Membership No.: 165186  
UDIN: 22165186AJWYFI8631



# Annexure A

## to the Independent Auditor's Report on the Consolidated Financial Statements

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

#### (Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

In conjunction with our audit of the consolidated financial statements of Marksans Pharma Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Company as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at 31 March 2022, based on the criteria for internal financial controls over financial reporting established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Management's Responsibility for Internal Financial Control

The Boards of Directors of the Company are 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 "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 the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with 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") 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 were 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 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 the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the Company and its subsidiary companies.

#### 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Bhuta Shah & Co LLP**  
Chartered Accountants  
Firm Reg. No.:101474W / W100100

Mumbai  
30 May,2022

**Ketan Kataliya**  
Partner  
Membership No.: 165186  
UDIN: 22165186AJWYFI8631

# Consolidated Balance Sheet

as at 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,415.92	2,484.21
Capital work-in-progress	3	6.95	56.00
Goodwill	4	300.25	195.86
Intangible assets	5	566.92	413.56
Intangible assets under development	5	18.77	60.80
<b>Financial assets</b>			
Other financial assets	6	26.08	25.63
Deferred tax assets (net)	7	38.57	7.99
Other non-current assets	8	15.54	15.95
<b>Total non-current assets</b>		<b>4,389.00</b>	<b>3,260.00</b>
<b>Current assets</b>			
Inventories	9	4,244.42	4,043.20
<b>Financial Assets</b>			
(i) Investments	10	4.35	2.61
(ii) Trade receivables	11	3,947.78	2,719.49
(iii) Cash and bank balances	12	3,492.65	2,121.83
(iv) Other financial assets	13	83.76	15.64
Other current assets	14	208.49	125.42
Current tax assets (Net)	15	30.55	-
<b>Total current assets</b>		<b>12,012.00</b>	<b>9,028.19</b>
<b>TOTAL ASSETS</b>		<b>16,401.00</b>	<b>12,288.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	409.31	409.31
Other Equity	17	11,613.39	8,455.64
Equity attributable to owners of the Company		12,022.70	8,864.95
Non-Controlling interest		207.01	188.57
<b>Total equity</b>		<b>12,229.71</b>	<b>9,053.52</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	18	414.34	93.26
Other financial liabilities	19	-	50.00
Provisions	20	18.56	21.11
Deferred tax liabilities (net)	21	176.21	80.63
<b>Total non current liabilities</b>		<b>609.11</b>	<b>245.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	412.92	187.40
Lease liabilities	23	280.52	60.37
Trade payables	24		
a) Total outstanding dues to micro, small & medium enterprises		67.48	14.03
b) Total outstanding dues to other than micro, small & medium enterprises		1,933.31	1,672.61
Other financial liabilities	25	655.98	721.13
Other current liabilities	26	31.46	15.37
Provisions	27	7.24	18.55
Current tax liabilities (Net)	28	173.27	300.21
<b>Total current liabilities</b>		<b>3,562.18</b>	<b>2,989.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,401.00</b>	<b>12,288.19</b>

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

**FOR AND ON BEHALF OF**
**Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

**Ketan Kataliya**

Partner

Membership No.: 165186

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
**MARK SALDANHA**

Chairman &amp; Managing Director

DIN: 00020983

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**HARSHAVARDHAN PANIGRAHI**

Company Secretary &amp; Legal Manager

**JITENDRA SHARMA**

Chief Financial Officer

 Place : Mumbai  
Date : 30 May, 2022

# Consolidated Statement of Profit and Loss

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March, 2022	For Year Ended 31 March, 2021
<b>INCOME</b>			
Revenue from operations	29	14,908.39	13,761.82
Other income	30	418.53	66.94
<b>Total Income</b>		<b>15,326.92</b>	<b>13,828.76</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	5,406.69	4,197.64
Purchases of stock-in-trade		1,632.53	3,115.70
Changes in inventories of finished goods, work-in-process and stock-in-trade	32	128.95	(1,362.78)
Employee benefits expense	33	2,203.02	1,973.23
Finance costs	34	84.46	79.86
Depreciation and amortization expense	35	447.76	361.51
Other expenses	36	2,948.40	2,441.96
<b>Total expenses</b>		<b>12,851.81</b>	<b>10,807.12</b>
<b>Profit before tax</b>		<b>2,475.11</b>	<b>3,021.64</b>
<b>Tax expense:</b>			
(1) Current Tax		571.02	666.94
(2) Current tax for earlier years		0.08	-
(3) Deferred tax		35.87	(30.68)
<b>Total tax expenses</b>		<b>606.97</b>	<b>636.26</b>
<b>Profit for the year</b>		<b>1,868.14</b>	<b>2,385.38</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Statement of Profit and Loss</b>			
- Remeasurement of the net defined benefit plans		0.61	(2.62)
- Income tax relating to above		(0.15)	0.66
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of a foreign operation		502.37	6.64
<b>Total Other Comprehensive Income for the year</b>		<b>502.83</b>	<b>4.68</b>
<b>Total Comprehensive income for the year</b>		<b>2,370.97</b>	<b>2,390.06</b>
Non-controlling interest		22.45	25.99
Owners of the Company		2,348.52	2,364.07
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		4.51	5.76
(2) Diluted (in ₹)		4.51	5.76

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

## FOR AND ON BEHALF OF

**Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

**Ketan Kataliya**

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

## FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

**HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**JITENDRA SHARMA**

Chief Financial Officer

# Consolidated Cash Flow Statement

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	2,475.11	3,021.64
Adjustments to profit before tax:		
- Depreciation and amortisation expenses	447.76	361.51
- Exchange(gain)/Loss on foreign exchange fluctuations	(89.51)	9.67
- Profit on sale of Property, plant and equipment	-	(0.37)
- Finance costs	84.46	79.86
- Interest income	(59.73)	(11.59)
- Net gain arising on financial assets measured at fair value	(56.23)	(16.25)
- Bad debts	26.32	142.83
<b>Operating profit before working capital changes</b>	<b>2,828.18</b>	<b>3,587.30</b>
<b>Movements in working capital :</b>		
(Increase) in Inventories	(178.49)	(1,392.25)
(Increase) in Trade receivables	(1,039.34)	(367.44)
(Increase)/Decrease in Other financial assets	(0.40)	7.25
(Increase)/Decrease in Other assets	(73.69)	18.50
Increase in Trade payables, provisions and other liabilities	184.90	417.84
<b>Cash generated from operations</b>	<b>1,721.16</b>	<b>2,271.20</b>
Income tax paid (net)	(728.59)	(485.30)
<b>Net cash generated from operating activities (A)</b>	<b>992.57</b>	<b>1,785.90</b>
<b>B. Cash flow from Investing Activities:</b>		
Payments to acquire property, plant and equipment and intangible assets	(463.30)	(464.26)
Proceeds from sale of property, plant and equipment and intangible assets	0.34	5.20
Purchase of Investments	(1.50)	-
Interest income received	47.60	10.57
<b>Net Cash used in Investing Activities (B)</b>	<b>(416.86)</b>	<b>(448.49)</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceed from issue of share warrants(net of issue expenses)	911.55	-
Dividend paid	(105.83)	(40.93)
Proceed/(Repayment) from short term borrowing (net)	225.52	(1.03)
Repayment of principal portion of lease liabilities	(155.17)	(31.03)
Interest cost paid (including interest on lease liabilities)	(80.96)	(79.86)
<b>Net Cash Flow (used in) Financing Activities (C)</b>	<b>795.11</b>	<b>(152.85)</b>
<b>Net increase in cash and bank balances (A+B+C)</b>	<b>1,370.82</b>	<b>1,184.56</b>
<b>Cash &amp; Bank balances at the beginning of the period</b>	<b>2,121.83</b>	<b>937.27</b>
<b>Cash &amp; Bank balances at the end of the period</b>	<b>3,492.65</b>	<b>2,121.83</b>

# Consolidated Cash Flow Statement

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Reconciliation of Borrowings

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening Balance	341.03	296.04
Current Borrowings	1,107.78	341.03
Movement of borrowings(net)	(766.75)	(44.99)

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

### FOR AND ON BEHALF OF

#### Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No.: 101474W/W100100

#### Ketan Kataliya

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

#### MARK SALDANHA

Chairman &amp; Managing Director

DIN: 00020983

#### SANDRA SALDANHA

Whole - time Director

DIN: 00021023

#### HARSHAVARDHAN PANIGRAHI

Company Secretary &amp; Legal Manager

#### JITENDRA SHARMA

Chief Financial Officer

# Consolidated Statement of Change in Equity

for the Year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## A Equity share capital

Particulars	31 March, 2022		31 March, 2021	
	Number	₹ in million	Number	₹ in million
Shares outstanding at the beginning of the year	409,313,698	409.31	409,313,698	409.31
<b>Shares outstanding at the end of the year</b>	<b>409,313,698</b>	<b>409.31</b>	<b>409,313,698.00</b>	<b>409.31</b>

## B Other equity

Particulars	Reserves and surplus				Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Money received against Share Warrants	Total
	Capital reserves	Capital redemption reserve	Securities premium	General reserve					
<b>Balance as at 1 April, 2021</b>	0.12	85.00	1,751.32	3,137.37	3,349.27	132.56	8,455.64	188.57	8,644.21
Profit for the year					1,845.69	-	1,845.69	22.45	1,868.14
Other comprehensive income-					0.46		0.46		0.46
Remeasurement of the net defined benefit plans (net of tax)									
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,846.15</b>	<b>-</b>	<b>1,846.15</b>	<b>22.45</b>	<b>1,868.60</b>
Exchange difference on translation of foreign operation						502.38	502.38	(4.01)	498.37
Dividend paid on equity share					(102.33)		(102.33)	-	(102.33)
Warrant issue expenses (Net)			(19.45)				(19.45)		(19.45)
Convertible Warrants								931.00	931.00
<b>Balance as at 31 March, 2022</b>	<b>0.12</b>	<b>85.00</b>	<b>1,731.87</b>	<b>3,137.37</b>	<b>5,093.09</b>	<b>634.94</b>	<b>10,682.39</b>	<b>207.01</b>	<b>11,820.40</b>

# Consolidated Statement of Change in Equity

for the Year ended 31 March, 2022  
(All amounts in million of Indian Rupees, unless otherwise stated)

## B Other equity (Contd.)

Particulars	Reserves and surplus				Comprehensive income		Total attributable to owners of the company	Non controlling interest	Total
	Capital reserves	Capital Redemption reserve	Securities premium	General reserve	Retained Earnings	Foreign Currency Translation Reserve			
<b>Balance as at 1 April, 2020</b>	0.12	85.00	1,751.32	3,137.37	851.09	125.93	5,950.83	131.10	6,081.93
Profit for the Period					2,359.39	-	2,359.39	25.99	2,385.38
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					(1.96)		(1.96)		(1.96)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>2,357.43</b>	-	<b>2,357.43</b>	<b>25.99</b>	<b>2,383.42</b>
Exchange difference on translation of foreign operation						6.63	6.63	31.48	38.11
Unrealised profit and subsidiaries adjustment					181.68		181.68		181.68
Dividend for the year					(40.93)		(40.93)	-	(40.93)
<b>Balance as at 31 March, 2021</b>	<b>0.12</b>	<b>85.00</b>	<b>1,751.32</b>	<b>3,137.37</b>	<b>3,349.27</b>	<b>132.56</b>	<b>8,455.64</b>	<b>188.57</b>	<b>8,644.21</b>

The accompanying notes form an integral part of these financial statements  
As per our report of even date.

### FOR AND ON BEHALF OF Bhuta Shah & Co LLP

Chartered Accountants  
Firm Registration No.: 101474W/W/100100

**Ketan Kataliya**

Partner  
Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**MARK SALDANHA**

Chairman & Managing Director  
DIN: 00020983

**SANDRA SALDANHA**

Whole - time Director  
DIN: 00021023

**HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

**JITENDRA SHARMA**

Chief Financial Officer



# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate information

Marksans Pharma Limited ("Marksans" or the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053, India.

The Company is primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulations.

The Company's shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in India

### 2. Significant accounting policies

#### 2.1. Statement of compliance and basis of preparation and presentation

These consolidated financial statements of Marksans Pharma Limited and its subsidiaries ("the Group") have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 30 May, 2022.

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

#### 2.2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

#### 2.3. Basis of fair values

A number of Group's accounting policies and disclosures require the measurement of full values for both financial and non-financial assets & liabilities. The Group has

established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### 2.4. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of Investment and goodwill.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may

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result in change in depreciation and amortisation expense in future periods.

## (ii) Fair value of financial assets and liabilities and investments

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

## (iii) Impairment of tangible and intangible assets including goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

## (iv) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

## (v) Estimation uncertainty relating to the COVID-19 pandemic

The Group has considered various internal and external source information while finalizing various estimates and recoverability of assets in relation to its financial statement captions upto the date of approval of these consolidated financial statements by the Board of Directors. The impact of Covid-19 may be different from what is estimated as at such

date of approval of the consolidated financial statements and the Group will continue to monitor any material changes to future economic conditions.

## 2.5. Basis of Consolidation

These consolidated financial statements include financial statements of the Group and all of its subsidiaries drawn up to the dates specified below. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Group.

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**Following subsidiary companies have been considered in the preparation of the consolidated financial statements:**

Sr. No.	Name of the Entity	Year End Date	Country of Incorporation	Ownership at 31 March, 2022 held by	% ownership held either directly or through subsidiaries as at 31 March, 2022	% ownership held either directly or through subsidiaries as at 31 March, 2021
1.	Marksans Pharma Inc.	31 March, 2022	USA	Marksans Pharma Limited	100%	100%
	a) Time-Cap Laboratories Inc.	31 March, 2022	USA	Marksans Pharma Inc.	100%	100%
	- Custom Coating Inc.	31 March, 2022	USA	Time-Cap Laboratories Inc	100%	100%
	- Marksans Realty LLC	31 March, 2022	USA	Time-Cap Laboratories Inc.	100%	100%
2.	Nova Pharmaceuticals Australasia Pty Ltd	31 March, 2022	Australia	Marksans Pharma Limited	60%	60%
3.	Marksans Pharma (UK) Limited	31 March, 2022	UK	Marksans Pharma Limited	100%	100%
	a) Relonchem Limited	31 March, 2022	UK	Marksans Pharma (UK) Limited	100%	100%
	b) Marksans Holdings Limited	31 March, 2022	UK	Marksans Pharma (UK) Limited	100%	100%
	- Bell, Sons and Co. (Druggists) Limited	31 March, 2022	UK	Marksans Holdings Limited	100%	100%
4.	Marksans Pharma GmbH	31 March, 2022	Germany	Marksans Pharma Limited	100%	100%

## 2.6. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian

Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

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## Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

## Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

## Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## 2.7. Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. The acquiree's identifiable assets including liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Before recognising capital reserve in respect thereof, the Group determines whether there exists clear evidence of underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional asset or liabilities that are identified in that reassessment. The Group then reviews

the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it directly in equity as capital reserve. Non-controlling interest is initially measured at fair value or at the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to initial acquisition, the carrying amount of non-controlling interest is the amount of those interest in initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries. When the consideration transferred by the Group in business combination includes assets or liabilities resulting in a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be.

## 2.8. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from the use. Any profit or loss on such de-recognition of the asset is calculated as difference between net disposal proceeds and the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

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The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at the reporting date and the cost of property, plant and equipment not put to use/ready for its intended use before such date are disclosed under capital work-in-progress.

## 2.9. Goodwill and Intangible assets

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination. Intangible assets are initially recognised at cost except those acquired in a business combination. Subsequent to initial recognition, intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are initially recognised at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are amortised over their estimated life on straight-line method as follows:

Internally Generated Abbreviated New Drug Application (ANDA), Market Authorisation and Product Licences: 5 to 10 years.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

## 2.10. Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

## 2.11. Inventories

Inventories of raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Inventories of finished goods, stock-in-trade and work-in-process are valued at cost and net realizable value, whichever is lower.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

## 2.12. Foreign exchange transactions and translations

The Functional currency of the company is Indian Rupees whereas the functional currency of foreign subsidiaries is the currency of the primary economic

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environment in which the entity operates. Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated income statement in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. In the disposal of a foreign operation, in part or full, involving loss of control over a subsidiary, the exchange difference accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

## 2.13. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial

assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Classification and subsequent measurement

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below. Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts

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(including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

## Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognized as a collateralized borrowing.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

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- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

## Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

## Impairment of financial assets

The Group applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate

sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 2.14. Revenue recognition

### Sale of goods

The majority of the Group's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognised at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Group has determined is when physical possession, legal title and risks and rewards of ownership of the products transferred to the customer and the Group is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

### Export incentives

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports Incentive Scheme) scrips.

Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### Interest income

Interest income is recognised with reference to the Effective interest rate method.

### Dividend income

Dividend income from investment is recognised as revenue when right to receive is established.



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## 2.15. Employee Benefits

### Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

Post retirement contribution plans such as Employees' Pension Scheme, Labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Group does not have any obligation other than the contribution made.

### Defined benefit plans

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss. The Defined benefit plans of the group are unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Other benefit plans

Eligible employees are entitled to accumulated compensated absences up to prescribed limits in accordance with the Group's policy and receive cash in lieu thereof. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

### Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Group has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

### Share based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is exposed on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

The Holding company has an approved ESOP plan but no options are issued.

## 2.16. Borrowing Costs

Borrowing costs primarily comprise interest on the Group's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

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## 2.17. Income Taxes

### Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Group will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred

tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business.

## 2.18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs

## 2.19. Leases

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset

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and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

## 2.20. Government Grant

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## 2.21. Critical accounting estimates and significant judgment in applying accounting policies

### (i) Nature and extent of risks arising from financial instruments

The main financial risks faced by the Group relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial

transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2022 is representative of the position of the year.

### (ii) Credit Risk

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD & GBP and any appreciation in the INR will effect the credit risk. The Group is not significantly exposed to geographical distribution risk as the counterparties operate in various countries across the Globe.

### (iii) Foreign exchange risk

The Group is exposed to foreign exchange risk principally via:-

- i. Debt availed in foreign currencies.
- ii. Net investments in subsidiaries that are in foreign currencies.
- iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Group.

### (iv) Liquidity Risk

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Risk Management Committee as per the Risk Management Policy adopted by the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.3 Property, Plant and Equipment

Particulars	Land-Freehold	Buildings-Freehold	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total	Capital Work-in-progress
<b>Balance as at 1 April, 2021</b>	4.14	1,318.19	2,224.74	93.63	92.15	39.77	65.11	3,837.73	56.00
Acquisitions	-	58.59	402.89	12.18	0.41	0.76	2.30	477.13	6.06
Disposals/Transfers	-	-	9.53	-	-	-	-	9.53	54.49
Translation adjustment	0.53	133.86	110.26	0.57	0.29	2.95	-	248.46	(0.62)
<b>Balance as at 31 March, 2022</b>	4.67	1,510.64	2,728.36	106.38	92.85	43.48	67.41	4,553.79	6.95
<b>Accumulated Depreciation</b>									
<b>Balance as at 1 April, 2021</b>	-	260.67	1,048.47	40.54	59.97	25.24	58.79	1,493.68	-
Depreciation for the year	-	45.40	153.10	8.82	8.97	3.79	2.50	222.58	-
Disposals	-	-	9.87	-	-	-	-	9.87	-
Translation adjustment	-	11.91	68.75	0.31	0.36	1.78	-	83.11	-
<b>Balance as at 31 March, 2022</b>	-	317.98	1,260.45	49.67	69.30	30.81	61.29	1,789.50	-
Carrying Value									
<b>Balance as at 31 March, 2022</b>	4.67	1,192.66	1,467.91	56.71	23.55	12.67	6.12	2,764.29	6.95
<b>Balance as at 31 March, 2021</b>	4.14	1,057.52	1,176.27	53.09	32.18	14.53	6.32	2,344.05	56.00

Particulars	Land-Freehold	Buildings-Freehold	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total	Capital Work-in-progress
<b>Balance as at 1 April, 2020</b>	4.14	1,259.42	1,967.67	90.73	79.21	36.63	62.90	3,500.70	-
Acquisitions	-	58.77	272.87	2.90	12.94	3.14	2.21	352.83	56.00
Disposals/Transfers	-	-	15.80	-	-	-	-	15.80	-
<b>Balance as at 31 March, 2021</b>	4.14	1,318.19	2,224.74	93.63	92.15	39.77	65.11	3,837.73	56.00
<b>Accumulated Depreciation</b>									
<b>Balance as at 1 April, 2020</b>	-	224.18	928.27	31.83	48.41	21.09	55.83	1,309.61	-
Depreciation for the year	-	36.49	131.19	8.71	11.56	4.13	2.96	195.04	-
Disposals	-	-	10.99	-	-	(0.02)	-	10.97	-
<b>Balance as at 31 March, 2021</b>	-	260.67	1,048.47	40.54	59.97	25.24	58.79	1,493.68	-
Carrying Value									
<b>Balance as at 31 March, 2021</b>	4.14	1,057.52	1,176.27	53.09	32.18	14.53	6.32	2,344.05	56.00
<b>Balance as at 31 March, 2020</b>	4.14	1,035.24	1,039.40	58.90	30.80	15.54	7.07	2,191.09	-

### Capital Work-in-progress(CWIP)

Ageing of Capital Work in Progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	6.95	-	-	-	6.95

CWIP	Amount in CWIP for a period of 31 March, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	56.00	-	-	-	56.00

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.3.1 Right to use asset

Particulars	Land	Property	Plant and Equipment	Vehicles	Total
<b>Balance as at 1 April, 2021</b>	<b>9.67</b>	<b>72.62</b>	<b>128.25</b>	<b>-</b>	<b>210.54</b>
Acquisitions	-	674.14	14.05	7.53	695.72
Disposals/Transfers	-	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>9.67</b>	<b>746.76</b>	<b>142.30</b>	<b>7.53</b>	<b>906.26</b>
Accumulated Depreciation					
<b>Balance as at 1 April, 2021</b>	<b>0.25</b>	<b>26.08</b>	<b>44.05</b>	<b>-</b>	<b>70.38</b>
Depreciation for the year	0.25	136.36	46.45	1.24	184.30
Disposals	-	-	-	-	-
Translation adjustment		0.08	(0.08)	(0.05)	(0.05)
<b>Balance as at 31 March, 2022</b>	<b>0.50</b>	<b>162.52</b>	<b>90.42</b>	<b>1.19</b>	<b>254.63</b>
Carrying Value					
<b>Balance as at 31 March, 2022</b>	<b>9.17</b>	<b>584.24</b>	<b>51.88</b>	<b>6.34</b>	<b>651.63</b>
<b>Balance as at 31 March, 2021</b>	<b>9.42</b>	<b>46.54</b>	<b>84.20</b>	<b>-</b>	<b>140.16</b>

Particulars	Land	Property	Plant and Equipment	Vehicles	Total
<b>Balance as at 1 April, 2020</b>	<b>9.67</b>	<b>56.09</b>	<b>64.79</b>		<b>130.55</b>
Acquisitions	-	16.53	63.46		79.99
Disposals/Transfers	-	-	-		-
<b>Balance as at 31 March, 2021</b>	<b>9.67</b>	<b>72.62</b>	<b>128.25</b>		<b>210.54</b>
Accumulated Depreciation					
<b>Balance as at 1 April, 2020</b>	<b>-</b>	<b>12.51</b>	<b>9.00</b>		<b>21.51</b>
Depreciation for the year	0.25	13.57	35.05		48.87
Disposals	-	-	-		-
<b>Balance as at 31 March, 2021</b>	<b>0.25</b>	<b>26.08</b>	<b>44.05</b>		<b>70.38</b>
Carrying Value					
<b>Balance as at 31 March, 2021</b>	<b>9.42</b>	<b>46.54</b>	<b>84.20</b>		<b>140.16</b>
<b>Balance as at 31 March, 2020</b>	<b>9.67</b>	<b>43.58</b>	<b>55.79</b>		<b>109.04</b>

Note: Land held on leasehold basis. Building includes those constructed on leasehold land.

## Note No.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	31 March, 2022	31 March, 2021
Capital Expenditure	3.63	61.97

## Note No.3.3

Refer Note No.22.1 for mortgage of above Fixed Assets.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.4 Goodwill

Particulars	31 March, 2022	31 March, 2021
Opening Balance	195.86	243.76
Depreciation for the year	-	47.90
Effect of translation adjustments	104.39	-
<b>Closing Balance</b>	<b>300.25</b>	<b>195.86</b>

The Group tests goodwill on an annual basis and whenever there is an indication that the CGU to which the goodwill has been allocated may be impaired. The goodwill impairment test is performed at the level of the CGU or group of CGUs that benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is determined based on higher of value-in-use and fair value less cost of disposal. Where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, the recoverable amount is determined by value-in-use. In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. In circumstances where a reliable value-in-use estimate is difficult to make whereas market value of the asset or the CGU or group of CGUs is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, where applicable. Apart from the observable market information, significant management estimates and judgments are used to determine the recoverable amounts based on value-in-use. Key assumptions on which management has based its determination of recoverable amount includes estimated growth rates (including terminal growth rates), margins and discount rates. Cash flow projections are usually considered for next 3-5 years and represent management's best estimate about future developments with due consideration for past performance. Cash flows beyond the five-year period are extrapolated using terminal growth rates

## Note No.5 Intangible Assets

Particulars	Product Licences	OTC Product Licences	Internally Generated ANDA, Market Authorisations.	Total	Intangible assets under development
<b>Balance as at 1 April, 2021</b>	<b>547.57</b>	<b>5.72</b>	<b>721.83</b>	<b>1,275.12</b>	<b>60.80</b>
Acquisitions	-	-	75.94	75.94	7.76
Disposals/Transfers	-	-	-	-	48.69
Translation adjustment	127.99	1.05	22.25	151.29	(1.10)
<b>Balance as at 31 March, 2022</b>	<b>675.56</b>	<b>6.77</b>	<b>820.02</b>	<b>1,502.35</b>	<b>18.77</b>
Accumulated Depreciation					
<b>Balance as at 1 April, 2021</b>	<b>325.96</b>	<b>5.02</b>	<b>530.58</b>	<b>861.56</b>	<b>-</b>
Depreciation for the year	34.96	-	5.92	40.88	-
Disposals	-	-	-	-	-
Translation adjustment	32.61	0.38	-	32.99	-
<b>Balance as at 31 March, 2022</b>	<b>393.53</b>	<b>5.40</b>	<b>536.50</b>	<b>935.43</b>	<b>-</b>
Carrying Value					
<b>Balance as at 31 March, 2022</b>	<b>282.03</b>	<b>1.37</b>	<b>283.52</b>	<b>566.92</b>	<b>18.77</b>
<b>Balance as at 31 March, 2021</b>	<b>221.61</b>	<b>0.70</b>	<b>191.25</b>	<b>413.56</b>	<b>60.80</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.5 Intangible Assets (Contd.)

Particulars	Product Licences	OTC Product Licences	Internally Generated ANDA, Market Authorisations.	Total	Intangible assets under development
<b>Balance as at 1 April, 2020</b>	<b>547.57</b>	<b>5.72</b>	<b>721.83</b>	<b>1,275.12</b>	-
Acquisitions	-	-	-	-	60.80
Disposals/Transfers	-	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>547.57</b>	<b>5.72</b>	<b>721.83</b>	<b>1,275.12</b>	<b>60.80</b>
Accumulated Depreciation					
<b>Balance as at 1 April, 2020</b>	<b>262.57</b>	<b>4.62</b>	<b>524.66</b>	<b>791.85</b>	-
Depreciation for the year	63.39	0.40	5.92	69.71	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>325.96</b>	<b>5.02</b>	<b>530.58</b>	<b>861.56</b>	-
Carrying Value					
<b>Balance as at 31 March, 2021</b>	<b>221.61</b>	<b>0.70</b>	<b>191.25</b>	<b>413.56</b>	<b>60.80</b>
<b>Balance as at 31 March, 2020</b>	<b>285.00</b>	<b>1.10</b>	<b>197.17</b>	<b>483.27</b>	-

## Note No.6 Other financial assets

Particulars	31 March, 2022	31 March, 2021
<b>Unsecured, considered good at amortised cost</b>		
Security deposits	26.08	25.63
	<b>26.08</b>	<b>25.63</b>

## Note No.7 Deferred tax assets (net)

Particulars	31 March, 2022	31 March, 2021
<b>Tax effect of items resulting in deductible temporary differences</b>		
On carry forward losses	7.46	7.99
Accruals and provisions allowed on payment basis	4.97	-
Capitalised inventory disallowed	15.77	-
Allowance for bad debts	7.21	-
Others	3.16	-
<b>Total Deferred tax assets</b>	<b>38.57</b>	<b>7.99</b>

## Note No.8 Other non-current assets

Particulars	31 March, 2022	31 March, 2021
Capital Advances	15.54	15.95
	<b>15.54</b>	<b>15.95</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.9 Inventories

Particulars	31 March, 2022	31 March, 2021
a. Raw materials and packing materials	1,509.35	1,179.18
b. Work-in-process	106.97	147.62
c. Finished Goods	1,343.58	1,759.62
d. Stock-in-Trade	1,284.52	956.78
	<b>4,244.42</b>	<b>4,043.20</b>

\*Refer Note No.22.1 for hypothecation of above inventories.

Mode of Valuation of inventories is stated in note 2.11

The cost of inventory recognised as an expense is disclosed in notes 31,32 and as purchase of stock in trade in the statement of profit and loss.

## Note No.10 Investment

Particulars	31 March, 2022	31 March, 2021
Investment in Mutual Fund (Quoted)	4.35	2.61
	<b>4.35</b>	<b>2.61</b>

Quoted at fair value through P&L

## Note No.11 Trade receivables

Particulars	31 March, 2022	31 March, 2021
Unsecured, considered good	3,974.75	2,719.49
Doubtful		
Less:- Allowance for Bad and doubtful debts	(26.97)	-
	<b>3,947.78</b>	<b>2,719.49</b>

### Ageing of Trade receivable as on March 31,2022

Particulars	Outstanding for following period from the due date of payments			More than 3 years	Total
	Less than 1 year	1-2 years	2-3 years		
(i) Undisputed Trade Receivables – considered good	3,939.12	7.91	0.75	-	3,947.78
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-
	<b>3,939.12</b>	<b>7.91</b>	<b>0.75</b>	<b>-</b>	<b>3,947.78</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.11 Trade receivables (Contd.)

### Ageing of Trade receivable as on March 31,2021

Particulars	Outstanding for following period from the due date of payments			More than 3 years	Total
	Less than 1 year	1-2 years	2-3 years		
(i) Undisputed Trade Receivables – considered good	2,699.75	4.15	0.06	15.53	2,719.49
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-
	<b>2,699.75</b>	<b>4.15</b>	<b>0.06</b>	<b>15.53</b>	<b>2,719.49</b>

## Note No.12 Cash and bank balances

Particulars	31 March, 2022	31 March, 2021
<b>a Cash and cash equivalents</b>		
<b>Balances with bank</b>		
In current accounts	1,540.96	515.55
In Exchange Earners' Foreign Currency account (EEFC)	25.64	-
Fixed deposit with original maturity less than 3 months	497.20	604.31
Cash in hand	0.26	0.43
<b>Total Cash and cash equivalents</b>	<b>2,064.06</b>	<b>1,120.29</b>
<b>b. Bank Balances</b>		
Earmarked balances with banks	2.30	1.96
Balances with bank in margin accounts	27.77	27.09
Fixed deposit	1,398.52	972.49
<b>Total bank balances</b>	<b>1,428.59</b>	<b>1,001.54</b>
	<b>3,492.65</b>	<b>2,121.83</b>

### Note No.12.1

Earmarked balances with banks represent balance maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividend. The corresponding liability for payment of dividends is included in other current financial liability.

Margin Money represent money given against Bank Guarantees.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.13 Other financial assets

Particulars	31 March, 2022	31 March, 2021
<b>Carried at fair value profit and loss</b>		
Derivative financial assets - forward contract	70.61	14.62
<b>Carried at amortised cost</b>		
Interest accrued on fixed deposit	13.15	1.02
	<b>83.76</b>	<b>15.64</b>

## Note No.14 Other current assets

Particulars	31 March, 2022	31 March, 2021
<b>Unsecured, considered good</b>		
Advance recoverable in cash or kind	-	-
Advance to vendors	23.44	9.77
Others	185.05	115.65
	<b>208.49</b>	<b>125.42</b>

## Note No.15 Current tax assets (net)

Particulars	31 March, 2022	31 March, 2021
Income Tax assets	30.55	-
	<b>30.55</b>	<b>-</b>

## Note No.16 Equity Share capital

Particulars	31 March, 2022		31 March, 2021	
	Number	₹ in million	Number	₹ in million
<b>Authorised</b>				
Equity shares of ₹ 1/- each	550,000,000	550.00	550,000,000	550.00
7% Redeemable cumulative preference shares of ₹ 100/- each	1,400,000	140.00	1,400,000	140.00
	551,400,000	690.00	551,400,000	690.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of ₹ 1/- each	409,313,698	409.31	409,313,698	409.31
	<b>409,313,698</b>	<b>409.31</b>	<b>409,313,698</b>	<b>409.31</b>

### a. Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹1/- per share. All the Equity Shares rank pari passu in all respect. Each holder of Equity Shares is entitled to one vote per share. The equity share holders are entitled to dividend, if declared by the shareholders in an Annual General Meeting, in proportion to the number of Equity Shares held by the shareholders. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.16 Equity Share capital (Contd.)

### b. Terms/rights attached to Preference Shares

The Company's Issued, Subscribed and Paid-up Preference Share Capital is ₹ 50 million divided into 500,000 Preference Shares of ₹100/- each. With consent of the sole shareholder, redemption date of these preference shares have been extended upto 27th March, 2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07.02.2015, 1,50,000 preference share at par on 31.03.2017, 100,000 preference shares at par on 14.03.2018, 100,000 preference shares at par on 30.10.2019, 200,000 preference shares at par on 17.01.2020 and 200,000 preference shares at par on 31.03.2020.

### d. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31 March, 2022		31 March, 2021		Change in current year
	No. of shares held	% of Holding	No. of shares held	% of Holding	
<b>Equity Shares of ₹1/- each fully paid</b>					
Mr. Mark Saldanha	197,491,553	48.25	197,491,553	48.25	-

## Note No.17 Other equity

Particulars	31 March, 2022	31 March, 2021
<b>a. Capital Reserves</b>	0.12	0.12
	<b>0.12</b>	<b>0.12</b>
<b>b. Capital redemption reserve</b>		
Opening balance	85.00	85.00
<b>Closing balance</b>	<b>85.00</b>	<b>85.00</b>
<b>c. Securities Premium Account</b>		
Opening balance	1,751.32	1,751.32
(-) Warrant issue expenses	(19.45)	-
<b>Closing balance</b>	<b>1,731.87</b>	<b>1,751.32</b>
<b>d. General reserve</b>		
Opening balance	3,137.37	3,137.37
<b>Closing Balance</b>	<b>3,137.37</b>	<b>3,137.37</b>
<b>e. Currency translation reserve</b>		
Opening Balance	132.56	125.93
(+) For the period	498.37	38.11
(+) Non controlling share of translating reserve	4.01	(31.48)
<b>Closing Balance</b>	<b>634.94</b>	<b>132.56</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.17 Other equity (Contd.)

Particulars	31 March, 2022	31 March, 2021
<b>f. Retained earnings</b>		
Opening balance	3,349.27	851.09
(+) Net Profit for the current year	1,845.69	2,359.39
(-) Inter Company Dividend Adjustment / Unrealised profit on inventory	-	181.68
(-) Dividend for the year	(102.33)	(40.93)
Other Comprehensive Income/(Loss)		
Items that will not be reclassified to Statement of Profit and Loss		
(+) Remeasurement of the net defined benefit plans (Net of Tax)	0.46	(1.96)
<b>Closing Balance</b>	<b>5,093.09</b>	<b>3,349.27</b>
<b>g. Convertible Warrants</b>		
Opening balance	-	-
Add:	931.00	-
Less:	-	-
<b>Closing balance</b>	<b>931.00</b>	<b>-</b>
	<b>11,613.39</b>	<b>8,455.64</b>

### 1. Capital reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

### 2. Capital redemption reserve

The Company has redeemed 8,50,000 7% Redeemable Cumulative Preference Shares of ₹ 100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹ 85 million has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

### 3. Securities premium account

The Company has on 30th March, 2015, issued and allotted 24,006,494 equity shares of ₹ 1/- each face value to qualified institutional buyers under QIP at a premium of ₹ 53.67 per equity share. Accordingly, the premium amount of ₹ 1,283.43 million has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹ 462.89 million received by the Company over and above the face value of shares issued on earlier dates.

### 4. General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

### 5. Currency translation reserve

Assets and Liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at the date of the Balance Sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at year end due to translation is debited or credited to currency translation reserve account.

### 6. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.

### 7. Dividend

The Board of Directors of marksans Pharma Ltd, in its meeting held on 30 May, 2022, have recommended for approval of members a dividend of Re. 0.25 per equity share of ₹ 1/- each (25%) for the Financial Year 2021-22. Marksans Pharma (UK) Limited has declared Dividend of GBP 1.2 million for the Financial Year 2021-22.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.18 Lease liability

Particulars	31 March, 2022	31 March, 2021
<b>Carried at amortised cost</b>		
Lease liabilities	414.34	93.26
	<b>414.34</b>	<b>93.26</b>

### Note No.18.1

The following is the break-up of current and non-current lease liabilities:

Particulars	31 March, 2022	31 March, 2021
Non-Current	414.34	93.26
Current	280.52	60.37
	<b>694.86</b>	<b>153.63</b>

### Note No.18.2

The following is the movement in lease liabilities for the year ended

Particulars	31 March, 2022	31 March, 2021
Balance recognised at the beginning of the year	153.63	107.62
Additions during the year	698.05	86.94
Finance cost accrued during the year	38.73	19.48
Payment of lease liabilities	(195.27)	(60.41)
Translation adjustment	(0.29)	-
<b>Balance recognised at the end of the year</b>	<b>694.86</b>	<b>153.63</b>

Weighted average incremental borrowing rate applied to lease liabilities is in the range of 4 to 9%.

### Note No.18.3

The below table provides details regarding the contractual maturities of lease liabilities in an undiscounted basis

Particulars	31 March, 2022	31 March, 2021
Less than 1 year	280.52	60.37
1 year to 5 years	414.34	92.32
More than 5 years	-	0.94

## Note No.19 Other financial liabilities

Particulars	31 March, 2022	31 March, 2021
<b>At amortised cost</b>		
7% Redeemable cumulative preference shares of ₹ 100/- each	-	50.00
	<b>-</b>	<b>50.00</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.20 Provisions

Particulars	31 March, 2022	31 March, 2021
Provision for Gratuity (Refer Note No.37)	15.73	14.17
Provision for Leave encashment	2.83	6.94
	<b>18.56</b>	<b>21.11</b>

## Note No.21 Deferred tax liabilities (net)

Particulars	31 March, 2022	31 March, 2021
<u>Tax effect of items resulting in taxable temporary differences</u>		
Allowance on property, plant and equipment and intangible assets	229.13	90.11
Others	(2.17)	(0.90)
Total Deferred tax liability	226.96	89.21
<u>Tax effect of items resulting in deductible temporary differences</u>		
Provision for employee benefit	6.65	7.09
Change in Fair valuation of Financial Assets	2.40	(3.42)
Others	41.85	4.25
Total Deferred tax assets	50.90	7.92
<b>Net Deferred tax Liability</b>	<b>176.06</b>	<b>81.29</b>
Deferred Tax on OCI (Liabilities) / Assets	0.15	(0.66)
<b>Net Deferred tax Liability</b>	<b>176.21</b>	<b>80.63</b>

### Note No.21.1 Current Tax:

Particulars	31 March, 2022	31 March, 2021
<b>Amounts recognised in profit or loss</b>		
<b>Current tax :</b>		
Current year	571.02	666.94
Prior years	0.08	-
Current income tax	571.10	666.94
<b>Deferred tax :</b>		
Current year origination and reversal of temporary differences	35.87	(30.68)
Deferred tax expense	35.87	(30.68)
<b>Total income tax recognised in profit or loss</b>	<b>606.97</b>	<b>636.26</b>

Amounts recognised in other comprehensive income	31 March, 2022	31 March, 2021
Remeasurements of the defined benefit plans	(0.15)	0.66
<b>Total income tax recognised in other comprehensive income</b>	<b>(0.15)</b>	<b>0.66</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.21 Deferred tax liabilities (net) (Contd.)

### Note No.21.1 Current Tax: (Contd.)

Reconciliation of effective tax rate	31 March, 2022	31 March, 2021
<b>Profit before tax</b>	2,475.11	3,021.64
Tax using the Company's domestic tax rate	25.17%	25.17%
Expected income tax expenses	622.94	760.49
<b>Tax effect of:</b>		
Effect of expenses that are not deductible in determining taxable profit (net of allowed as taxable)	(8.57)	1.14
Effect of different tax rates in local and foreign tax jurisdictions	(63.89)	(88.36)
Corporate social responsibility expenditure disallowed	3.87	2.12
Effect of Concessions	(25.84)	-
On account of rate difference	-	(30.32)
Prior years	0.08	-
Provision for Assets held for sales	-	(0.09)
Change in tax rate	-	(29.62)
Others	78.38	20.90
<b>Tax expenses as per statement of profit and loss</b>	<b>606.97</b>	<b>636.26</b>

## Note No.22 Borrowings

Particulars	31 March, 2022	31 March, 2021
<b>Secured</b>		
Working capital facilities from Bank		
Borrowings	362.92	187.40
7% Redeemable Cumulative Preference shares of ₹100/- each	50.00	-
	<b>412.92</b>	<b>187.40</b>

### Note No.22.1

First charge over all free hold property owned by the company, all fixtures, fittings, fixed plant & machinery, other equipments, goodwill, uncalled capital, intellectual property, inventory & book debts, Bells-land & building, plant & machinery at Gifford house, Slaidburn Crescent, Southport, Merseyside, PR9 by first charge over entire current & fixed assets of Marksans Pharma Inc and its subsidiaries, Land & building situated at 7 Michael Avenue, Farmingdale, NY 11735. Interest rate of 3 months USD LIBOR + 2.5% p.a for Time Caps, and 6 months Sterling LIBOR + 4.5% for Relonchem and Bells.

## Note No.23 Lease liability

Particulars	31 March, 2022	31 March, 2021
Lease liability (refer note no 18.1)	280.52	60.37
	<b>280.52</b>	<b>60.37</b>

## Note No.24 Trade payables

Particulars	31 March, 2022	31 March, 2021
a) Total outstanding dues to micro, small & medium enterprises	67.48	14.03
b) Total outstanding dues to other than micro, small & medium enterprises	1,933.31	1,672.61
	<b>2,000.79</b>	<b>1,686.64</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.24 Trade payables (Contd.)

### Ageing of Trade payable as on March 31,2022

Particulars	Outstanding for following period from the due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	67.48	-	-	-	67.48
Others	1,921.69	6.84	3.66	1.12	1,933.31
Disputed - MSME					
Disputed -Others					
<b>Total</b>	<b>1,989.17</b>	<b>6.84</b>	<b>3.66</b>	<b>1.12</b>	<b>2,000.79</b>

### Ageing of Trade payable as on March 31,2021

Particulars	Outstanding for following period from the due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	14.03	-	-	-	14.03
Others	1,661.21	8.94	1.78	0.68	1,672.61
Disputed - MSME					
Disputed -Others					
<b>Total</b>	<b>1,675.24</b>	<b>8.94</b>	<b>1.78</b>	<b>0.68</b>	<b>1,686.64</b>

## Note No.25 Other financial liabilities

Particulars	31 March, 2022	31 March, 2021
<b>Carried at amortised cost</b>		
Employee Dues	109.70	84.16
Unclaimed Dividend	2.30	1.96
Security Deposits	1.01	1.01
Other Current Liability	542.97	634.00
	<b>655.98</b>	<b>721.13</b>

There are no amount due and outstanding to be credited to investor education and protection fund. Other Current Liability includes provision for expenses.

## Note No.26 Other current liabilities

Particulars	31 March, 2022	31 March, 2021
Advance from customers	17.39	5.68
Statutory dues payable	14.07	9.69
	<b>31.46</b>	<b>15.37</b>

## Note No.27 Provisions (Current)

Particulars	31 March, 2022	31 March, 2021
Provision for Gratuity (Refer Note 37)	5.91	5.45
Provision for Leave encashment	1.33	4.23
Others	-	8.87
	<b>7.24</b>	<b>18.55</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.28 Current tax liabilities (net)

Particulars	31 March, 2022	31 March, 2021
Provision for Income tax (net)	173.27	300.21
	<b>173.27</b>	<b>300.21</b>

## Note No.29 Revenue from operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Sale of products	14,801.24	13,683.74
Other operating revenues :-		
Scrap sales	14.24	12.22
Export incentives	92.91	65.86
<b>Total</b>	<b>14,908.39</b>	<b>13,761.82</b>

### Reconciliation of revenue recognised in the standalone statement of profit and loss with the contracted price :

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue as per contracted price	15,488.81	13,918.11
Less : Trade discounts, sales and expiry returns	580.42	156.29
<b>Revenue from operations</b>	<b>14,908.39</b>	<b>13,761.82</b>

Contract Liabilities from contracts with customers :

The Company records a contract liability when cash payments are received in advance of its performance.

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Contract liabilities from contracts with customers	17.39	5.68

## Note No.30 Other income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Income on financial assets measured at amortised cost	59.73	11.59
Insurance claim received	1.16	-
Profit on sale of Property, Plant and Equipment	-	0.37
Net gain arising on financial assets/ liabilities measured at FVTPL	56.23	16.25
Exchange gain in foreign currency Translation & transaction	205.79	-
Other income	95.62	38.73
<b>Total</b>	<b>418.53</b>	<b>66.94</b>

## Note No.31 Cost of materials consumed

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cost of material and components consumed	5,406.69	4,197.64

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.32 Changes in inventories of finished goods, work-in-process and stock-in-trade

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Changes in inventories of finished goods, work-in-process and stock-in-trade	128.95	(1,362.78)

## Note No.33 Employee benefits expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages including bonus	2,036.43	1,796.23
Contributions to - Provident fund , E.S.I.C. and other fund	159.77	156.07
Staff welfare expenses	6.82	20.93
<b>Total</b>	<b>2,203.02</b>	<b>1,973.23</b>

## Note No.34 Finance costs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest expense for financial liabilities measured at amortised cost	53.90	34.67
Bank charges	27.06	41.69
Dividend on preference share	3.50	3.50
<b>Total</b>	<b>84.46</b>	<b>79.86</b>

## Note No.35 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on tangible assets	222.58	195.04
Depreciation on Right to use	184.30	48.87
Amortization of intangible assets	40.88	117.60
<b>Total</b>	<b>447.76</b>	<b>361.51</b>

## Note No.36 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Water charges	3.52	4.68
Power & Fuel	182.39	159.50
Repairs & maintenance - plant and equipments	80.39	65.28
Repairs & maintenance - building	46.93	39.70
Other Manufacturing expenses	311.99	235.41
Rent	47.44	123.09
Rates & taxes	24.40	22.48
Travelling expenses	46.30	29.34
Communication expenses	14.58	12.57
Courier & postage expenses	3.13	2.27

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.36 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Printing & stationery	9.05	11.52
Auditors remuneration (Refer Note No.36.1)	6.34	6.87
Vehicle expenses & local conveyance	14.91	16.35
Legal & professional fees	127.45	95.07
Office expenses	12.03	5.51
Insurance charges	99.62	124.32
Foreign Exchange (net)	-	9.67
Corporate social responsibility expenses ( Refer Note 46)	15.36	8.42
Loss on sale of fixed assets	-	0.07
Food and drug administration fees	83.79	73.70
Freight outward & export clearing expenses	1,190.46	777.08
Bad debts	26.32	142.83
Selling & distribution expenses	304.04	319.03
Other operating expenses	297.96	157.20
<b>Total</b>	<b>2,948.40</b>	<b>2,441.96</b>

### Note No.36.1 Details of Payments to the Auditor

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
for statutory audit (including limited review fees)	2.11	2.11
for tax audit	0.80	0.80
for GST audit	0.60	1.20
for others	0.35	-

### Note No.36.2

Short term Lease/Leases recognised as an expense for the year ended 31 March, 2022 is aggregating to ₹ 47.44 million (31 March, 2021: ₹123.09 million)

## NOTE 37 - EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Group.

### I Gratuity (Defined benefit plan)

In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31 March, 2022	31 March, 2021
Current Service Cost	3.19	2.48
Interest Cost	0.78	0.71
<b>Scheme Cost (Income) to P&amp;L</b>	<b>3.97</b>	<b>3.19</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 37 - EMPLOYEE POST- RETIREMENT BENEFITS (Contd.)

- b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31 March, 2022	31 March, 2021
<b>Change in Financial Assumption</b>	(0.62)	0.49
Change in the Salary Escalation Rate Assumption		
Change in the Discount Rate	(0.62)	0.49
<b>Experience Adjustment</b>	0.01	2.13
<b>Total Actuarial (Gain) / Loss related to Liability</b>	<b>(0.61)</b>	<b>2.62</b>

- c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31 March, 2022	31 March, 2021
Defined Benefit Obligations (DBO)	21.64	19.62
Fair Value of Plan Assets	-	-
<b>Net (Assets) / Liabilities</b>	<b>21.64</b>	<b>19.62</b>

- d Break-up of the defined benefit plan related balance sheet amounts as at 31 March 2022 and 31 March 2021, is shown below.

Particulars	31 March, 2022	31 March, 2021
Current Liability	5.91	5.45
Non-Current Liability	15.73	14.17
<b>Total</b>	<b>21.64</b>	<b>19.62</b>

- e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

Particulars	31 March, 2022	31 March, 2021
<b>DBO at the beginning of the year</b>	19.62	15.07
Current Service Cost	3.19	2.48
Past Service (Cost) / Gain	-	-
Interest Cost	0.78	0.71
Benefits paid including to be paid	(1.34)	(1.26)
Remeasurements due to Actuarial Gain / (Loss)	(0.61)	2.62
<b>DBO at the end of the year</b>	<b>21.64</b>	<b>19.62</b>

- f **Change in Fair Value of Assets for the period ended as at 31 March 2022 and 31 March 2021:**

The Company has not invested in any plan assets.

- g The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2022 are as follows:

Particulars	31 March, 2022	31 March, 2021
Discount Rate	5.41%	4.64%
Rate of Salary Increase	8.00%	8.00%

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 37 - EMPLOYEE POST- RETIREMENT BENEFITS (Contd.)

- h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Particulars	31 March, 2022	31 March, 2021
Retirement Age	58 Years	58 Years

- i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
	Amount	Amount	%	%
<b>Base Scenario</b>	21.64	19.62		
Discount Rate: Increase by 1%	20.89	18.93	-3.47%	-3.51%
Discount Rate: Decrease by 1%	22.45	20.36	3.76%	3.81%
Salary Escalation Rate: Increase by 1%	20.90	18.94	-3.42%	-3.44%
Salary Escalation Rate: Decrease by 1%	22.42	20.33	3.63%	3.64%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

The Group contribution to Provident Fund, E.S.I.C. and other fund aggregating ₹ 161.69 million (2021: ₹ 145.19 million) has been recognised in Profit or Loss under the head Employee Benefits Expense.

### Employee Stock Option Plan

The Shareholders of the Company at the 29th Annual General Meeting held on 23rd September, 2021, approved Marksans Employees Stock Option Scheme 2021. Under the said scheme, the Company can grant a total of 81,86,273 options to the eligible employees for issue and allotment of equal number of equity shares of ₹1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet.

## Note No.38- Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Group. Net Debt and Equity is given in the table below:

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.38- Capital management (Contd.)

Particulars	31 March, 2022	31 March, 2021
Total Shareholders' Equity as reported in Balance Sheet (A)	12,229.71	9,053.52
<b>Net Debt</b>		
Lease liability (including current lease liability)	694.86	153.63
Other financial liabilities (preference shares)	-	50.00
Current Financial liabilities (Borrowings)	412.92	187.40
Gross Debt	1,107.78	391.03
<b>Less: Cash &amp; cash equivalents</b>	3,492.65	2,121.83
Net Debt (B)	(2,384.87)	(1,730.80)
<b>Total Capital deployed (A-B)</b>	<b>14,614.58</b>	<b>10,784.32</b>
<b>Net debt to equity ratio (B/A)</b>	<b>(0.20)</b>	<b>(0.19)</b>

## Note No.39- Financial instruments – fair values and risk management

### A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, capital creditors, loans and cash and cash equivalents as at 31 March, 2022 and 31 March, 2021 are considered to be the same as their fair values, due to their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and short term borrowings subsequently measured at amortised cost is not significant in each of the year presented

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

#### Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.39- Financial instruments – fair values and risk management (Contd.)

### A. Accounting classification and fair values

Particulars	As at 31 March 2022			As at 31 March 2022		
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 13
<b>Financial assets</b>						
Other Non-current financial assets	-	-	26.08	-	-	-
Trade receivables, net	-	-	3,947.78	-	-	-
Investment-Current	4.35	-	-	-	4.35	-
Cash and cash equivalents	-	-	3,492.65	-	-	-
Others current financial assets	70.61	-	13.15	-	70.61	-
<b>Total</b>	<b>74.96</b>	<b>-</b>	<b>7,479.66</b>	<b>-</b>	<b>74.96</b>	<b>-</b>
<b>Financial Liabilities</b>						
Short term borrowings	-	-	412.92	-	-	-
Lease liability (including current lease liability)	-	-	694.86	-	-	-
Trade payables	-	-	2,000.79	-	-	-
Other current financial liabilities	-	-	655.98	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,764.55</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2021			As at 31 March 2021		
	Carrying amount			Fair Value		
	FVPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Other Non-current financial assets	-	-	25.63	-	-	-
Trade receivables, net	-	-	2,719.49	-	-	-
Investment-Current	2.61	-	-	-	2.61	-
Cash and cash equivalents	-	-	2,121.83	-	-	-
Others current financial assets	14.62	-	1.02	-	14.62	-
<b>Total</b>	<b>17.23</b>	<b>-</b>	<b>4,867.97</b>	<b>-</b>	<b>17.23</b>	<b>-</b>
<b>Financial Liabilities</b>						
Other Non-current financial liabilities	-	-	50.00	-	-	-
Short term borrowings	-	-	187.40	-	-	-
Lease liability (including current lease liability)	-	-	153.63	-	-	-
Trade payables	-	-	1,686.64	-	-	-
Other current financial liabilities	-	-	721.13	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,798.80</b>	<b>-</b>	<b>-</b>	<b>-</b>

### B. Financial Risk Management Framework

In the course of its business, the group is exposed to certain financial risks namely Credit risk, Liquidity risk and Market risk

#### (i) Credit risk analysis

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.39- Financial instruments – fair values and risk management (Contd.)

Management closely monitors the credit quality and collectability of receivables. The Group establishes an allowances for credit losses and impairment that represents its estimates of Expected Credit Loss (ECL) in respect of trade and other receivables, cash and cash equivalent and investment.

### Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of ₹ 3,492.65 million at 31 March, 2022 (31 March, 2021: ₹ 2121.83 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

### Trade and other receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is in Note 11.

Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

### (ii) Liquidity risk analysis

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.



# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.39- Financial instruments – fair values and risk management (Contd.)

As at 31 March, 2022 the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	412.92	-	-
Trade payable	2,000.79	-	-
Non Current Financial liabilities	-	-	-
Lease liability	280.52	414.34	-
Other current financial liabilities	655.98	-	-
<b>Total</b>	<b>3,350.21</b>	<b>414.34</b>	<b>-</b>

As at 31 March, 2021 the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	187.40	-	-
Trade payable	1,686.64	-	-
Non current financial liabilities	-	50.00	-
Lease liability	60.37	92.32	0.94
Other current financial liabilities	721.13	-	-
<b>Total</b>	<b>2,655.54</b>	<b>142.32</b>	<b>0.94</b>

### (iii) Market Risk Analysis

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### (a) Foreign Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the functional currency of the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No.39- Financial instruments – fair values and risk management (Contd.)

### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	31 March, 2022			31 March, 2021		
	USD	GBP	EUR	USD	GBP	EUR
<b>Short term exposure</b>						
EEFC Account	25.64	-	-	-	-	-
Other current assets	2.27	-	-	-	-	-
Other non-current assets	-	-	1.16	-	-	-
Trade receivables	237.43	-	-	225.54	-	-
<b>Financial assets</b>	<b>265.34</b>	<b>-</b>	<b>1.16</b>	<b>225.54</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings (PCFC)	-	-	-	-	-	-
Other Current liability	17.23	-	-	2.41	-	-
Trade payables / other	55.40	-	27.77	54.76	-	16.23
<b>Financial liabilities</b>	<b>72.63</b>	<b>-</b>	<b>27.77</b>	<b>57.17</b>	<b>-</b>	<b>16.23</b>
<b>Short term exposure</b>	<b>192.71</b>	<b>-</b>	<b>(26.61)</b>	<b>168.37</b>	<b>-</b>	<b>(16.23)</b>

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	31 March, 2022			31 March, 2021		
	USD	GBP	EUR	USD	GBP	EUR
Strengthening	19.27	-	(2.66)	16.84	-	(1.62)
Weakening	(19.27)	-	2.66	(16.84)	-	1.62

### (b) Interest rate risk

The Group's interest rate risk mainly arises from short term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 31 March, 2022 and 31 March, 2021, the Group borrowings at variable rate were mainly denominated in USD and GBP.

### Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The borrowings profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

Particulars	Currency	31 March, 2022	31 March, 2021
short term borrowings	USD	362.92	167.72
	GBP	-	19.68
<b>Total</b>		<b>362.92</b>	<b>187.40</b>

In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	Currency	31 March, 2022	31 March, 2021
Strengthening	USD	3.63	1.68
Weakening	USD	(3.63)	(1.68)
Strengthening	GBP	-	0.20
Weakening	GBP	-	(0.20)

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 40: Earning per share

Earning per share is calculated by dividing the profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	31 March, 2022	31 March, 2021
<b>Earning Per Share (EPS)</b>		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	1,845.69	2,359.39
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	409.31	409.31
b) For Diluted Earning Per Share of Re. 1/- each		
No. of Share for Basic EPS as per 2(a)	409.31	409.31
Add: weighted average outstanding	-	-
No. of share for diluted Earnings Per Share of Re. 1/- each	409.31	409.31
3) Earning Per Share (Weighted Average)		
Basic	4.51	5.76
Diluted	4.51	5.76

Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting held on 9th July, 2021, the Board of Directors of the Company at its meeting held on 23rd July, 2021, has issued and allotted 1,000,000 convertible warrant to Mr. Mark Saldanha and 49,324,324 convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74.00 per warrants on preferential basis. In terms of the issue of the warrants, the Company has received 25% of the price i.e. ₹ 931 million and the balance 75% will be received within 18 months from the date of allotment of warrants on conversion into equity shares. The Company will raise ₹ 3,724.00 million from the above preferential issue.

## Note No. 41: Related Party Disclosures

### (a) Related parties where control exists

- 1) Marksans Pharma (UK) Limited
- 2) Marksans Holdings Limited ( Step-down subsidiary)
- 3) Bell, Sons and Co. (Druggists) Limited ( Step-down subsidiary)
- 4) Relonchem Limited ( Step-down subsidiary)
- 5) Marksans Pharma Inc.
- 6) Time-Cap Laboratories Inc. ( Step-down subsidiary)
- 7) Custom Coatings Inc. ( Step-down subsidiary)
- 8) Marksans Realty LLC ( Step-down subsidiary)
- 9) Nova Pharmaceuticals Australasia Pty Ltd

### (b) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha	:	Managing Director
Mrs. Sandra Saldanha	:	Whole-time Director
Mr. Varddhman Vikramaditya Jain	:	Whole-time Director
Mr. Jitendra Sharma	:	Chief Financial Officer
Mr. Harshavardhan Panigrahi	:	Company Secretary
Mr. Abhinna Sundar Mohanty	:	Independent Director
Mr. Digant Mahesh Parikh	:	Independent Director
Mr. Seetharama Raju Buddharaju	:	Independent Director
Dr. Meena Rani Surana	:	Independent Director
Dr. Sunny Sharma (w.e.f. 11 August, 2021)	:	Non-executive Director

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 41: Related Party Disclosures (Contd.)

(c) List of related parties with whom transactions have taken place during the year are as follows:

Particulars	31 March, 2022	31 March, 2021
<b>Rent paid</b>	<b>10.65</b>	<b>10.65</b>
Mr. Mark Saldanha	10.65	10.65
<b>Managerial remuneration</b>	<b>93.08</b>	<b>46.53</b>
Mr. Mark Saldanha	48.98	10.43
Mrs. Sandra Saldanha	7.03	7.03
Mr. Varddhan Vikramaditya Jain	18.95	14.68
Mr. Jitendra Sharma	15.3	11.8
Mr. Harshavardhan Panigrahi	2.53	2.37
Mr. Abhinna Sundar Mohanty	0.03	0.03
Mr. Seetharama Raju Bhuddharaju	0.03	0.02
Mr. Digant Mahesh Parikh	0.2	0.16
Dr. Meena Rani Surana	0.03	0.01

## Note No. 42:

(a) Information of subsidiary pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (accounts) rules, 2014 and Companies (accounts) amendment rules, 2016. (Form AOC - 1)

Particulars	Currency	Marksans Pharma (UK) Limited	Currency	Nova Pharmaceuticals Australasia Pty Ltd	Currency	Marksans Pharma Inc
Capital	GBP	8.60	AUD	*	USD	26.38
	RS.	669.24	RS.	**	RS.	1,675.60
Reserve	GBP	33.56	AUD	9.50	USD	2.28
	RS.	3,473.49	RS.	517.51	RS.	479.37
Total Assets	GBP	53.74	AUD	17.32	USD	69.53
	RS.	5,280.41	RS.	943.81	RS.	5,228.75
Total Liabilities	GBP	11.58	AUD	7.82	USD	40.88
	RS.	1,137.68	RS.	426.30	RS.	3,073.78
Investment	GBP	-	AUD	-	USD	-
	RS.	-	RS.	-	RS.	-
Turnover	GBP	59.70	AUD	30.52	USD	84.39
	RS.	6,075.84	RS.	1,681.22	RS.	6,288.02
Profit/(Loss) Before Taxation	GBP	11.40	AUD	1.29	USD	1.28
	RS.	1,160.20	RS.	71.05	RS.	94.92
Provision for Taxation	GBP	2.32	AUD	0.27	USD	1.25
	RS.	235.20	RS.	14.92	RS.	93.50
Profit/(Loss) After Taxation	GBP	9.08	AUD	1.02	USD	0.03
	RS.	925.00	RS.	56.13	RS.	1.42
Dividend	GBP	1.20	AUD	-	USD	-
	RS.	117.90	RS.	-	RS.	-
Exchange Rate		98.25		54.50		75.20
Reporting Period		01.04.2021 to 31.03.2022		01.04.2021 to 31.03.2022		01.04.2021 to 31.03.2022
% Of Share Holding		100%		60%		100%

\* AUD 150

\*\* ₹ 4,781

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 42: (Contd.)

### (b) - Disclosure of additional information pertaining to the parent company, subsidiaries and associates as per schedule III of Companies act, 2013 :

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As% of consolidated net assets	Amount	As% of consolidated profit or loss	Amount	As% of Other consolidated Comprehensive Income	Amount	As% of consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Marksans Pharma Limited	65.27	7,846.73	55.66	1,039.88	0.09	0.46	43.88	1,040.34
<b>Subsidiaries</b>								
Marksans Pharma U.K. Limited	34.46	4,142.73	49.51	924.99	35.09	176.46	46.46	1,101.45
Nova Pharmaceuticals Australasia Pty Ltd	4.30	517.52	3.00	56.13	(2.00)	(10.04)	1.94	46.09
Marksans Pharma Inc.	17.92	2,154.98	0.08	1.41	37.04	186.23	7.91	187.64
<b>Sub -Total</b>	<b>121.95</b>	<b>14,661.96</b>	<b>108.26</b>	<b>2,022.41</b>	<b>70.22</b>	<b>353.11</b>	<b>100.19</b>	<b>2,375.52</b>
Intercompany elimination and Consolidation adjustment	(21.95)	(2,639.26)	(8.26)	(154.27)	29.78	149.72	(0.19)	(4.55)
<b>Grand Total</b>	<b>100.00</b>	<b>12,022.70</b>	<b>100.00</b>	<b>1,868.14</b>	<b>100.00</b>	<b>502.83</b>	<b>100.00</b>	<b>2,370.97</b>
Minority Interests in Subsidiaries		207.01		22.45		-		22.45

### (c) - Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and are based on their standalone financial statements.

Particulars	31 March, 2022	31 March, 2021
Current Assets	861.99	726.46
Non Current Assets	81.82	55.79
Current Liabilities	426.30	310.83
Non Current Liabilities	-	-
Equity Interest Attributable to the owners	310.51	282.85
Non Controlling Interest	207.01	188.57
Revenue	1,693.66	1,363.12
Expenses	1,622.61	1,277.10
Profit/(Loss) for the year	56.13	64.97
Profit/(Loss) attributable to the owners of the company	33.68	38.98
Profit/(Loss) attributable to the Non-Controlling Interest	22.45	25.99
Opening Cash & Cash Equivalents	95.88	151.26
Closing Cash & Cash Equivalents	137.94	95.88
Net Cash inflow/(outflow)	42.06	(55.38)

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note no 43. Segment Information:

### A. Operating Segments

The Group operates under a single operating segment which consists of manufacturing pharmaceutical formulations. The pharmaceutical product is considered as the single operating business segment in which the Group is exclusively engaged. Accordingly, disclosures relating to products information under the Indian Accounting Standard on Operating segments (Ind AS-108) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 of are not relevant to the Group.

Particulars	31 March, 2022	31 March, 2021
<b>Segment revenue</b>	14,908.39	13,761.82
Overseas	749.53	827.66
Domestic	14,158.86	12,934.16

## Note No. 44. Provisions, contingent liabilities & contingent assets

### Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March, 2022	31 March, 2021
<b>Contingent liabilities</b>	170.15	197.80
Guarantees and letter of credit	170.15	197.80
A.Y 2006-07	Uncertain	Uncertain
Appellate Authority - High Court (Demand for regular assessment)		
A.Y 2006-07	Uncertain	Uncertain
Appellate Authority - High Court (Penalty)		

## Note No. 45: Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Company as Research and Development expenditure during the financial year:-

Particulars	31 March, 2022	31 March, 2021
<b>R &amp; D Expenditure</b>	301.52	189.46
Capital Expenditure	3.63	61.97
Revenue Expenditure	297.89	127.49

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 46: Corporate social responsibility (CSR)

The information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2022 is as follows:

- Gross amount required to be spent by the Company during the year as per provisions of section 135 of the Companies Act, 2013 - ₹ 15.42 million (Previous Year ₹ 8.36 million).
- Amount spent during the year on CSR by way of projects undertaken (excess amount spent is carried forward):

Particulars	Amount brought forward from previous year	Amount paid in cash during the year 2021-22	Amount carried forward to next year
<b>CSR Expense</b>	0.07	15.36	0.01
Covid-19 related expenses	-	7.99	-
Distribution of free food items	-	3.48	-
Medical treatment to under privileged	-	2.42	-
Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	-	0.61	-
Tree plantation	-	0.6	-
Provided oxygen concentrators to hospital	-	0.13	-
Distribution of sanitary pad to poor women	-	0.13	-

## Note No. 47: Subsequent events:

There are no subsequent events that occurred after the reporting date.

## Note No. 48: Ratio analysis

Particulars	31 March, 2022	31 March, 2021	Variance in %
<b>A) Current ratio</b>			
Current Assets	12,012.00	9,028.19	
Current Liabilities	3,562.18	2,989.67	
	<b>3.37</b>	<b>3.02</b>	11.67
<b>B) Debt Equity Ratio</b>			
Debt (includes Lease liability & 7% Redeemable Cumulative Preference Shares of ₹ 100/- each)	1,107.78	391.03	
Total Shareholders' Equity	12,229.71	9,053.52	
	<b>0.09</b>	<b>0.04</b>	109.72
<b>C) Debt Service Coverage ratio</b>			
EBITDA less Other income	2,588.80	3,396.07	
Total Debts	1,107.78	391.03	
	<b>2.34</b>	<b>8.68</b>	-73.09
<b>D) Return on equity ratio</b>			
Profit After Tax	1,868.14	2,385.38	
Total Shareholders' Equity	12,229.71	9,053.52	
	<b>15.28%</b>	<b>26.35%</b>	-42.02
<b>E) Inventory turnover ratio</b>			
COGS	7,168.17	5,950.56	

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2022

(All amounts in million of Indian Rupees, unless otherwise stated)

## Note No. 48: Ratio analysis (Contd.)

Particulars	31 March, 2022	31 March, 2021	Variance in%
Average inventory	4,143.81	3,230.82	
	<b>1.73</b>	<b>1.84</b>	-6.08
<b>F) Trade receivable turnover ratio</b>			
Revenue from Operation	14,908.39	13,761.82	
Average Trade receivable	3,333.64	2,576.51	
	<b>4.47</b>	<b>5.34</b>	-16.27
<b>G) Trade payable turnover ratio</b>			
Purchase	7,369.39	7,575.32	
Average Trade payable	1,843.72	1,394.97	
	<b>4.00</b>	<b>5.43</b>	-26.40
<b>H) Net Capital turnover ratio</b>			
Revenue from Operation	14,908.39	13,761.82	
Total Shareholders' Equity	12,229.71	9,053.52	
	<b>1.22</b>	<b>1.52</b>	-19.80
<b>I) Net profit ratio</b>			
Net Profit after tax	1,868.14	2,385.38	
Total revenue	15,326.92	13,828.76	
	<b>12.19%</b>	<b>17.25%</b>	-29.34
<b>J) Return on capital employed</b>			
EBIT less Other income	2,141.04	3,034.56	
Total Assets - Current Liability	12,838.82	9,298.52	
	<b>16.68%</b>	<b>32.63%</b>	-48.90

## Note No. 49: Reclassification of previous year's figures:

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

The accompanying notes form an integral part of these financial statements

As per our report of even date.

### FOR AND ON BEHALF OF

#### **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 101474W/W100100

#### **Ketan Kataliya**

Partner

Membership No.: 165186

Place : Mumbai

Date : 30 May, 2022

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

#### **MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

#### **HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

#### **SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

#### **JITENDRA SHARMA**

Chief Financial Officer





**Marksans Pharma Limited**

CIN: L24110MH1992PLC066364

**Regd Office:** 11th Floor, Grandeur, Veera Desai Extension Road,  
Oshiwara, Andheri (West), Mumbai – 400053

**Phone.No.** 022-40012000 Fax No. 022-40012011

E-mail: [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com) Website: [www.marksanspharma.com](http://www.marksanspharma.com)

# NOTICE

To  
The Members of  
**Marksans Pharma Limited**

NOTICE is hereby given that the Thirtieth (30th) Annual General Meeting of the Members of Marksans Pharma Limited will be held on **Monday, 29th August, 2022 at 09:00 a.m.** through video conferencing / other audio visual means (VC), to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 including Audited Consolidated Financial Statements for the financial year ended 31st March, 2022, the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares and preference shares for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Mrs. Sandra Saldanha (DIN: 00021023) who retires by rotation and being eligible offers herself for re-appointment.

## SPECIAL BUSINESS

4. To approve appointment of Statutory Auditor to fill casual vacancy and in this regard to consider and if thought fit, to pass the following Resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 139(8), 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), or re-enactments thereof for the time being in force) and on the recommendation of the Audit Committee and Board of Directors of the Company, consent of the members be and is hereby accorded to the appointment of M/s. M S K A & Associates, Chartered Accountants, (Firms Registration No. 105047W), as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Bhuta

Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100) for the period from 31st May, 2022, until the conclusion of 30th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as determined and recommended by the Audit Committee and approved by the Board of Directors of the Company.”

5. To appoint M/s M S K A & Associates, Chartered Accountants as the Statutory Auditor and in this regard to consider and if thought fit, to pass the following Resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Sections 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), or re-enactments thereof for the time being in force) and on the recommendation of the Audit Committee and Board of Directors of the Company, M/s. M S K A & Associates, Chartered Accountants, (Firms Registration No. 105047W), be and are hereby appointed as Statutory Auditor of the Company to hold office for a period of five consecutive years from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee and approved by the Board of Directors of the Company.”

6. To revise remuneration of Mr. Mark Saldanha (DIN: 00020983), Managing Director and in this regard to consider and if thought fit, to pass the following resolution as **Special Resolution:**

**“RESOLVED THAT** in furtherance to and partial modification of Resolution No. 7 passed in the 29th Annual General Meeting of the Company held on 23rd September, 2021 ('29th AGM') and pursuant to the provisions of Sections 197, 198, Schedule V and all other applicable provisions of

the Companies Act, 2013 ('the Act'), if any, read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on recommendation of Nomination and Remuneration Committee and the Board of Directors ('the Board'), the Board be and is hereby authorized to increase or revise remuneration of Mr. Mark Saldanha (DIN: 00020983), Managing Director of the Company for the remainder of his tenure i.e. till 5th October, 2025, which shall not exceed the limit of 7% of net profits of the company in any financial year as computed in accordance with provisions of Section 198 of the Act without seeking any further approval of the Members."

**"RESOLVED FURTHER THAT** in case of inadequacy or absence of profit in any financial year during the remaining tenure of Mr. Mark Saldanha, the Board be and is hereby authorized to pay remuneration as specified by the 29th AGM and as may be increased or revised by the Board from time to time as above as minimum remuneration, notwithstanding that it may exceed the limit provided in Section II of Part II of Schedule V of the Act."

**"RESOLVED FURTHER THAT** the total managerial remuneration payable to the Whole-time Director(s) and Managing Director of the Company taken together in any financial year may exceed the limit of 10% of net profits, but overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profits of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof."

**"RESOLVED FURTHER THAT** save and except as aforesaid, all other terms and conditions specified in the 29th AGM shall remain unaltered."

**"RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby authorized to do all such acts, deeds, and things as may be required and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

7. To approve Marksans Employee Stock Option Scheme 2022 and in this regard to consider and if thought fit, to pass the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter referred to as "the applicable laws"), the Memorandum and Articles of Association of the Company and subject to such other

approvals, permissions and sanctions, as may be necessary from any other authorities, if any and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include Nomination and Remuneration Committee or any Compensation Committee which may constitute by the Board to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Company be and is hereby accorded to the **"MARKSANS EMPLOYEES STOCK OPTION SCHEMES 2022"** (hereinafter referred to as "MARKSANS ESOS 2022 / the Scheme") and the Board to offer, grant and issue, in one or more tranches, from time to time not exceeding 81,86,273 Employee Stock Options ("Options") to the eligible employees (as defined in the Scheme) exercisable into equivalent number of paid-up equity shares of face value of Re. 1/- each of the Company, at such price or prices and on such terms and conditions, as may be determined by the Board in accordance with the Scheme and in due compliance with the applicable laws and regulations issued by the relevant authority, as may be prevailing at that time."

**"RESOLVED FURTHER THAT** the Board for this purpose be and is hereby further authorised to create, issue and allot equity shares upon exercise of Options from time to time in accordance with the Scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company including dividend entitlement."

**"RESOLVED FURTHER THAT** the number of Options that may be granted to any eligible employees in any financial year and in aggregate under the scheme shall not exceed 40,93,136 options."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issue, buy-back of shares, split or consolidation of shares, amalgamation, sale of undertaking, etc. resulting into change in the capital structure of the Company, the Board be and is hereby authorised to make such adjustments as it may deem fit to the quantum of shares to be issued pursuant to the exercise of the options, the exercise price, and other rights and obligations under the options."

**"RESOLVED FURTHER THAT** to determine all other terms and conditions for the purpose of giving effect to any grant of Options and consequent issue and allotment of equity shares under the said MARKSANS ESOS 2022, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, and things as it may, in its absolute discretion, deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard including to amend or modify any of the terms and conditions of the grant of Options

and consequent issue and allotment of equity shares without being required to seek any further consent or approval of the members of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to:-

- (a) Administer, implement and superintend MARKSANS ESOS 2022;
- (b) Determine the terms and conditions of grant, issue, re-issue, cancel and withdrawal of options from time to time;
- (c) Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive MARKSANS ESOS 2022 in line with salient features mentioned in the Explanatory Statement annexed herewith and/or any sub-scheme or plan for the purpose of grant of options under MARKSANS ESOS 2022 and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under MARKSANS ESOS 2022 on National Stock Exchange of India Limited and BSE Limited where the Company’s equity shares are listed, as per the terms and conditions of the Listing Regulations and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.”

For and on behalf of the Board of  
Directors of **Marksans Pharma Limited**

Mumbai  
Dated :29 July, 2022

**Harshavardhan Panigrahi**  
Company Secretary

**Registered Office:**  
11th Floor, Grandeur,  
Veera Desai Extension Road,  
Oshiwara, Andheri (West),  
Mumbai – 400 053.

**NOTES:**

- a) The 30th Annual General Meeting (AGM) is being held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") in accordance with the General Circular Nos. 14/2020, 17/2020, 20/2020, dated 8th April 2020, 13th April 2020 and 5th May, 2020 respectively, followed by Circular No. 2/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs and 'SEBI' Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (hereinafter referred collectively as "e-AGM circulars"). The Members shall attend the AGM through VC by following instructions annexed to this Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai, India. The Members are requested to attend the AGM from their respective locations through VC and do not visit the registered office to attend the AGM.
- b) Since the AGM is being held pursuant to the e-AGM circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. Members who are body corporate may appoint such person as they think fit to act as their representative on their behalf to attend the AGM through VC/OAVM and cast their votes through e-voting.
- c) Electronic copy of the Annual Report for 2021-22 including the Notice which includes procedure for e-voting and manner of attending the Annual General Meeting through VC/OAVM, is being sent to all the Members whose e-mail addresses are registered with the Company / Depositories and hence, printed copy of the Annual Report (including the Notice) is not being sent to the Members in view of the e-AGM circulars. The Members may also note that the Notice of the AGM and the Annual Report for 2021-22 are available on the website of the Company at <http://marksanspharma.com/annual-reports.html>, which can be downloaded.
- d) As a part of green initiative, the Members holding physical shares who have not registered their e-mail address are requested to register them with the Company to receive e-communication from the Company. For registering e-mail address, the Members are requested to provide name, folio no, Mobile No., E-mail address, scanned copies of self attested share certificate(s) (both sides) through e-mail on [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com) or alternatively, members can register their e-mail address with the Company's RTA through website link at <https://www.bigshareonline.com//InvestorRegistration.aspx>.
- e) The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested and all other documents referred to in the accompanying Notice will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents physically can inspect at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. to 1.00 p.m. upto the date of the Meeting. For inspection, physically or electronically, the Members are requested to send a request through e-mail on [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com) with folio no. or DP/Client Id at least three working days in advance.
- f) The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com) at least seven working days before the date of the AGM so as to enable the Management to keep the information ready and provide it at the AGM.
- g) Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 23rd August, 2022 to Monday, 29th August, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if declared at the Annual General Meeting.
- h) Dividend, if declared at the Annual General Meeting, will be credited /dispatched on or after 9th September, 2022 to those members
- i. In respect of the shares held in dematerialised form, whose names shall appear as Beneficial Owners as at the end of the business hours on Monday, 22nd August, 2022 (Record date) in the list of Beneficial Owners to be furnished by the Depositories and
  - ii. In respect of the shares held in physical form, whose names shall appear in the Company's Register of Members as on Monday, 22nd August, 2022.
- i) Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), dividend declared by the Company for the financial year 2013-14 which remained unclaimed till its due date along with corresponding shares in respect of which dividend remained unclaimed for seven consecutive years till its due date were transferred to the Investor Education and Protection Fund (IEPF) in November 2021 in compliance with the provisions of the Rules.

However, such shareholder whose dividend/shares have been transferred to IEPF, can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF by making an application in Form IEPF-5 online and send the physical copy of the same duly signed along with requisite documents enumerated in the said Form IEPF-5 to the Company at its Registered Office or to M/s Bigshare Services Private Limited, RTA of the Company for verification of claim. The Company will then send a verification report to IEPF Authority for refund of the unclaimed dividend amount and transfer of the shares back to the credit of the shareholder.

- j) Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), dividend declared by the Company for the financial year 2014-15, which will remain

unclaimed for a period of seven years till 3rd November, 2022 shall be transferred to the IEPF and the corresponding shares on which dividend will remain unclaimed for seven consecutive years shall also be transferred to IEPF as per the procedure set out in the Rules. In this regard, the Company has sent individual notice to each concerned members requesting them to claim their unpaid dividend and avoid the transfer of shares to IEPF on or before 2nd November, 2022 and the Company has also uploaded full details of such members on the website of the Company at <http://marksanspharma.com/shares-liable-for-transfer-to-iepf.html>.

- k) Members who have not encashed their dividend warrant(s) for the FY 2014-15 and thereafter are requested to make their claims to the Company's RTA, M/s Bigshare Services Private Limited, without any delay.

Due date for transfer of unclaimed dividend to IEPF are as under:

Year of Dividend	Dividend rate per share (Rs.)	Date of Declaration	Due date of transfer to IEPF
2014-15	0.12	29th September, 2015	3rd November, 2022
2015-16	0.12	29th September, 2016	3rd November, 2023
2016-17	0.05	26th September, 2017	31st October, 2024
2017-18	0.05	27th September, 2018	2nd November, 2025
2018-19	0.05	26th September, 2019	1st November, 2026
2019-20	0.10	29th September, 2020	1st November, 2027
2020-21	0.25	23rd September, 2021	28th October, 2028

*Note: Shares on which dividend declared for the FY 2014-15 and remaining unclaimed for 7 (Seven) consecutive years, will also be transferred to IEPF.*

- l) Members holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA, M/s Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form are requested to intimate their bank particulars and/or change in bank particulars to the Company's RTA.

- m) SEBI vide Circular dated November 3, 2021 and December 14, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile no., bank account details, signature specimen) and nomination details by Members holding physical shares through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available at <http://marksanspharma.com/forms.html> and also prescribed that wherein even anyone of the aforesaid details are not available on or after April 01, 2023, then it shall be frozen by the RTA. In terms of the aforesaid SEBI Circular, effective from 1st January 2022, any service

requests or complaints received from the member, will not be processed by Company's RTA till the aforesaid details/documents are provided to RTA. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registration of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in dematerialised form and to the Company's RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) in case the shares are held in physical form, in the prescribed form, pursuant to the SEBI Circular dated November 3, 2021.

- n) In accordance with Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, all requests for transfer of securities shall be processed only if the securities are held in dematerialised form. Therefore, Members holding shares of the Company in physical form are requested to kindly get their shares dematerialised in case they wish to transfer their shares since physical transfer/issuance of equity shares have been disallowed by SEBI. Members can contact Company's RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) for assistance in this

regard. Members may also note that SEBI vide its Circular dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which can be downloaded from the Company's website at <http://marksanspharma.com/forms.html>.

- o) As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company's website at <http://marksanspharma.com/forms.html>. Members are requested to submit the said form to their Depository Participant in case the shares are held in dematerialised form and to the Company's RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) in case the shares are held in physical form, quoting your folio no.
- p) Brief resume of Director seeking to be re-appointed, as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
- q) In terms of Section 108 of the Companies Act, 2013 read with Rule 20(2) of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility to its Members, being eligible to vote, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.
- r) In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered Monday, 22nd August, 2022 to determine the eligibility of members to vote by electronic means (Cut-off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on Cut-Off date would be entitled to vote through electronic means.
- s) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities for enabling the members to cast their vote in a secured manner and to attend the meeting through video conferencing or other audio visual means. The members may cast their votes on electronic voting system and attend the meeting from their respective locations. The remote e-voting facility will be available during the following Period:
- Commencement of remote e-voting: On Friday, 26th August, 2022 at 09:00 a.m.
- Conclusion of remote e-voting: On Sunday, 28th August, 2022 at 05:00 p.m.
- The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period. However, remote e-voting facility will be available during the period of the AGM on Monday, 29th August, 2022.
- t) Instructions and other information relating to e-voting and attending AGM through VC is annexed to this notice for information of the Shareholders. Any person, who acquires shares of the Company and become members of the Company after dispatch of the Notice and holding shares as on the cut-off-date i.e. 22nd August, 2022 shall follow the same instructions relating to e-voting and attending AGM through VC as given in the accompanying Notice.
- u) A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

### Items No. 4 and 5

The members of the Company at its 26th Annual General Meeting held on 27th September, 2018 had appointed M/s. Bhuta Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100) as the Statutory Auditor of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company.

However, M/s. Bhuta Shah & Co. LLP due to their preoccupation of other assignments and voluminous audit related works involved, vide their resignation letter dated 30th May, 2022 have resigned as the Statutory Auditor of the Company effective from 31st May, 2022 which resulted into casual vacancy in the office of Statutory Auditor as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 30th May, 2022, on the recommendation of the Audit Committee, had considered and appointed M/s. M S K A & Associates, Chartered Accountants, (Firms Registration No. 105047W) as Statutory Auditor of the Company in the casual vacancy caused by the resignation of M/s. Bhuta Shah & Co. LLP to hold office until the conclusion of the 30th Annual General Meeting of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as determined and recommended by the Audit Committee and approved by the Board of Directors of the Company. However, this appointment is subject to approval of the Members in the ensuing Annual General Meeting.

Accordingly, consent of the Members is sought for passing the Resolutions as set out in Item No. 4 of the Notice for appointment of M/s M S K A & Associates in the casual vacancy of statutory auditor caused by resignation of M/s Bhuta Shah & Co. LLP and payment of remuneration.

The Board of Directors at its meeting held on 30th May, 2022, on the recommendation of the Audit Committee, has also considered and recommended M/s. M S K A & Associates, Chartered Accountants, (Firms Registration No. 105047W), who were appointed to fill casual vacancy, to the members for appointment as the Statutory Auditor of the Company from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee and approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. M S K A & Associates, Chartered Accountants to act as Statutory Auditor of the Company, in place of M/s. Bhuta Shah & Co. LLP, Chartered Accountants along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Audit Committee has proposed Rs. 31,00,000.00 per annum to be paid as remuneration to M/s M S K A & Associates. (Rs.21,10,000.00 per annum was paid to M/s Bhuta Shah & Co. LLP). M/s M S K A & Associates are Indian audit wing of an international group and are considered to be one of the top six audit firms in India. Established in 1978, M/s. M S K A & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board). M/s. M S K A & Associates offers a wide range of services in Audit Assurance, Tax and Advisory domain led by industry experts with deep knowledge pockets and driven by a commitment, to deliver – quality services to all clients. M/s. M S K A & Associates has over 1200+ professionals working across various cities in India, namely, Ahmedabad, Bengaluru, Chennai, Goa, Gurugram, Hyderabad, Kolkata, Mumbai, Kochi and Pune.

The fee proposed to be paid to M/s M S K A & Associates is commensurate with the kind of service they offer and stature they enjoy in the audit field.

Accordingly, consent of the Members is sought for passing the Resolutions as set out in Item No. 5 of the Notice for appointment of M/s M S K A & Associates as statutory auditor for a period of five consecutive years from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company and payment of remuneration to them.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Resolutions.

The Board recommends the resolutions set out at Item No. 4 & 5 of the accompanying Notice for approval of the members of the Company.

### Item No. 6

The members of the Company at the 28th Annual General Meeting held on 29th September, 2020, have authorized the Board of Directors to increase or revise the remuneration of Mr. Mark Saldanha (DIN: 00020983), Managing Director of the Company within the limit laid down in Section 197 read with Schedule V of the Companies Act, 2013. Under the said authority, the Board of Directors can increase or revise the remuneration of Mr. Mark Saldanha within the limit of 5% of net profits prescribed under Section 197 of the Companies Act, 2013.

As a measure of abundant precaution and in order to give remuneration to Mr. Mark Saldanha commensurate with the functions and responsibilities that is being discharged by him and

which is necessary to encourage good professional to important position such that occupied by Mr. Mark Saldanha, the Board of Directors seeks authorization to increase or revise remuneration of Mr. Mark Saldanha which may exceed the limit of 5% of net profits prescribed under Section 197 of the Companies Act, 2013.

Accordingly, the resolution in the item no. 6 of the notice for approving authorization to the Board to increase or revise the remuneration of Mr. Mark Saldanha which may exceed limit of 5% of net profits prescribed under Section 197 of the Companies Act, 2013 is being proposed.

Mr. Mark Saldanha is holding 19,74,91,553 equity shares and 10,00,000 convertible warrants in the Company and accordingly, he may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid share and warrant holding. Mrs. Sandra Saldanha who is his relative and the Whole-time Director of the Company, may also be deemed to be concerned or interested in the proposed resolution.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the members.

### Item No. 7

In the present competitive environment and in the long term interest of the Company and its shareholders, it is necessary that the Company adopt suitable measures for attracting and retaining qualified, talented and competent employees. Stock option is an effective instrument to foster a sense of ownership and belonging amongst the employees and provide an opportunity to participate in the growth of the Company besides creating long term wealth in their hands.

The Members had at the 29th Annual General Meeting held on 23rd September, 2021, approved Marksans Employees Stock Option Scheme 2021. However, the said Scheme has not been implemented yet and therefore, as a measure of abundant precaution, the Board is seeking fresh approval of the Scheme under the title "Marksans Employees Stock Option Scheme 2022".

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2022 ("Marksans ESOS 2022"). Grant of stock options under Marksans ESOS 2022 shall be as per the terms and conditions as may be decided by the Board from time to time in accordance with the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The salient features of Marksans ESOS 2022 are as under:-

#### 1. Brief description of the Scheme:

This Scheme shall be termed MARKSANS EMPLOYEES STOCK OPTION SCHEME 2022 ("Scheme") and shall be formulated to grant of options to the eligible employees to motivate and retain key talent in the Company with a view to achieve long term business goals. The Scheme shall be effective from the date of approval by the members in the 30th AGM and shall continue to be in force until (i) its termination by the Board or the Nomination & Remuneration Committee of Board as authorized or (ii) the date on which all of the Options available for issuance under the scheme have been issued and exercised, whichever is earlier. The Board of Directors or the Nomination & Remuneration Committee of the Board as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the scheme.

#### 2. Total number of Options to be granted

- (i) A total of 81,86,273 Options would be available for grant to eligible employees under the scheme, in one or more tranches, which in aggregate shall be exercisable into not more than 81,86,273 equity shares of the Company.
- (ii) Each option when exercised would give the option holder a right to get one fully paid equity share of Re. 1 each face value of the Company.
- (iii) The options which will lapse, expire or be forfeited due to any reason including the reason of lapse of exercise period or due to resignation of the eligible employees or otherwise, will be available for further grant to the eligible employees. The Board is authorized to re-grant such lapsed / expired options as per the scheme.
- (iv) Number and price of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split, consolidation of shares, amalgamation, sale of undertaking, etc. of the Company in such manner that the total value of the options in the hands of the option holders remains the same after such corporate action(s).

#### 3. Identification of Classes of Employees entitled to participate in Marksans ESOS 2022

All employees as designated by the company, who is exclusively working in India or outside India; or a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director, shall be eligible to participate in the scheme. An employee



who is a Promoter or belonging to promoter group; or a director, who either himself or through his relative or through body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme.

#### **4. Requirements of Vesting, minimum and maximum period of Vesting**

The options granted shall vest so long as the employee continues to be in the employment of the Company. The vesting period shall be decided by the Compensation Committee from time to time but shall not be less than one (1) year and not more than five (5) years from the date of grant of options. Vesting may happen in one or more tranches.

#### **5. Exercise Price or Pricing formula**

The exercise price and/or the pricing formula shall be decided by the Compensation Committee from time to time subject to the exercise price not less than the Face Value. Employees shall bear all tax liability in relation to grant of options.

#### **6. Exercise Period and process of exercise**

The Compensation Committee shall decide the exercise period from time to time which can be extended upto five (5) years from the vesting date(s). The option holders can exercise options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee from time to time.

#### **7. Appraisal process for determining the eligibility of the employees**

The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee at its sole discretion from time to time. In case of performance linked stock options, the number of vested stock options may vary from the original number of stock options granted.

#### **8. Maximum number of options to be granted per employee**

Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis. However, it is proposed that options not exceeding 81,86,273 equity shares of Re. 1/- each face value in the aggregate can be granted at any point of time. Further, maximum number of options can be granted per employee shall not exceed 40,93,136 options in any year.

#### **9. The conditions under which option vested in employees may lapse:**

The vested and unvested options shall lapse and cannot be exercised in case of termination of employment due to the cause (including but not limited to negligence, non-achievement of targets indicated to such employee by the Company including but not limited to revenue or profit targets, or otherwise under the terms of the appointment letter/ employment agreement, fraud, professional misconduct, moral turpitude etc) or due to such conditions which may be construed to be a cause for such actions by the Committee. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse. In case of resignation/ termination (other than due to cause), all the unvested options would lapse and the vested options can be exercised by the employee stock option grantee within the period stipulated in the grant letter. In case of death or permanent incapacity, all the Options Granted to him till such date and lying unvested shall Vest to the option grantee or the Beneficiary of the deceased option grantee, as applicable, and shall be exercised within the period stipulated in the grant letter.

#### **10. Maximum quantum of benefits to be provided per employee under the Scheme:**

The Scheme does not contemplate any benefit other than allowing eligible employee to receive equity shares of the Company upon exercise of options. In this context, the maximum benefit shall be the difference between the exercise price of the options and the market price of the equity shares of the Company as on the date of exercise of options.

#### **11. Whether the Scheme is to be implemented and administered directly by the Company or through a trust:**

This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations.

#### **12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both**

This scheme shall involve new issue of shares by the Company.

#### **13. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;**

Not Applicable since the scheme will be administered by the Committee.

**14. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme(s);**

Not Applicable as secondary acquisition is not permitted.

**15. Transferability options**

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death or permanent disability of an employee stock option holder while in employment, the right to exercise options granted to him till such date shall be transferred to his legal heirs or nominees.

**16. Accounting Policies**

The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect of shares issued under Marksans ESOS 2022.

**17. Method of Valuation**

The Company shall use one of the applicable methods (intrinsic value or fair value) to value its options. In case the Company calculates the employee compensation cost using intrinsic value of options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of options, shall be disclosed in the Directors Report and also the impact of this difference on Statement of Profit and Loss and on Earnings Per Share (EPS) of the Company shall be disclosed in the Directors Report.

**18. Mandatory lock-in period under the Scheme:**

The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall not be subject to any lock-in period

In terms of the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 Marksans ESOS 2022 is required to be approved by the Members by way of a Special Resolution.

A copy of the draft Marksans ESOS 2022 will be available for inspection on all working days (Monday to Friday) between 11.00 a.m. to 1.00 p.m. at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions set out in item no. 7 of the accompanying Notice, except to the extent of the stock options that may be granted to them under Marksans ESOS 2022.

Section 62 of the Companies Act, 2013 inter – alia provides that wherever it is proposed to increase the subscribed capital of the Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders in the general meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to grant options and allot shares to employees in the manner set out in the resolution. Accordingly, the Board recommends the resolutions set out at Item No. 7 of the Notice for approval of the Members as a Special Resolution.

For and on behalf of the Board of  
**Directors of Marksans Pharma Limited**

Mumbai  
Dated : 29 July, 2022

**Harshavardhan Panigrahi**  
Company Secretary

## Instruction to the Shareholders for remote e-voting and e-voting during AGM

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and Circular Nos. 14/2020, 17/2020, 20/2020 dated 8th April 2020, 13th April 2020, 5th May, 2020 respectively, followed by Circular No. 2/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs and 'SEBI' Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13th May, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. In line with the Ministry of Corporate Affairs (MCA) General Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.marksanspharma.com](http://www.marksanspharma.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
5. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 followed by General Circular No. 02/2022 dated May 05, 2022.

## THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The e-voting period begins on **Friday, 26th August, 2022 at 09:00 a.m.** and ends on **Sunday, 28th August, 2022 at 05:00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Monday, 22nd August, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility

provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on option available against company name or e-Voting service provider - CDSL and you will be re-directed to CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on option available against company name or e-Voting service provider - CDSL and you will be redirected to CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on option available against company name or e-Voting service provider - CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

Login type	For shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Marksans Pharma Limited on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting during the AGM is same as the instructions mentioned above for Remote e-voting.
  2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote during the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 working days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 working days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

All grievances connected with regarding attending AGM & e-Voting from the CDSL e-Voting System may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

The Board of Directors has appointed M/s. Jinesh Dedhia & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM by electronic mode and by remote e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM and shall make, not later than 2 working days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him and the Results shall be declared by the Chairman or any person authorized by him thereafter.

The results along with the Scrutinizer's Report shall be placed on the Company's website [www.marksanspharma.com](http://www.marksanspharma.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com), where the shares of the Company are listed.

## Instructions on Deduction of Tax at Source on Dividend

Dear Shareholder(s),

The Board of Directors of your company at its Meeting held on 30th May, 2022 has recommended dividend of Re. 0.25 (25%) per equity share of Re.1/- each for the Financial Year ended 31st March, 2022. The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to the shareholders holding equity shares of the Company, either in dematerialised or in physical form as on record date i.e. 22nd August, 2022.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by a company is taxable in the hands of shareholders and the company will be required to deduct tax at source ('TDS') at the time of making the payment of the dividend to the shareholders at the applicable rates.

These instructions summarize the applicable TDS provisions as per the Act, for Resident and Non-Resident shareholder categories.

### A. Resident Shareholders:

**Resident Individual Shareholders:** In terms of the provisions of the Income Tax Act, 1961, tax deductible at source is @ 10% on the amount of dividend declared and paid by the Company in the financial year 2022-23 provided valid PAN is registered by the Shareholder.

No tax shall be deducted on the dividend payable to resident individuals if –

- i. Total dividend payable to the shareholder during the Financial Year 2022-23 does not exceed Rs. 5,000/- (Rupees Five Thousand only); or
- ii. The shareholder provides a written declaration in prescribed Form 15G (applicable for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (applicable to an Individual above the age of 60 years with no tax liability on total income) and send duly filled Forms at [tds@bigshareonline.com](mailto:tds@bigshareonline.com).

Form 15G and 15H can be downloaded from the website of the RTA of the Company at <https://www.bigshareonline.com/Resources.aspx#fp>.

Please note that PAN is mandatory. If PAN is not registered/ PAN is invalid, tax would be deducted @20% as per Section 206AA of the Income Tax Act, 1961. **No claim shall lie against the Company for such taxes deducted.**

**Resident Shareholders other than individuals:** In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Income-tax Act, 1961, no tax shall be deducted at source ('NIL rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. The minimum details required for the aforesaid category are given below:

**Insurance Companies:** Public and Other Insurance Companies, a declaration that they have a full beneficial interest with respect to the shares owned by them along with PAN.

**Mutual Funds:** Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.

**Alternative Investment Fund (AIF):** AIF established / incorporated in India - Self-declaration that their income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.

**Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income as per Section 196 of the Act:** Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.

**Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit a self-attested copy of the PAN card along with the documentary evidence in relation to the exemption from the provisions of TDS as per Income Tax Act, 1961.



In cases where shareholders provide certificate under section 197 of the Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

**Application of NIL rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.**

### **Non-resident Shareholders**

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case certificate issued under section 197/ 195 of the Income Tax Act, 1961 is given by the non-resident shareholders, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

However, as per Section 90 of the Income tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

1. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident
3. Self-declaration in Form 10F available at <https://www.bigshareonline.com/Resources.aspx#fp> if all the details required in this form are not mentioned in the TRC
4. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty
5. Self-declaration of Beneficial ownership by the non-resident shareholder containing the following:
  - a. Shareholder is and will continue to remain a tax resident of the country of his residence during the financial year 2022-23;
  - b. Shareholder is eligible to claim the beneficial DTAA rate, including having regard to the Principal Purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the company;

- c. Shareholder has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner;
- d. Shareholder is the ultimate beneficial owner of the shareholding in the company and dividend receivable from the company; and
- e. Shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholders.

Where the PAN is either not available or is invalid, DTAA benefit shall not be granted and tax shall be deducted at the prescribed rate or 20% (plus applicable surcharge and cess), whichever is higher.

Notwithstanding as mentioned above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ("FI") and Foreign Portfolio Investors ("FPI") in accordance with the provisions of section 196D of the Act. Such TDS rate shall not be reduced on account of the applicable favourable DTAA rate, if any.

Notwithstanding anything contained herein, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Income-tax Act, 1961 or at the rates in force (plus applicable surcharge and cess), whichever is higher, from the dividend payable to such shareholder in accordance with Section on 94A of the Income Tax Act, 1961.

### **For all Shareholders**

Please note that the aforementioned documents are required to be submitted through post to the Registrar and Transfer Agent viz. Bigshare Services Pvt. Ltd. or online at [www.bigshareonline.com](http://www.bigshareonline.com) by uploading all supporting documents. In case of any query, shareholders can write to [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and copy to [companysecretary@marksanspharma.com](mailto:companysecretary@marksanspharma.com) on or before 22nd August, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication on the tax determination / deduction shall be entertained post 22nd August, 2022. The Company is obligated to deduct TDS and no request will be entertained for revision of TDS return thereafter.

Kindly note that where the requisite documents furnished by the shareholders are incomplete or not properly executed, DTAA benefit / lower rate benefit shall not be granted and tax shall be deducted at the prescribed rates as mentioned above (plus surcharge and cess, wherever applicable). In case the requisite documents are submitted by the shareholders through his/ her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts. It is clarified that in such cases the total dividend amount will be clubbed on the basis of the PAN of the shareholder and prescribed tax as applicable will be deducted by the company.

We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend.

It may further be noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with the shareholder to file the

return of income in India and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted.**

In order to facilitate receipt of dividend directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf/ bank pass-book statement with your name and bank account details and a duly self-attested copy of your PAN card with Company's RTA M/s Bigshare Services Pvt. Ltd. We also request you to register your email IDs and mobile numbers with the Company or Bigshare Services Pvt. Ltd. at the abovementioned email IDs.

We request your cooperation in this regard.

Yours faithfully,  
For **Marksans Pharma Limited**

Sd/-  
**Harshavardhan Panigrahi**  
Company Secretary

**Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.**







## Marksans Pharma Ltd.

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