



# N. K. MITTAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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**N. K. Mittal**

B.Com, FCA, LLB, EMBA

## Auditor's Report On Annual Consolidated Financial Results for the year ended 31<sup>st</sup> March, 2014

To

Board of Directors of MARKSANS PHAMA LIMITED

We have audited the Annual Consolidated Financial Results of MARKSANS PHARMA LIMITED for the Financial Year ended 31<sup>st</sup> March, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated annual financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion. We did not audit the financial statements of two (2) subsidiaries included in the consolidated annual financial results, whose consolidated interim financial statements reflect total assets of Rs.4900.95 Millions as at 31<sup>st</sup> March, 2014; as well as the total revenue of Rs. 6335.01 Millions as at 31<sup>st</sup> March, 2014. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual financial results, to the extent they have been derived from such interim financial statements is based solely on the reports of such other auditors. In our opinion and to the best of our information and according to the explanations given to us these consolidated annual financial results:

- (i) include the annual financial results of the following entities:-
  - a. MARKSANS PHARMA UK LTD, and
  - b. NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD;
- (ii) Have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) Give a true and fair view of the consolidated net profit and other financial information for the financial year ended 31<sup>st</sup> March, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For N. K. MITTAL & ASSOCIATES.

Chartered Accountants



Place: Mumbai

Date: 29<sup>th</sup> May, 2014

(N. K. MITTAL)

(PROPRIETOR)

(M. NO. 46785)

**MARKSANS PHARMA LIMITED**

Regd. Office: 11th Floor, Lotus Business Park, Off. New Link Road, Andheri (West), Mumbai-400053 CIN: L24110MH1992PLC066364  
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Million)

**PART 1**

Sr. No.	PARTICULARS	3 MONTHS ENDED			Current Year ended	Previous Year ended
		31.03.2014 (AUDITED)	31.12.2013 (UNAUDITED)	31.03.2013 (AUDITED)	31.03.2014 (AUDITED)	31.03.2013 (AUDITED)
1	Income					
	a> Net Sales/ Income from Operations (Net of excise duty)	1,588.63	1,687.49	1,239.00	6,299.97	4,384.22
	b> Other Operating Income	7.32	0.26	(2.12)	35.04	43.95
	<b>Total Income from operations (net)</b>	<b>1,595.95</b>	<b>1,687.75</b>	<b>1,236.88</b>	<b>6,335.01</b>	<b>4,428.17</b>
2	Expenses					
	a) Cost of Material Consumed	620.05	651.99	269.54	2,290.47	1,359.29
	b) Purchase of Stock - in- trade	417.38	317.11	304.85	1,416.54	1,047.82
	c) Changes in Inventories of finished goods , work-in- progress and stock- in- trade	(23.51)	(15.27)	121.98	(27.72)	121.54
	d) Employee benefits expense	163.50	163.77	155.64	664.41	559.13
	e) Depreciation and amortisation expense	36.02	57.08	13.40	156.91	156.50
	f) Other expenses	175.73	215.04	(34.68)	778.95	602.47
	<b>Total Expenses</b>	<b>1,389.17</b>	<b>1,389.72</b>	<b>830.73</b>	<b>5,279.56</b>	<b>3,846.75</b>
3	Profit/(Loss) from Operations before other income, finance costs and exceptional items (1-2)	206.78	298.03	406.15	1,055.45	581.42
4	Other Income	-	-	-	-	-
5	Profit/(Loss) from Ordinary activities before finance costs and exceptional items(3+4)	206.78	298.03	406.15	1,055.45	581.42
6	Finance cost	37.09	28.38	39.89	191.33	145.96
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6)	169.69	269.65	366.26	864.12	435.46
8	Exceptional items	-	-	-	-	-
9	Profit/(Loss) from Ordinary activities before Tax (7-8)	169.69	269.65	366.26	864.12	435.46
10	Tax Expenses (Includes Deferred Tax & Tax for Earlier Year)	60.31	39.73	(52.79)	127.87	(52.79)
11	<b>Net Profit/(Loss) from Ordinary activities after tax(9-10)</b>	<b>109.38</b>	<b>229.92</b>	<b>419.05</b>	<b>736.25</b>	<b>488.25</b>
12	Less: Extraordinary item	-	-	-	-	-
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>109.38</b>	<b>229.92</b>	<b>419.05</b>	<b>736.25</b>	<b>488.25</b>
14	Share of Profit/(Loss) of associates	-	-	-	-	-
15	Minority Interest	3.06	5.09	11.81	17.17	29.42
16	Net Profit/(Loss) after taxes, minority interest and share of associates(13-14-15)	106.32	224.83	407.24	719.08	458.83
17	Paid up Equity Share Capital (Face Value Re.1 each)	385.31	385.31	385.31	385.31	385.31
18	Reserve Excluding Revaluation Reserve				901.52	344.48
19	a) Earnings Per Share (before extraordinary items Rs.)- Basic	0.28	0.60	1.09	1.91	1.27
	Diluted	0.28	0.60	1.09	1.91	1.27
	b) Earnings Per Share(after extraordinary items- Rs.)- Basic	0.28	0.58	1.06	1.87	1.19
	Diluted	0.28	0.58	1.06	1.87	1.19
<b>PART 2</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding:					
	- Number of Shares	187,815,471	187,815,471	188,634,244	187,815,471	188,634,244
	- Percentage of Holding	48.75%	48.75%	48.96%	48.75%	48.96%
2	Promoters and Promoter group Shareholdings	197,491,733	197,491,733	196,672,960	197,491,733	196,672,960
a)	Pledged/Encumbered					
	- Number of Shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of Holding (as a % of the total shareholding of Promoter and Promoter Group)	N.A	N.A	N.A	N.A	N.A
	- Percentage of Holding (as a % of the total share capital of the Company)	N.A	N.A	N.A	N.A	N.A
b)	Non-encumbered					
	- Number of Shares	197,491,733	197,491,733	196,672,960	197,491,733	196,672,960
	- Percentage of Holding (as a % of the total shareholding of Promoter and Promoter Group)	100%	100%	100%	100%	100%
	- Percentage of Holding (as a % of the total share capital of the Company)	51.25%	51.25%	51.04%	51.25%	51.04%

B INVESTOR COMPLAINTS	3 MONTHS ENDED 31.03.2014
Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	Nil

PART 3 Standalone Information	3 MONTHS ENDED			Current Year ended	Previous Year ended
	31.03.2014 (AUDITED)	31.12.2013 (UNAUDITED)	31.03.2013 (AUDITED)	31.03.2014 (AUDITED)	31.03.2013 (AUDITED)
<b>PARTICULARS</b>					
Revenue	842.78	807.40	584.29	3,182.57	1,964.69
Profit Before Tax from Ordinary activities	81.40	181.84	270.32	632.60	296.06
Profit After Tax from Ordinary activities	52.88	156.84	370.10	555.58	395.84
Profit After Tax after extraordinary item	52.88	156.84	370.10	555.58	395.84



**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29.05.2014.
- 2 The Consolidated Financial Statements include Financial Statements of the subsidiaries Nova Pharmaceuticals Australasia Pty Ltd and Marksans Pharma (U.K.) Limited.
- 3 The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.
- 4 The Board of Directors has recommended dividend of 10% which is ₹ 0.10 per equity share of ₹ 1/- each face value subject to the approval of shareholders in the ensuing Annual General Meeting.
- 5 The Company is primarily engaged in a single business segment of Manufacturing & Marketing of Pharmaceutical Formulations.
- 6 The figure for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and the unaudited published year to date figure upto December 31, 2013 being the date of the end of the third quarter of the financial year.
- 7 Previous year's figures have been re-grouped/re-classified, wherever necessary, so as to make them comparable with the current year's figures.
- 8 Statement of Assets and Liabilities:

		(₹ in Million)	
		As at	
		31.03.2014	31.03.2013
		AUDITED	AUDITED
A	<b>EQUITY AND LIABILITIES</b>		
	1 Shareholders' funds		
	(a) Share capital	520.31	520.31
	(b) Reserves and surplus	901.52	344.48
	(c) Money received against share warrants	-	-
	Sub-total-Shareholders' funds	1,421.83	864.79
	2 Minority Interest	66.36	69.90
	3 Non-current liabilities		
	(a) Long-term borrowings	198.15	78.77
	(b) Deferred tax liabilities (Net)	23.42	26.16
Sub-total - Non-current liabilities	221.57	104.93	
4 Current liabilities			
(a) Short-term borrowings	1,055.39	1,137.87	
(b) Trade payables	831.82	560.62	
(c) Other current liabilities	965.79	1,087.34	
(d) Short-term provisions	338.19	187.00	
Sub-total - Current liabilities	3,191.19	2,972.83	
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>4,900.95</b>	<b>4,012.45</b>
B	<b>ASSETS</b>		
	1 Non-current assets		
	(a) Fixed assets	1,456.49	1,561.17
	(b) Non-current investments	-	-
	(c) Long-term loans and advances	15.01	12.02
	Sub-total - Non-current assets	1,471.50	1,573.19
	2 Current assets		
	(a) Inventories	1,025.89	776.92
	(b) Trade receivables	1,696.07	1,313.14
	(c) Cash and cash equivalents	469.47	158.80
(d) Short-term loans and advances	238.02	190.40	
(e) Other current assets- Miscellaneous expenditure	-	-	
Sub-total - Current assets	3,429.45	2,439.26	
	<b>TOTAL ASSETS</b>	<b>4,900.95</b>	<b>4,012.45</b>



Place: Mumbai.  
Date: 29.05.2014  
[www.marksanspharma.com](http://www.marksanspharma.com)

For MARKSANS PHARMA LIMITED

*(Signature)*  
MARK SALDANHA  
Managing Director.