



**BUILDING STRENGTHS**  
**SUSTAINING GROWTH MOMENTUM**

# Contents

## 02-30

### Company Overview

Corporate Information	01
About us	04
Our operations	06
Research and development	08
Chairman's Message	10
Q&A with CFO	12
Growth metrics	14
Business model	16
Business overview	18
Risk and mitigation measures	22
ESG	24
Stakeholder engagement	28
Strategic priorities	29
Board of Directors	30

## 31-120

### Statutory Reports

Management Discussion and Analysis	31
Directors' Report	44
Corporate Governance Report	60
Business Responsibility and Sustainability Report	80



## 121-241

### Financial Statements

#### Standalone

Independent Auditor's Report	121
Balance Sheet	130
Statement of Profit and Loss	131
Statement of Changes in Equity	132
Cash Flow Statement	134
Notes to the Financial Statements	136

#### Consolidated

Independent Auditor's Report	180
Balance Sheet	188
Statement of Profit and Loss	189
Statement of Changes in Equity	190
Cash Flow Statement	193
Notes to the Financial Statements	195

## 242-258

### AGM Notice

Notice	242
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For additional information scan the QR Code

To see the online version of this report please log on to [www.marksanspharma.com](http://www.marksanspharma.com)

### 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)  
(upto 30.05.2023)

**Dr. Sunny Sharma**

Non-executive Director  
(DIN: 02267273)

**Mrs. Shailaja Vardhan**

Independent Director  
(DIN: 10172764)  
(w.e.f. 30.05.2023)

## 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 Plot No. A1, Phase I-A, Verna Industrial Estate, Verna, Goa - 403722
- 3 Bell, Sons & Co. (Druggists) Ltd. Gifford House, Slaidburn Crescent, Southport, PR9 9AL.
- 4 Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.

## 31st Annual General Meeting

**Day & Date:** Monday,  
28th August, 2023

**Time:** 04:30 PM.

The 31st 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. David Mohammed**

Managing Director - Australia Operations

**Mr. Sathish Kumar**

Managing Director - UK Operations

**Mr. Anjani Kumar**

COO - US Operations

**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

At Marksans, building strengths has always been integral to our purpose of providing high-quality pharmaceutical offerings to help improve health and save lives. We have built a scalable global pharmaceutical business over the past few years to sustain our growth momentum.

Our judicious R&D investments, highly skilled people, emphasis on technology and ability to spot the right opportunities have enabled us to build a robust portfolio of pharmaceutical products.







Strengthened by our strong R&D capabilities and state-of-the-art manufacturing facilities both in India and overseas, we have become the only Indian pharmaceutical company to rank among the top five Indian pharmaceutical companies in the UK. Our emphasis on driving supply chain efficiencies has also enabled us to scale up our business across key international markets over the years.

We firmly believe that by building on our strengths, we will be able to sustain our growth trajectory. In the years ahead, we will remain committed to enhancing shareholder value responsibly while maintaining our leadership position in the market. With a strong cash position and a plethora of opportunities in OTC segment, our outlook for the coming years is promising.

## About us

# Delivering holistic solutions for better health

At our core, we are a customer-centric pharmaceutical company committed to delivering drugs that cater to the specific needs of our consumers. Marksans Pharma (Marksans) is one of the leading pharmaceutical companies with a strong foothold in highly regulated markets, specializing in OTC and prescription (Rx) drugs.

We have consistently outperformed the growth of India's pharmaceutical sector, backed by our ability to anticipate and respond to the market's changing needs. Strict adherence to cGMP norms as well as our endeavors towards continuous improvement of our products, processes and skills enable us to enhance our offerings to meet evolving client needs.

Marksans operates on a strategically distinct model to realize its vision of creating a respected, profitable and integrated global pharmaceutical company. We are engaged in generic pharmaceutical formulations research, manufacturing and marketing with three state-of-the-art manufacturing facilities in India, the United Kingdom and the United States. Our undeterred focus on Quality Control (QC) and Quality assurance (QA), has helped us carve out a niche for ourselves within the pharmaceutical ecosystem in which we operate.

Our integrated business approach, supported by a formidable talent pool, has steered the organization towards long-term growth with accretive value creation. Headquartered in Mumbai, we have established a strong global footprint, operating in over 50 countries worldwide.

**Our undeterred focus on Quality Control (QC) and Quality Assurance (QA), has helped us carve out a niche for ourselves within the pharmaceutical ecosystem in which we operate.**





## Marksans Pharma Ltd.



A global

**Leading**  
Pharmaceutical Company



Market presence across

**50+**  
Countries



Employees

**1400+**  
as on March 31, 2023



Market capitalization

**₹ 52,997.50**  
million  
as on 1st August, 2023



**₹ 18,521 million**  
Revenue  
24.2% Y-o-Y growth

**₹ 3,393 million**  
EBITDA  
31.1% Y-o-Y growth

**₹ 2,653 million**  
PAT  
42.0% Y-o-Y growth

**97,42,478 MJ**  
Total Fuel  
Consumption\*

**89,775 KL**  
Water consumption  
(6% Y-o-Y reduction)

\*(Total Fuel Consumed 256381 Litres is converted to MJ using the Conversion Factor of 1 Liter = 38 MJ)

## Our operations

# Where innovation meets excellence



**Varddhman  
Vikramaditya Jain**  
Executive Director



In the last five years, our revenue in Over-the-Counter (OTC) business has witnessed tremendous growth of over 150%. We are gradually seeing products come out of Rx going into the OTC category in advanced countries. Our ability to actually foresee and develop drugs, file it timely and get quick approvals, has translated into sustained business growth year on year.



Through contract manufacturing and active product registrations, Marksans is expanding its business across key international markets. With strategic manufacturing facilities, we are focused on formulation development and have a strong market presence.



### Our primary markets

**4\***

**manufacturing units**

Spread across Goa, UK and the USA

**4**

**R&D centers**

in Goa, Navi Mumbai, the UK and the USA

(\*Recently acquired facility from Tevapharm India)

## Our diverse product portfolio comprises:



Tablets

(plain, enteric-coated and film-coated)



Hard capsules



Soft gelatin capsules



Oral liquids



Ointments





### Goa, India - Verna

- Manufactures capsules and tablets
- One of the biggest manufacturing facilities in Asia
- Fully automated unit spread over an 18,000 square meter campus
- Generic pharmaceuticals manufactured at this facility are exported across the globe.

#### Capacity

**2.4 billion**

Softgel and hard gelatin capsules per annum

**6 billion**

solid tablets per annum

*Accreditations:*  
US- FDA, MHRA,  
Australian  
Government  
(Department of  
Health), TGA

## Our manufacturing facilities



### Farmingdale, United States

- Manufactures, tablets and capsules
- Spread over an area of 7000 square meters
- 'Made in the USA' product offerings
- Added incremental packaging lines

#### Capacity

**6 billion**

tablets and hard capsules per annum

*Accreditations:* US- FDA



### Southport, UK

- Manufactures non-sterile liquids, ointments and powder sachets
- Supplies to the UK, West Africa and the Middle East
- Spread across 7,300 square meters

#### Capacity

**2 billion**  
bottles per annum

**1 billion**  
tubes per annum

**1 billion**

sachets per annum

*Accreditations:* MHRA



### Goa, India – North Tevapharm's acquired facility

- Manufactures tablets, hard capsules
- Scalable capacity for further expansion

*Accreditations:* approvals from  
EU, Health Canada & Japanese  
Health Authority.

## Research and development

# Innovating for tomorrow, today

Our presence extends to more than 10 therapeutic areas, with OTC products for pain management, cough and cold, digestive, vitamins, supplements and anti-allergic medications. We also offer prescription medications for cardiovascular diseases, central nervous system disorders and diabetes.

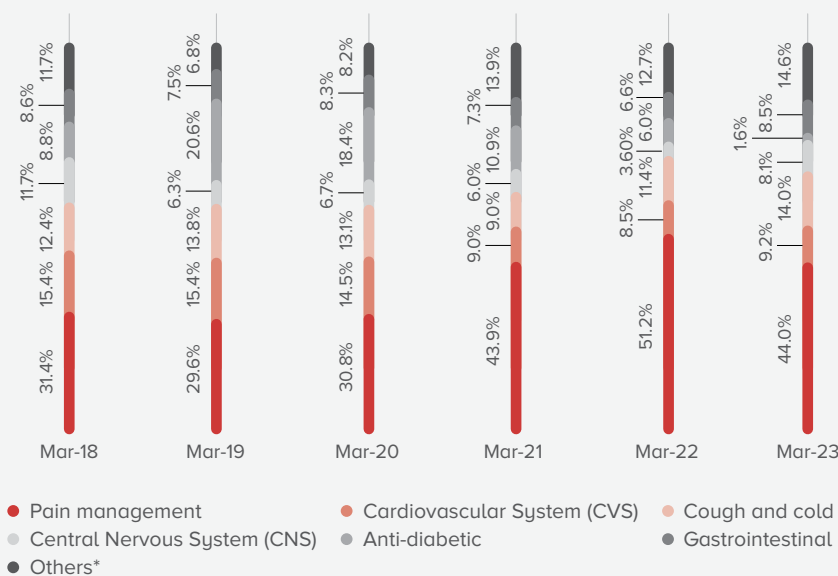
We have over 50 FDA-approved products and provide over 100 products in the UK under our Bells Healthcare brand and over 160 products under our Relonchem brand. In addition, we offer over 30 products in Australia.

With 70+ products in our pipeline, we have also filed over 350 dossiers. Our hard work has paid off, with over 300 approved ANDAs/MAs and more than 25 filed ANDAs/MAs.

We are pleased with our achievements so far and are excited about our future growth prospects. In the years ahead, we will remain committed to delivering high-quality, affordable healthcare products to our customers worldwide.



### Therapeutic-wise sales



### New additions to our portfolio

#### USFDA Approval for Pregabalin Capsules

We have received an extraordinary achievement from the US Food and Drug Administration (FDA) granting final approval for our Abbreviated New Drug Application (ANDA) for Pregabalin Capsules.

- This approval encompasses a wide range of dosage strengths, from 25 mg to 300 mg.
- These Pregabalin Capsules have been rigorously tested and proven to be both bioequivalent and therapeutically equivalent to the renowned reference-listed drug (RLD), Lyrica Capsules, manufactured by Upjohn US 2 LLC.

- The commercial potential of this achievement is also staggering, with Lyrica capsules generating an estimated annual revenue of USD 263 million in the United States alone.
- We have not only expanded access to vital medication but also are poised to offer substantial savings to patients and healthcare systems.

**With the FDA approval of Famotidine Tablets USP, we continue our journey of delivering innovative and reliable healthcare solutions, contributing to the well-being of individuals and addressing significant therapy gaps in the market. This achievement reaffirms our commitment to quality, accessibility, and patient-centric care, positioning us as a trusted provider of essential medications for a wide range of health conditions.**

- We aim to enhance patient outcomes and contribute to the overall well-being of the affected by providing a reliable and accessible form of Fluoxetine.
- Manufactured at the esteemed Bell, Sons & Co. (Druggists) Ltd. facility located in Southport, UK, this approval underscores our commitment to maintaining exceptional manufacturing standards. Adherence to strict regulatory requirements.

**This approval showcases our commitment to delivering innovative healthcare solutions and underscores our position as a trusted provider of high-quality pharmaceuticals. With this momentous milestone, we are poised to make a significant impact on the market, improving patient care and contributing to the overall well-being of individuals.**

- By bridging the therapy gap in the Antacids market, we are not only meeting the needs of patients but also solidifying our position as a leading player in the pharmaceutical industry.
- These Famotidine Tablets are bioequivalent to the reference listed drug (RLD), Pepcid AC® tablets, a renowned product of Johnson & Johnson Consumer Inc. with substantial sales exceeding \$200 million in the US market. With this approval, we are poised to make a significant impact in the acid reducer segment, providing patients with effective relief from conditions such as acid indigestion, occasional heartburn, and sour stomach caused by certain foods or beverages.
- Our commitment to high-quality healthcare solutions shines through with this achievement, emphasising the bioequivalence of our Famotidine Tablets to the RLD. This ensures that patients can trust in the efficacy and safety of the generic alternative while benefiting from its accessibility and cost-effectiveness.

**With this significant milestone, we reaffirm our position as a trusted provider of innovative pharmaceutical solutions, dedicated to improving the lives of patients. The MHRA approval opens doors for greater accessibility and treatment options, marking another remarkable achievement in our mission to make a positive impact on global healthcare.**

### UK MHRA Approval for Fluoxetine Oral Solution

We received the UK Medicines and Healthcare Products Regulatory Agency (MHRA) approval for the Fluoxetine 20mg/5ml Oral Solution. This remarkable achievement came through our wholly-owned subsidiary, Relonchem Limited.

- We have further expanded our presence in the UK market.
- The newly authorised oral solution offers a vital therapeutic option for individuals suffering from depressive illness and other mental/mood disorders.

### USFDA approval of Famotidine Tablets USP

We received the final approval from the US Food and Drug Administration (FDA) for our Abbreviated New Drug Application (ANDA) of Famotidine Tablets USP, available in 10 mg and 20 mg strengths for over-the-counter (OTC) use.

- Expanded our OTC gastro portfolio to cater to the needs of customers and address the therapy gap resulting from the withdrawal of Ranitidine from the Antacids market.

## Chairman's Message

# Leading with Purpose



**The cash generation from the operation was at Rs. 2,374 million. For FY 2022-23, PAT grew by 42% year-on-year basis to Rs. 2,653 million.**



**Mark Saldanha**

Chairman, Marksans Pharma Ltd.

### *Dear Shareholders,*

I am pleased to address you and provide an update on our company's performance and key developments during the fiscal year 2022-23. Despite the challenges posed by high inflation, input cost pressures, and supply chain disruptions, we successfully navigated through these headwinds. In the latter half of the fiscal, as freight costs normalized and through proactive cost optimization measures, we were able to mitigate the impact of inflationary pressures on our business.

I am very pleased to inform that the year turned out to be an excellent year of performance. We also exceeded our FY 2022-23 guidance of Rs. 1800 crores

in revenue. Our success is attributed to our unwavering focus and exceptional execution strategies. By concentrating our efforts on key areas, we were able to drive market share growth across various products and SKUs. Additionally, we experienced robust growth across all the markets we operate in.

This year has been a relatively busy year for us, which accounted for key several key developments, enabling shareholder value creation. We acquired a manufacturing facility from Tevapharm India. This has been a significant milestone to strengthen our position as a leading low-cost manufacturer and to provide high-quality products to meet the

growing demands of our customers. It will accelerate the growth of our business while expanding our product base and market share gains. As we remain committed to investing in our future, this will set the stage for the next phase of our growth journey.

We signed an agreement to acquire 100% stake in Dubai-based Access Healthcare for Medical Products L.L.C.. Gaining access to key global markets is one of our strategic pillars to enhance shareholder value. We believe this deal will enable us to use the front-end sales and marketing infrastructure of Access Healthcare for marketing our products manufactured in the India, UK, and USA



regions. It will bolster our presence in the Middle East and North African regions by leveraging Access Health's knowledge of local business cultures and access to a network of partners and distributors in those regions.

During the fiscal, we raised Rs. 372.40 crore through the conversion of warrants into equity shares by OrbiMed Asia IV Mauritius FVCI. This conversion not only provides extra funding, but it also enhances our strategic alliance with OrbiMed, enabling us to leverage their extensive global healthcare experience. We believe our strategic partnership will be bolstered through OrbiMed's deep global healthcare experience. The warrant conversion has also augmented our already strong balance sheet.

Talking about our financial performance, during the reporting year, our operating revenue stood at Rs. 1,852 crores, up by 24.2% from the previous fiscal. The gross profit for the year increased by 20.3% to Rs. 930.8 crores. The gross margin was at 50.3%. EBITDA for FY 2022-23 increased by 31% to Rs. 339 crores. Our EBITDA margin increased by 100 basis points from 17.4% to 18.3% in FY 2022-23.

The cash generation from the operation was at Rs. 237 crores. For FY 2022-23, PAT grew by 42% year-on-year basis to Rs. 265 crores. I am also pleased that to inform that we have announced a dividend of Rs. 0.5, which is 50% of the equity of Rs. 1 each face value for the FY 2022-23.

In this context, I would also like to bring to light that we are committed to our goal of reaching Rs 2,000 crores in revenues, improving our margins over the next couple of years and delivering superior returns for our shareholders.

At Marksans, we firmly believe that integrating sustainability into our business operations is not only the right thing to do but also essential for long-term success. In order to achieve this, we have been taking initiatives to enhance our environmental, social, and governance performance. Towards our environment efforts, we have been implementing initiatives to ensure the efficient use of resources and minimise waste generation. By optimising our resource utilisation, we strive to reduce our environmental footprint and contribute to a more sustainable future.

Additionally, we have placed a strong emphasis on energy conservation measures. Regular reviews of energy generation and consumption allow us to identify areas for improvement and effectively control our energy utilisation. Through these efforts, we aim to reduce our carbon footprint and mitigate the impact of our operations on the environment.

We are also actively involved in initiatives that support the well-being of our local community and society at large. By leveraging our resources and expertise, we aim to create a positive impact and build a better, more sustainable way of life for the weaker sections of society. Our commitment extends beyond financial contributions, as we actively engage with local stakeholders to understand their needs and develop programs that address their specific challenges.

While the fiscal 2022-23 has been a very productive year for us, as we step into FY 2023-24, one of our key focus areas is the integration of our newly acquired manufacturing plant from Tevapharm, where we also plan to increase capacity and launch new delivery segment dosage forms. We

are anticipating a meaningful revenue contribution from this plant to start from Q1 of FY2025. We will also continue our focus on revenue growth by growing SKUs and existing retailers, products, and key markets. Besides, we aim to launch new high-margin products in the year to come, enter new geographies, add new customers, and capture growth opportunities in the OTC segment.

An important aspect of our growth strategy is the backward integration into active pharmaceutical ingredient (API) manufacturing for our core molecules. By investing in API manufacturing capabilities, we can ensure a secure supply chain and enhance our control over the quality and cost of our products. This strategic move also aligns with our goal of operational efficiency and self-sufficiency.

While we have consistently maintained a net cash balance sheet for the last five years, we aim to maintain a strong balance sheet with a disciplined growth approach over the coming years. This will give us the flexibility and stability required to pursue growth opportunities while preserving our financial strength.

To close, I would like to express my heartfelt gratitude to each and every one of you, our esteemed shareholders. I extend my sincere thanks to our exceptional team whose hard work, commitment, and passion have been instrumental in achieving these remarkable results.

**As we move forward,  
we remain committed to  
sustaining this momentum.**

Regards,

**Mark Saldanha**  
Chairman

## Q&A with CFO

# Dialogue with Mr. Jitendra Sharma, CFO



**Our operating revenue stood at ₹ 18,521 million, which is a year-on-year increase of 24.2%.**



**Q. How would you evaluate the Company's performance during FY 2022-23?**

**A.** FY 2022-23 marked yet another year of stellar performance at Marksans. We performed well in terms of both revenue and profitability. Our operating revenue stood at Rs. 18,521 million, which

is a year-on-year increase of 24.2%. The gross profit for the same period has grown by 20.3% year-on-year to Rs. 9,308 million with a gross margin of 50.3%. Our EBITDA witnessed a surge of 31.1% year-on-year to Rs. 3,393 million. Our EBITDA margin stood at 18.3%. Our PAT has grown by 42% year-on-year, reaching Rs. 2,653 million for FY23; and the earnings per share climbed by 42.2% to Rs. 6.4 per share.

**Q.** Despite price erosion in end-user market and volatility in raw material and freight costs, we have grown our topline and bottom line. Could you elaborate on this please.

**A.** There were some decisive factors that strengthened our profitability. Our revenue generation was primarily driven by strong volume growth and market share gains in existing products and markets. The pricing pressure and price erosion continues to persist in advanced countries, but we are now seeing it stabilize. But our resolute focus on new product launches, uncompromising quality and growing trust for our brand, especially in the US, has helped us outperform the sectoral benchmarks.

**Q.** Could you elaborate on the transactional details of Tevapharm's recent acquisition and how does it impact our balance sheet?

**A.** Recently acquired manufacturing capacity from Tevapharm India, will add to the three existing manufacturing sites in Southport (UK), Farmingdale (US) and Goa (India). The acquisition was for ₹ 77.94 Crore.

**Q.** Does the capital raise with the recent warrant conversion also further strengthen our balance sheet?

**A.** Yes, it definitely does. The recent warrant conversion by OrbiMed and the Promoter, helped raise a total of ₹ 372.40 crore in equity. OrbiMed's stake has increased their stake to approximately 10.88%, and the promoter's stake by nearly 43.80%. OrbiMed's exercise of warrant conversion will further strengthen the Company's net cash position to over ₹ 700 crores. The warrant conversion has augmented our already strong balance sheet and we are now well-positioned to execute the next leg of growth.

**Q.** What is the Company's outlook for the upcoming fiscal year?

**A.** As we enter the next fiscal year, Marksans is poised for sustained growth and expansion. The Company expects to surpass ₹ 2,000 crore in revenue and we remain confident in our ability to record considerable growth in our main business segments and geographies. We continue to see significant potential for growth in both the OTC and Rx markets, particularly as we witness a shift towards OTC medications.

Another silver lining for the Company is the reduction in freight costs, which will positively impact our bottom line. Our journey in the next few years will be driven by market share gains and a slew of new product launches. We are committed to maintaining our position as a leading pharmaceutical player and look forward to yet another successful year ahead.



**The recent warrant conversion by OrbiMed and the Promoter, helped raise a total of Rs. 372.40 crore in equity.**

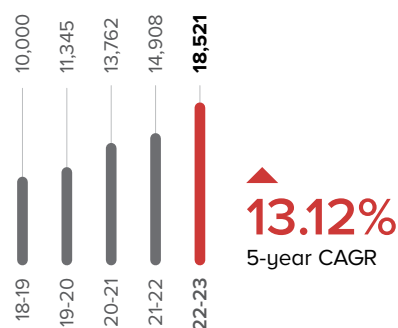


## Growth metrics

# Robust performance that speaks for itself

### Revenue from operations

(Rs. in million)



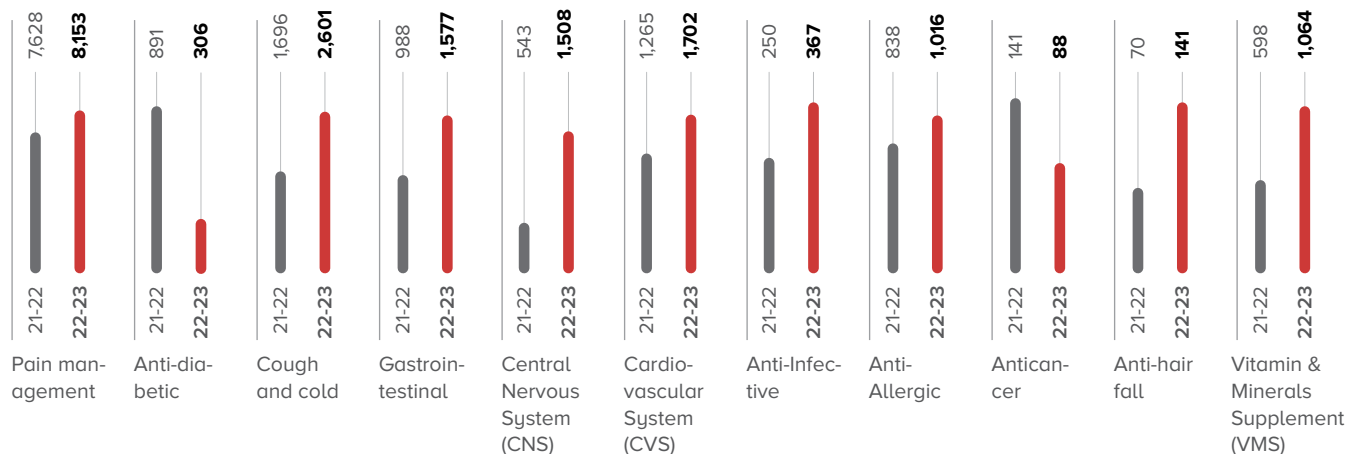
### Location-wise revenue

(Rs. in million)



### Revenue by therapeutic segment

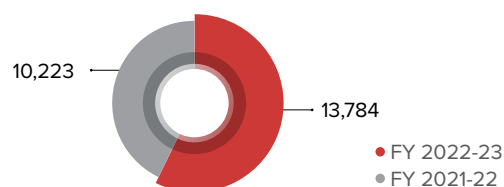
(Rs. in million)



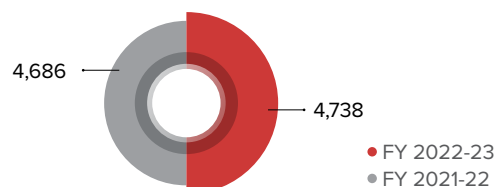
### Revenue by delivery system

(Rs. in million)

#### OTC



#### Rx

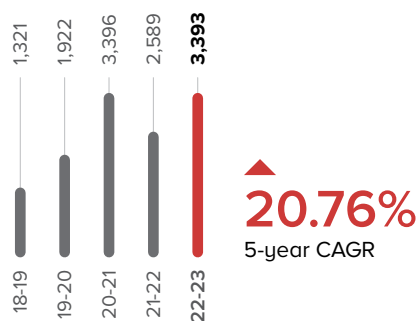




## Financial measurement and key financial ratios

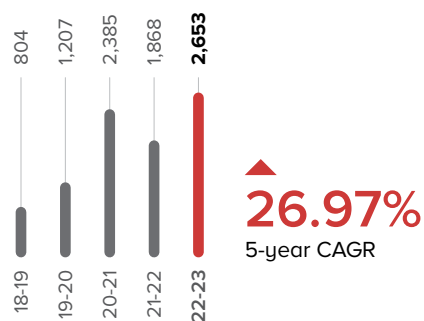
### EBITDA

(Rs. in million)



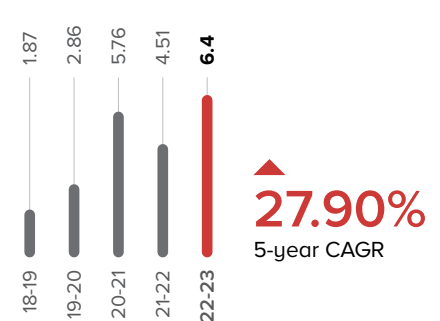
### PAT

(Rs. in million)

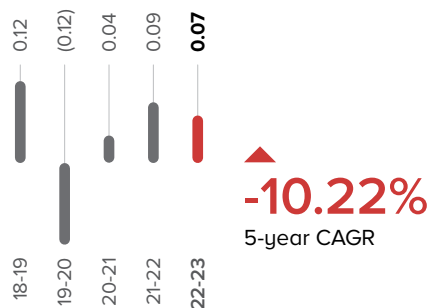


### EPS

(In Rs.)

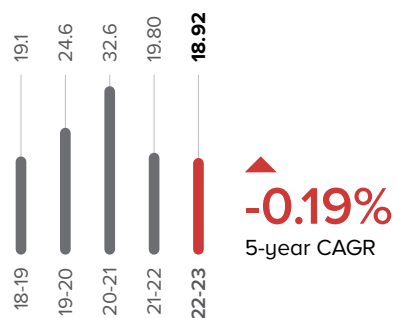


### Debt-Equity ratio



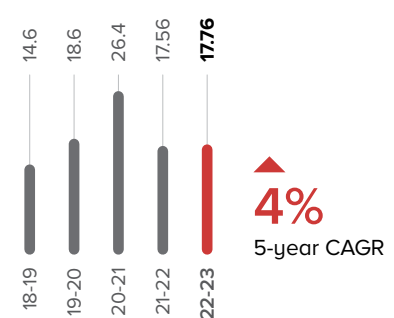
### RoCE

(in %)



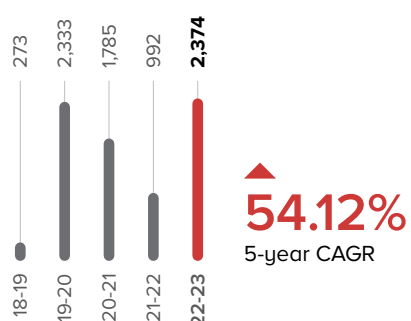
### RoE

(in %)



### Cash from Operation

(Rs. in million)



## Business model

# Creating sustainable value year after year

### What drives us

#### Vision

To Create a Global Pharmaceutical Company

#### Values



Achievement



Respect



Knowledge



Honesty and Integrity

### Input

#### Financial Capital

Total Capital Employed – 18,326.06 million  
Net Capital Expenditure – ₹ 536 million

#### Human Capital

Women Employees – 79  
Compensation and benefits packages – 2,393.71 million  
Employee training and development expenses – 2.33 million

#### Social and Relationship Capital

Community outreach programs – 8  
CSR Spend – 20.36 Million  
Number of shareholders – 198,382

#### Intellectual Capital

R&D centres – 4  
R&D expenditure – ₹ 295 million  
Spend on R&D (% of revenue) – 1.6%  
Number of scientists – 50+

#### Manufactured Capital

Total Capacity – 26 bn  
Number of manufacturing plants – 4

### Value creation process

Research & Development



Product registration & approval



Value Creation Process



Manufacturing



Sales & Marketing



Supply Chain

### Stakeholders Impacted



Customers



Shareholders and Investors



Suppliers and Business partners



Government and regulatory bodies


















Communities



Employees

We drive sustainable value for our stakeholders by effectively managing and leveraging the five capitals that shape our business. Through a holistic approach, we optimize our resources and cultivate strong relationships, resulting in consistent value creation and long-term success.

		Output	Outcome
	<b>Supporting Functions</b> <div>  Energy and waste management            Risk management         </div> <div>  Talent management            Strategy and Planning         </div> <div>  Finance and cost management         </div> <b>Delivery forms</b> <div>  Soft gels            Bottles – Liquids         </div> <div>  Sachets            OTC products         </div> <div>  Hard Gelatin Capsules            Ointments         </div> <div>  Extended release            Tablets         </div> <div>  Powder Sachets            Liquid         </div>	<b>Financial Capital</b> <div>           Revenue – ₹ <b>18,521</b> mn   Dividend – ₹ <b>226.58</b> Million            EBITDA – ₹ <b>3,393</b> mn            PAT – ₹ <b>2,653</b> mn         </div> <b>Human Capital</b> <div>           Diversity ratio – <b>1:5</b>   Attrition rate – <b>13.5</b>            Complaints on Discriminatory Employment (Sexual Harassment Complaints) – <b>Nil</b> </div> <b>Social and Relationship Capital</b> <div>           CSR Investment – <b>20.36 million</b> </div> <b>Intellectual Capital</b> <div>           New product – <b>15</b>   Approved ANDAs/MAs – <b>300</b>            Products in pipeline – <b>70+</b>   Dossiers filled – <b>350+</b>            Filed ANDAs/Mas – <b>25+</b> </div> <b>Manufactured Capital</b> <div> <b>India</b>  <b>2.4</b> billion soft gel and hard gelatin capsules per annum  <b>6</b> billion oral solid tablets per annum    <b>US</b>  <b>6</b> billion tubes and hard capsules per annum           <b>UK</b>  <b>1</b> billion tubes per annum  <b>1</b> billion sachets per annum  <b>2</b> billion bottles per annum         </div>	<b>Financial Capital</b> <div>           Strong balance sheet.         </div> <b>Human Capital</b> <div>           Building a safe and inclusive workplace.            Ensuring an engaged, diverse and future-ready workforce         </div> <b>Social and Relationship Capital</b> <div>           Upliftment of women and children through various activities            Focusing on healthcare for the under privileged         </div> <b>Intellectual Capital</b> <div>           Consistent investment in delivering the most advanced Quality management tools to improve procedures            Adopted technological advancements         </div> <b>Manufactured Capital</b> <div>           Ensuring quality products and services.            Achieving operational excellence            Higher capacity utilization levels         </div>

## Business overview

# Taking a closer look at our operations

### Europe and the UK

Marksans has been serving the UK market since 2007 and has become one of the top five Indian companies in the UK. We operate in this region through our subsidiary, Marksans Pharma UK Ltd. and our two step-down subsidiaries, Bell, Sons & Co. (Druggists) Limited. and Relonchem, both of which were acquired in 2008.

## >1500

SKUs

## 300+

Products

## ₹ 7,771 million

to the total revenue in FY23

Over the next three years, we plan to file 34 new products in the UK, with seven planned for FY24. Additionally, 16 products have already been filed and are awaiting approval.

Bells Healthcare specializes in own-label products and provides high-quality products in various therapeutic areas, including analgesics, cough and cold, pain relief, gastrointestinal, ear care and skin care, to supermarkets, high-street retailers, pharmacy chains and wholesalers. Bells Healthcare is also the largest manufacturer of private label and branded cough liquids in the UK.



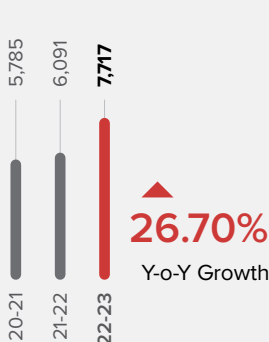
Relonchem offers a wide range of own label healthcare pharmaceutical products across therapeutic areas such as anti-diabetic, antihypertensive, anti-depressant, anti-cancer, anti-ulcerative, allergy relief, anti-viral and pain relief in the UK market. Bells manufactures non-sterile liquids, ointments and powder sachets and supplies them to the UK, West Africa and the Middle East. Its manufacturing capacity includes 2 billion bottles, 1 billion tubes and 1 billion sachets each year, spread across 7,300 square meters.

### Outlook

Overall, our operations in the UK and Europe are strong and well-positioned for growth in the future. With a diverse product portfolio and strong relationships with retailers and wholesalers, the company is well equipped to meet the needs of customers in the region.

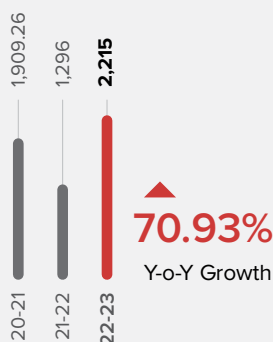
### Revenue

(Rs. in million)



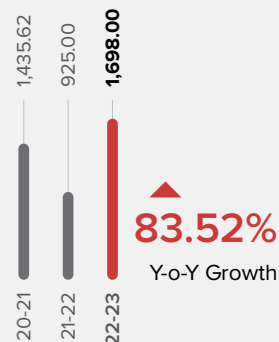
### EBITDA

(Rs. in million)



### PAT

(Rs. in million)





## The US

Time-Cap Laboratories Inc. (TCL), a subsidiary of Marksans, manufactures solid dose generic pharmaceutical products and sells finished products in fully packed quantities. TCL offers a diverse range of products across Private Label OTC, Generic Prescription Drugs and Nutritional Supplements, including Gastrointestinal, Laxatives, Pain Management, Analgesics, Cold and Cough and Anti-Allergy.

**With 23 ANDA filings in the US, TCL has 17 approved products in OTC and generic pharma and plans to file 4-6 ANDAs every year.**



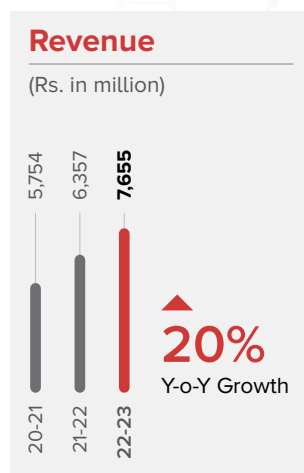
TCL's US FDA-approved facility in Farmingdale, NY, is well-equipped to manufacture tablets, caplets, capsules and pellets. The turnkey operation includes formulation, tableting / pellet manufacturing, coating, encapsulation, imprinting and packaging.

TCL manufactures OTC products in the USA, while ANDA-approved products are manufactured at the Goa facility and exported to North American countries.

## Outlook

Our current product portfolio segment presents significant growth opportunities in this region and is strategically positioned to capitalize on the increasing transition from prescription (Rx) to over-the-counter (OTC) medications in the USA. With a pipeline of 32 products, our US business aims to expand its operations in regulated markets by acquiring marketing licenses.

**Marksans is the first Indian company with US-FDA approval for Claritin soft gel capsules (Loratadine).**



## Business overview

# Taking a closer look at our operations

### Australia and New Zealand

Nova Pharmaceuticals, a subsidiary of Marksans Pharma Ltd., is a leading supplier of branded generic and private label products in Australia. Founded in 2003, Nova is engaged in the R&D and marketing of generic OTC products, with a focus on analgesics, antihistamines, anti-fungal, anti-allergy, dermatology, essential oils and gastrointestinal segments. All Nova products comply with TGA Australia regulations.

Nova does not have its own manufacturing facility but sources products from Marksans' manufacturing facilities in India and the UK. Nova has an experienced salesforce in specialty care, hospitals, pharmacies and mass-market OTC sourcing.

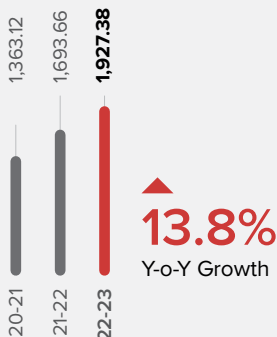


### Outlook

Nova has 10 products in the pipeline that are expected to be launched over the next two years. In addition, Marksans Pharma Ltd. is supplying the New Zealand pharmaceutical market through an alliance with Teva/Arrow Pharma.

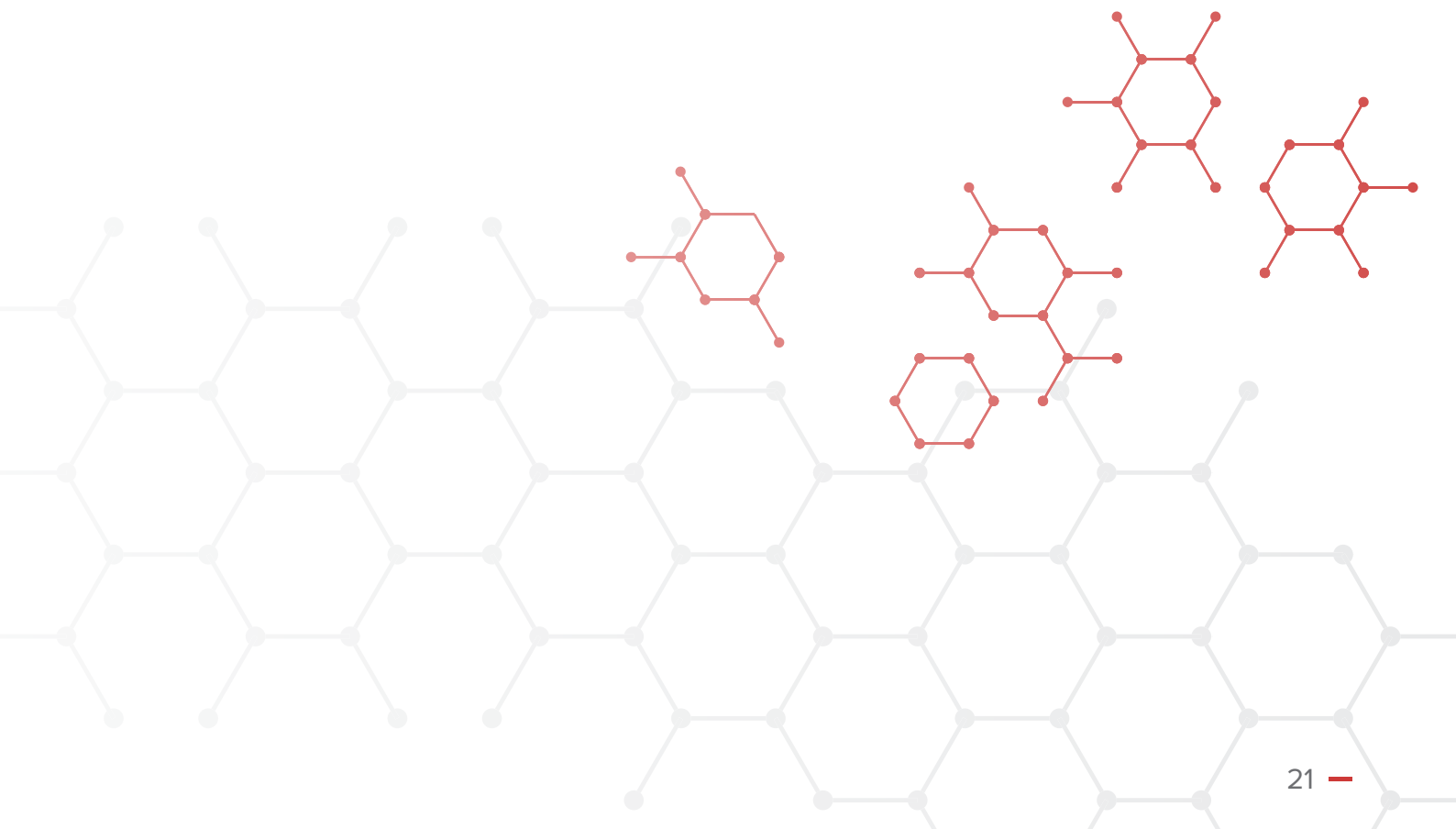
### Revenue

(Rs. in million)



## Rest of the world

With 124 products previously approved, 120 pending approval, and 108 in the pipeline, our product portfolio is impressive. Several regions, including the Middle East, Southeast Asia, the CIS, Russia, and Africa, are strongholds for Marksans. Notably, our recent acquisition of AHC in the UAE will strengthen our position in the MENA area. Overall, we are well-positioned for continued success in the worldwide market owing to our top-notch products and strategic acquisitions.



## Risk and mitigation measures





# Enhancing resilience through effective risk management

Our risk management framework is designed to facilitate clear decision-making about the risks we take and how we address them. A solid grasp of each risk's potential, as well as the effective risk management measures we employ, is critical for the accomplishment of our strategic priorities.

### Risk identification and management process





	Risk Definition	Mitigation
 Strategic risk	<b>Economic and growth risk</b> Political and social instability may trigger disruptions within the business environment, impacting the economic and growth prospects of the organization.	Our diverse geographic market presence in more than 50 countries does not directly have an extensive impact on our operations, thereby reducing our vulnerability to economic and growth risks.
	<b>Competition risk</b> Intense competition from pharma companies poses a direct threat to our market share and business operations.	Our R&D team remains an important pillar of growth, continuously developing differentiated drugs in key therapeutic areas, helping us stay ahead of the curve. Our on-ground marketing team monitors and evaluates emerging trends in major markets, identifies key patent expirations and closely works with the R&D team to enrich our product portfolio and sharpen our competitive edge.
 Financial risk	<b>Liquidity risk</b> Sustaining profitability and building a robust balance sheet amid rising input costs is challenging.	We have a robust financial control mechanism in place to ensure operational efficiency, with long-term contracts with suppliers and an enhanced working capital cycle that allows us to improve our key financial ratios.
 Operational risk	<b>Human resource risk</b> Inadequate resources can result in the loss of business opportunities.	Our human resource policies are transparent, dynamic and focused on growth opportunities, with an effective reward and recognition mechanism, along with effective learning programs to attract and retain top talent.
	<b>Supply Chain risk</b> Disruptions in the supply chain for raw material sourcing or dispatch for exports can impede business operations.	Our manufacturing units located in India and other international countries provide a robust platform for uninterrupted business operations. Additionally, we have built a reliable network of suppliers that assists us in ensuring business continuity.
	<b>Environment, health and safety risks</b> Risks related to climate change and employee health and safety are significant in today's evolving business landscape.	Our manufacturing units are certified by prominent international bodies, ensuring the highest level of compliance with major environmental, health and safety parameters. We implement additional measures to improve water and energy management and reduce our carbon footprint across our operating landscape.
	<b>Technology risk</b> Inability to incorporate the latest technologies into our operations can affect drug output, which might result in severe losses for the Company.	Our state-of-the-art manufacturing and strong R&D capabilities are a testament to our resolute focus on being a technologically advanced pharma company. We maintain close ties with leading global companies and organizations to remain abreast of major technological advancements within our industry space and to sustain market share for our key products.
 Regulatory risk	<b>Compliance risk</b> Failure to meet regulatory or ethical requirements for drug development processes across multiple geographies can impact our business operations.	We have quality management systems to monitor and assure that the products manufactured are in line with international standards. All our manufacturing units conform to the different regulatory guidelines issued by regulatory bodies within our industry space, reducing our vulnerability to compliance risks.

## ESG

# Turning ESG principles into practice

At Marksans, we embrace environmental, social, and governance (ESG) principles, translating them into tangible actions and ambitious targets. Our dedication to upholding the highest ESG standards permeates every facet of our operations. Through the incorporation of energy-efficient technologies and robust recycling and waste reduction programs, we actively minimize our environmental impact.

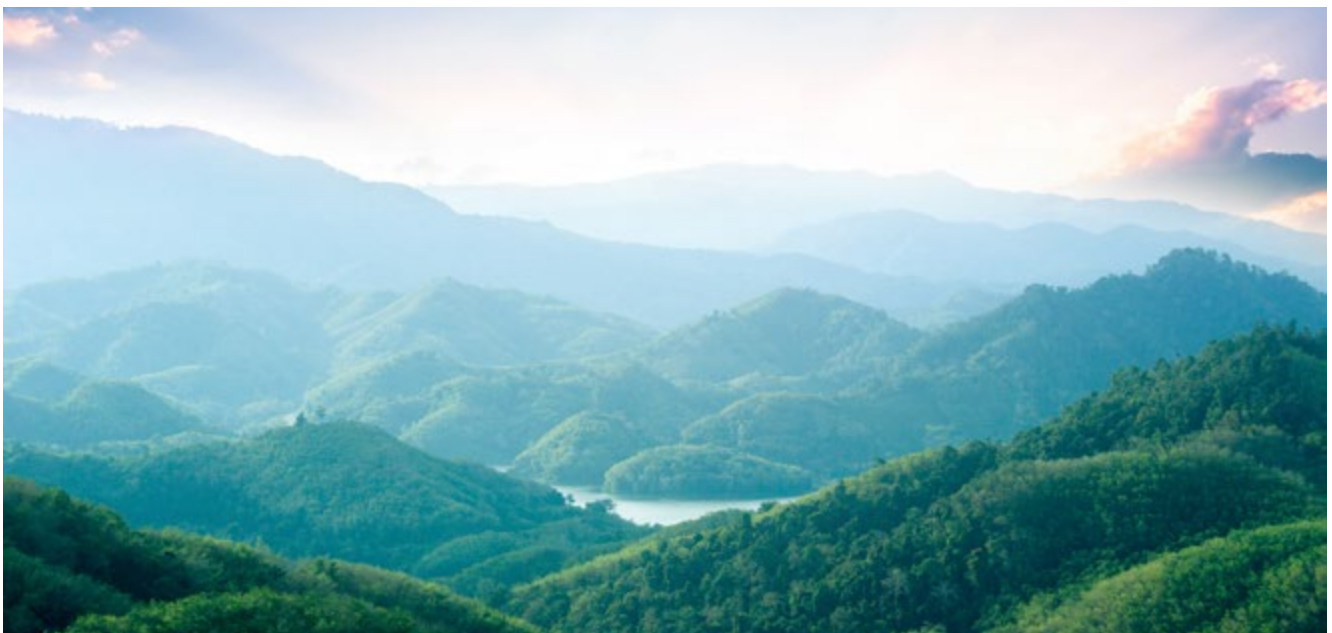
With a steadfast commitment to ethical conduct, we establish and adhere to comprehensive policies and procedures to ensure integrity and transparency in all our endeavors. Recognizing the significance of responsible supply chain management, we actively collaborate with our suppliers to foster adherence to ethical and sustainable practices. Sustainability lies at the very core of our business strategy, exemplified by our alignment with the UN Sustainable Development Goals (UN SDGs) and our pursuit of major sustainability objectives.

### Environmental

At Marksans, we prioritize the efficient use of resources to minimize waste generation. We have made energy conservation our foremost priority by regularly reviewing our energy

consumption. As a responsible corporate entity, we are committed to protecting the environment and sustaining ecological balance while preserving the quality of soil, air and water. Our

well-thought-out ESG initiatives reflect our dedication to environmental sustainability and responsible resource management.



## Water management

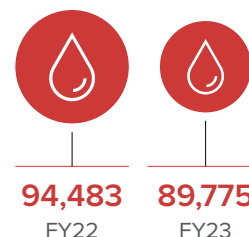
At Marksans, we place great importance on water management and have implemented effective measures to reduce our water consumption. Our water treatment process undergoes rigorous analysis by an authorized agency to ensure its proper execution and adherence to acceptable limits. This ensures that all wastewater is efficiently processed and recycled, preventing any liquid waste from being discharged into the environment.

We ensure the effective treatment of effluent through a three-stage process, including primary, secondary, and tertiary treatments. The primary treatment involves chemical processes that aid in the removal of solid particles, oils, and other contaminants. Following this, the secondary treatment utilizes biological methods to break down organic matter and eliminate harmful pathogens. Finally, the tertiary treatment employs sand and activated carbon

filters, further purifying the water and enhancing its quality.

We actively reuse the treated water within our operations, thereby minimizing our overall water usage. Additionally, we have implemented multiple initiatives to decrease our dependence on freshwater resources.

## Water Consumption (in kiloliters)



## Waste management

At Marksans, we hold a strong commitment to waste management, aiming to minimize our operational waste through various initiatives. Additionally, we place great importance on empowering our employees with environmental training and encouraging the adoption of eco-friendly practices throughout our organization.

With diligence, we ensure that any hazardous waste generated from our manufacturing operations undergoes proper treatment. Our continuous improvement in waste management

procedures involves reducing the overall waste production and directing it to authorized facilities for appropriate treatment, storage, and disposal. Furthermore, we actively work towards reducing the quantity of waste that needs disposal by prioritizing recycling and implementing co-processing methods.

**25.4**  
metric tonnes



## Social

We are an organization that truly cares for the communities residing in the areas where we operate. In line with this, we contribute to social and economic development, striving to build a better, more sustainable way of life for the weaker sections of society. Our efforts to this end also extend to our employees, wherein we ensure the social and economic dignity of all our people and prohibit any discrimination based on nationality, gender, race, economic status or religion. As we believe giving back to society is crucial for long-term business continuity, we endeavor to enhance the quality of life of the local communities and society at large. These actions reflect our social responsibility and commitment to promoting sustainable development for all.

# 1400+

Total number of employees

# ₹20.36 million

Total CSR spent

# Zero

Fatalities

## Promoting healthcare:

We recognise the importance of accessible medical treatment and support for underprivileged sections of society. We have taken the initiative to provide medical treatment to individuals suffering from cancer and other blood disorders within the underprivileged society. By offering financial assistance and necessary resources, we aim to improve the healthcare outcomes for these individuals.

In addition, we have contributed to the construction of a building dedicated to providing nursing education to economically challenged students from rural areas across Goa. This initiative ensures that aspiring students, despite their financial constraints, have the opportunity to pursue a career in nursing and contribute to the healthcare sector.

Moreover, we supported the fight against the COVID-19 pandemic. We allocated resources to cover testing and other medical charges for local communities. We have also provided essential supplies such as medicines, sanitizers, masks, gloves, and kits to front-line health workers. Furthermore, we distributed free food items to those in need, ensuring that vulnerable individuals have access to basic necessities during challenging times.

## Women & Child Development:

We have been involved in initiatives focused on women and child development, including professionalizing Anganwadis and supporting the National Nutrition Mission in Goa. These initiatives aim to improve the quality of care and education provided to women and children in the region.

Under the "MY PAD, MY RIGHT" program, an initiative aligned with the Swachh Bharat and Beti Bachao schemes of the Government of India, we have provided sanitary pads to economically disadvantaged women. This initiative aims to promote menstrual hygiene and ensure that women have access to essential sanitary products.

Moreover, we have contributed 12 personal computers to Shri Shraddhanand Vidyalay School at Poinguinim, Canacona, Goa. This initiative, undertaken in collaboration with the Rotary Club of Panaji Mid-Town, falls under the Saksharta Education Support project. By providing these resources, we support the education and skill development of children, enabling them to access digital learning opportunities.





## Governance

We recognize that good corporate governance is crucial for achieving our long-term objectives and enhancing shareholder value. At Marksans, we have a highly competent and diverse Board of Directors that ensures transparency and responsibility in all facets of our business. We also have internal control policies for managing conflicts of interest and a code of conduct. This highlights our focus on upholding ethical and responsible business practices that promote trust, integrity and accountability in all that we do.

# 93%

Average Board meeting attendance

# 50%

Non-executive/Independent Directors

# 30 years

Average experience

# 6 Years

Average tenure of Board members

### Corporate governance philosophy









Our corporate governance philosophy entails conducting business in an ethical and transparent manner, producing goods that have a sustainable life cycle, adhering to ethical working standards to ensure the well-being of all employees and effectively managing and distributing wealth. The business continues to create value for customers and consumers in a

responsible manner while applying the best management practices. Additionally, we keep a check on our emissions and waste generation as well as strive to keep them below permissible levels, demonstrating our focus on reducing our environmental footprint. Last but not least, we have a strong track record of safeguarding human rights, which is an indispensable aspect of responsible corporate citizenship.



## Stakeholder engagement

# Deepening engagement for lasting impact

Stakeholder groups	Importance	Communication channels
 <b>Patients</b>	Vital for driving our sustained growth. At Marksans, we strive hard to exceed their expectations.	Company website
 <b>Channel partners</b>	Essential for the successful distribution and accessibility of our products to the patients	• Market visits • Meetings
 <b>Suppliers</b>	Our access to all important raw materials, supplementary finished products and services are requisite for our operations.	• Supplier visits • Supplier audits • Grievance redressal mechanisms • Supplier engagement on compliance and QMS
 <b>Governments and regulatory authorities</b>	Discussions on policies that affect our operations and long-term business goals.	• Written communication • Meetings
 <b>Healthcare professionals</b>	Assist us in understanding the patients' needs.	Visits by sales personnel
 <b>Communities</b>	Contribute to the growth of our business environment and our shared value emphasis.	CSR initiatives
 <b>Shareholders and Investors</b>	Ensure business continuity and drive growth by offering the necessary financial resources.	• Annual General meeting • Annual report • Quarterly results • Investor presentations • Quarterly conference calls
 <b>Employees</b>	Serve as an anchor for all our business operations. Our people enhance our operational efficiency and boost productivity.	• Townhalls • Grievance mechanism • Manager connects



## Strategic priorities

# Framing strategies for sustaining our growth momentum

Megatrends	Marksan's positioning
Higher acceptance of generics and branded drugs in the pharmerging and developing countries. →	We are among the leading players in the OTC and prescription (Rx) drug markets, with a growing market share in existing and emerging geographies. We have successfully capitalized on the growing acceptance of both generic and branded drugs in these regions.
Rising input costs and supply chain disruptions. →	We have a forward-integrated business model along with manufacturing units in three countries. This allows us to leverage enhanced cost efficiencies, superior economies of scale and an uninterrupted supply of drugs to customers, regardless of escalating input costs and supply chain disruptions.
A growing pharmaceutical industry requires a variety of dosage forms to serve a wider patient audience →	We manufacture a wide range of dosage forms, including tablets (plain, enteric-coated and film-coated), hard and soft gelatin capsules, oral liquids and ointments, owing to our extensive production capabilities. These attributes enable us to serve a diverse customer base, including the elderly and people with disabilities, without compromising drug efficacy.
Stringent approvals and certifications are required for gaining market presence and profitability. →	Our manufacturing plants are accredited by the US FDA, UK MHRA and Australian TGA. This demonstrates our commitment to quality and compliance, which helps us maintain substantial market presence and profitability even in highly regulated markets.
Expiry of patents for key drugs and emerging lifestyle-related diseases. →	At Marksans, we have a competent, in-house R&D team that works closely with the regulatory team to create a robust pipeline of filings and approvals with minimum lead time. Despite the expiration of key drug patents and the increasing incidences of lifestyle-related diseases, our long-term alliances and relationships with prominent retailers enable us to continue developing our business through novel drug launches across an expanding therapeutic space.

## Board of Directors

# Leaders who enrich our vision



**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)

(upto 30.05.2023)

Non-Executive & Independent



**Dr. Sunny Sharma**

(DIN: 02267273)

Non-Executive & Non-Independent



**Mrs. Shailaja Vardhan**

(DIN: 10172764)

(w.e.f. 30.05.2023)

Non-Executive & Independent

# Management Discussion and Analysis

## Economy overview

### Global economy

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the recession, inflation and of geopolitical tensions. China is rebounding strongly following the reopening of its economy. Supply chain disruptions are unwinding, while the dislocations to energy and food markets are caused by the war. However, since its economy was opened up, China has experienced a remarkable comeback. Supply-chain interruptions are ending as the consequences of the war's disruptions to the energy and food markets begin to fade.

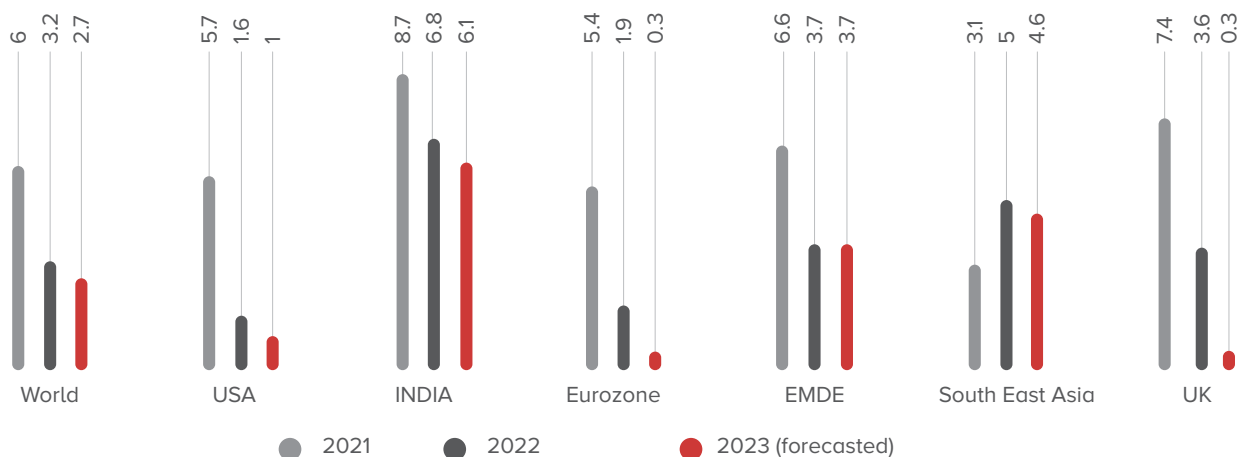
At the same time, the widespread and coordinated tightening of monetary policy by the majority of central banks should begin to show results, with inflation returning to its desired level. Global growth will reach its lowest point this year at 2.8% and then increase to 3.0% in 2024. From 8.7% in 2022 to 7.0% this year and 4.9% in 2024, global inflation will decline. Many developing and emerging market economies are already advancing, with growth rates soaring from 2.8% in 2022 to 4.5% this year.<sup>1</sup> In the most developed economies, the employment markets

continue to be historically tight. Stronger indicators of output and employment weakening have been anticipated up until this point. The financial industry is already beginning to experience major negative effects from the recent sharp tightening of policy.

### Outlook

As per IMF, growth in Asia and the Pacific is forecasted to accelerate to 4.6 % this year from 3.8 % last year. The main development has been the reopening of China, where surging consumption is boosting growth across the region despite weaker demand from the rest of the world. Risks to the outlook include spillovers from greater-than-expected US monetary policy tightening and supply chain disruptions associated with geo-economic fragmentation. In the short term, monetary and fiscal policies will need to remain tight to bring inflation durably back to central bank targets and stabilize the public debt. An integrated policy response using all the available tools will be needed to manage global shocks. While Asia's financial systems haven't seen major impacts following recent banking turmoil in the United States and Europe, they need to be carefully monitored given the high leverage amongst households and corporates.

Real GDP growth



### US economy

Geopolitical conflicts, inflation, and internal interest rate hikes were some of the key concerns for the US economy in fiscal 2023. As a result of these factors, US inflation peaked at 9.1% in FY2023, with a recession anticipated in FY 2024. While the US economy is now less sensitive to interest rates, the most interest-sensitive industries, namely construction, now contribute 7% of GDP, and spending on durable consumer goods has come down to 10.5% over the years. With these sectors in good shape and

a robust corporate balance sheet, the impact of rising interest rates will be less than it was 40 years ago during the previous Recession. In Q2 2023, they forecasted a large decrease in the reported year-over-year PCE deflator due to base effects. Labor market tightness will moderate somewhat over the coming quarters but will remain elevated relative to previous economic downturns. Fed will bring rates back below 4 %. However, due to demographic challenges, tightness in the labor market is expected to remain an ongoing challenge for the foreseeable future. A tale of two economies is emerging. Businesses that

<sup>1</sup> <https://www.imf.org/en/Publications/WEO>

benefited the most from the pandemic-induced boom are cutting back; the hardest hit industries are technology, finance, and manufacturing. Start-ups and businesses that joined the recovery later are still rising up. It is hoped that recent regulatory initiatives would eventually calm the financial markets, but this won't stop a more systemic tightening of lending conditions. When deciding how far to raise interest rates, the Federal Reserve will take into account these changes.

## Outlook

USA's economy is expected to grow by 1% in fiscal year 2024, as per the recent estimates released by the IMF. With significant headwinds affecting manufacturing, the Federal Reserve's terminal fund rates have been expected to reach 5% for fiscal 2024. The services sector, on the other hand, is expected to stay stable.

The US dollar is anticipated to garner more strength along with other currencies in advanced economies. In the coming year, the supply chain hurdles are also expected to smooth out to pre-pandemic levels.

## UK economy

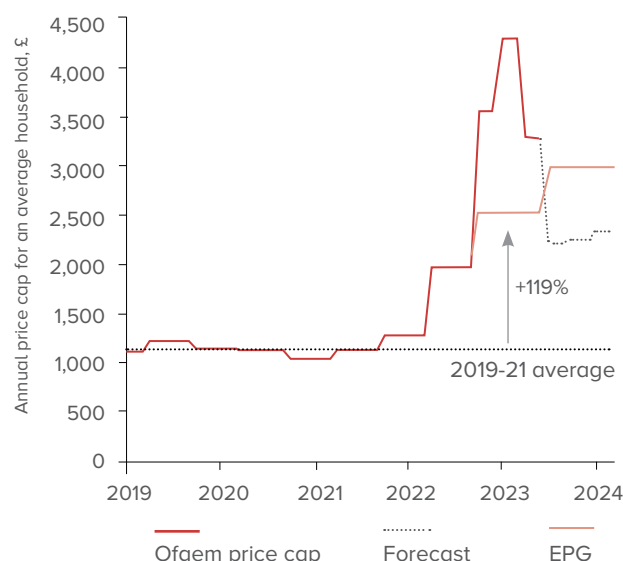
Longer-term concerns to the outlook are mostly structural and include skills shortages, decreased workforce participation, and population ageing. On the whole, more timely indicators have been encouraging. For the first time since July 2022, the composite PMI for February increased once more above the level of 50.0.

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

Although the likelihood of a UK recession has fallen, it has not dissipated entirely. A major headwind is expected to come via household consumption. Elevated inflation continues to act as a drag on real incomes, and the evolution of energy prices – while having fallen in recent months – means that household utility bills remain historically high. To put this into perspective, despite the government's announcement to maintain the Energy Price Guarantee at the £2,500 level for a further three months from April, the average household energy bill remains some 120% higher than in 2019-21. The latest data show some strengthening in momentum, as business investment increased by 4.8% in Q4 2022. It is expected that UK exports will benefit from relatively stronger growth among the UK's main trading partners, with growth in exports outpacing that of imports. UK inflation is set to fall sharply this year after reaching its highest levels in over 40 years in late 2022.<sup>2</sup>

Energy Price Guarantee extended at £2,500 for a further 3 months



[source: Ofgem, OBR, KPMG analysis]

## Russia economy

Russia is one of the world's leading producers of oil and natural gas and is also a top exporter of metals such as steel and primary aluminium. The IMF expects it to grow by 0.7% this year. Employment grew for the third month, with the rate of jobs being the strongest since June 2021. Sentiment improved to an eight-month peak amid hopes for greater client demand and new customer acquisition. Real earnings increased, while unemployment dropped to its lowest level in four years, indicating a major improvement in the labour markets as well.

## Outlook

In 2023, a decline in the Russian economy is projected. However, because of less aggressive monetary policy and lower-than-expected inflation, the decline is less severe than expected. Recent slowdowns in domestic consumer demand are the main causes of the inflation slowdown. Capital controls and Russia's historic current account surplus, brought on by high prices for its commodities exports and a dramatic drop in imports, drive that in turn.

## Australia

The economy continues to evolve in line with the near-term forecasts, with indications that consumption is plateauing ahead of a likely slowdown later in the year. The GDP will grow around 0.7% y/y over 2023 as higher rates increasingly weigh on household budgets. The risk of further rises remains, especially

<sup>2</sup> <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2023/03/global-economic-outlook-2023.pdf>

if inflation or wages surprise to the upside. As of now, there's a current 3.6% cash rate as the likely peak. The unemployment rate remains at record lows, but strong population growth and slowing activity should see labour market pressures ease with unemployment likely to reach 4.7% by end-2024 before settling at 4.5% in 2025.<sup>3</sup> The future for Australia's economy continues to be shaped by the complicated interactions of rebalancing goods and services spending, rising population growth, tightening monetary policy, and a cloudy global outlook.

### Outlook

The GDP will be supported in the short term by increasing trade and high commodity prices. The expansion of personal consumption will benefit from a robust labour market and a steady fall in household saving rates. For the foreseeable future, inflation will continue to rise as high energy prices, global supply chain disruptions, and wage growth brought on by a tight labour market exert upward pressure on prices. Similar to other markets, the housing market is constrained by conflicting pressures. While higher rates affect borrowing capacity and reduce approvals, underlying demographic dynamics continue to indicate a shortage of housing supply.

### Emerging market and developing economies (EMDEs)

As a result of a slower immunisation process and a more constrained policy response, emerging markets and developing economies saw a weaker and more fragile recovery in 2023 compared to advanced economies. As risk sentiment deteriorated, financial conditions tightened. EMDE industrial production dropped, and manufacturing fresh export orders remained subdued as a result of persistent supply restrictions and diminishing external demand.

### Outlook

Due to the removal of macroeconomic policy support, the prognosis for EMDEs is negatively skewed. By 2023, it is expected that all advanced economies will have fully recovered their output. Nevertheless, output in emerging and developing economies will continue to be below its pre-pandemic level. Inflationary pressures will continue to be present, and a stricter monetary policy will be in place through 2023.

### Indian economy

Despite the global slowdown, India's economic growth rate is much stronger than many peers' economies and reflects robust domestic consumption and lesser dependence on global demand. It is projected that GDP for FY23 is to rise to 6.4% and 6.7% in FY24. The rise in the GDP would be driven by private

consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. India's economy will moderate in FY2023 due to persistent global economic slowdown, restrictive monetary conditions, and high oil costs. The Reserve Bank of India started tightening its policy stance. The Indian pharmaceutical sector has developed over time into a robust industry, rising at a CAGR of 9.43% over the past nine years, and is currently ranked third in pharmaceutical output by volume. The market size of India's pharmaceuticals industry is expected to reach USD 65 billion by 2024, and USD 130 billion by 2030.

### Outlook

Despite the sluggish growth, India is still expected to be one of the major beacons of growth in 2023, driven by strong domestic demand and government expenditure. The efforts of the Union Budget 2023-24 to improve the disposable income of taxpayers in the country are expected to boost consumption via an increase in discretionary spending. In addition, the strong capital expenditure push provided by the Union Budget, with an increased outlay of 37.4% in comparison to the fiscal year 2022-23, is expected to drive growth, investments, and job creation. The government's efforts to decrease over 39,000 compliances and decriminalise over 3,400 law provisions would also improve the country's economic environment.<sup>4</sup>

India is on track to overtake Japan and Germany to become the third-largest economy in the world. Global offshore, digitalization and the energy revolution are three megatrends that are paving the way for unexpected economic growth in the nation. The upward revision of private consumption, higher capital expenditure (Capex), and nearly universal vaccine coverage all contribute to the upbeat GDP estimates.

India already struggled with inflation, which the conflict has made worse. The RBI is expected to implement measures to tighten liquidity as long as there is persistently high inflation. India, however, has proven to be very resilient in the face of adversity and has now learned how to proceed while facing limitations. In conclusion, India is in a good position to combat the minor externalities.

### Forecasts for India

	FY23	FY24	FY25
GDP	7.2	6.4	6.9
Inflation	6.5	5.3	4.4
Unemployment rate	7.5	6.0	5.4

Source: Ministry of Statistics and Programme Implementation, CMIE, KPMG forecasts

## Industry overview

### Global pharmaceutical industry

The pharmaceutical business encountered many bottlenecks during the year as a result of supply-chain interruptions and a lack of raw materials. Faster vaccine rollouts, however, have been crucial in recovering the business since governments and healthcare systems around the world are now more willing to invest in the pharmaceutical sector. Going forward, the global market will grow by 4-5% CAGR, reaching USD 1.5 trillion by 2023.

Businesses are now taking greater efforts to combat pandemic-induced effects, which formerly led to operational problems.

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 USD 196 billion in additional expenditure, that will counterbalance the brand spending reductions of USD 188 billion, owing to loss of exclusivity

### Emerging trends in the global pharmaceutical industry

	<b>Artificial Intelligence</b>	The procedures of drug research and development are being sped up by the use of artificial intelligence (AI). Start-ups are investigating how to employ these technologies to solve problems in the pharmaceutical sector, including the automation and optimisation of manufacturing processes as well as the development of successful marketing and post-launch strategies. The process of finding and developing new drugs requires the identification of patients, particularly when performing clinical trials
	<b>Flexible production</b>	The pharma industry is exploring new ways of manufacturing due to the changing market dynamics, such as small batches for precision medicines. Single-use bioreactors are also becoming more and more popular since they boost output and decrease downtime. By omitting challenging tasks like cleaning and validation between various production phases, these bioreactors accomplish this.
	<b>Big data and analytics</b>	The pharma industry requires high performance systems to analyse large volumes of data generated during the drug discovery and development process. The advancement in analytical techniques is also turning historical and real-time data available with pharmaceutical companies into valuable assets for predictive, diagnostic, prescriptive, and descriptive analytics.
	<b>Precision medicine</b>	Precision medicine comes from the idea of treating each patient as a unique individual. Omic and data analytic developments are revealing fresh insights into how the body reacts to medications. Personalised medicine is becoming a reality because to this information and cutting-edge production techniques like additive manufacturing.



### US pharmaceutical industry

The US healthcare system had recovered to its pre-pandemic levels thanks to its tremendous resilience and adaptation in the face of catastrophe. It is expected to see activity in areas of high expected future growth in 2023. Pharma and biotech M&A will continue to focus on oncology and immunology, but other areas such as central nervous system and cardiovascular diseases as well as vaccines will see interest. The market will place a significant premium on therapeutic area leadership. Unmet medical needs that are being addressed by promising science are tremendously valuable, but there is still fierce competition for distinctive and low-risk assets. As the overall economic outlook stabilizes somewhat, the need to invest to achieve transformation will remain unparalleled. Achieving scale to deliver shareholder

value is imperative. It is continued to expect deals in the USD 5 billion to USD 15 billion range in the market sweet spot. Structured acquisitions, innovative and imaginative R&D funding strategies, and portfolio reassessments that result in divestitures will all be significant themes in the M&A toolkit in 2023. The recent reset in valuations may provide opportunities for companies to outperform investor expectations and create shareholder value by focusing on differentiated growth opportunities such as robotic surgery, structural heart disease and connected care. Balance sheets and cash flow across the industry remain strong, and M&A will remain a priority for capital allocation.

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

- Ageing population - The US population is expected to increase by between 0.5 % and 1 % yearly during the next five years. With population growth of 3% annually, there will be 64.5 million persons over the age of 65 by 2025, making up 18.5% to 19% of the entire population.

<sup>3</sup> <https://business.nab.com.au/the-forward-view-australia-april-2023-59521/>

<sup>4</sup> Budget 2023-2024, Speech of Nirmala Sitharaman, Minister of Finance, Government of India



- More people are receiving coverage under the Affordable Care Act (ACA)— By 2023, more than 297 million Americans had access to at least one type of health insurance, a significant increase from the 257 million people who were protected in 2010.
- Chronic diseases such as s hypertension, diabetes, chronic respiratory disease, and cardiovascular diseases are rising across the globe on account of rapid urbanization, adoption of sedentary lifestyles and poor dietary habits
- The use of generic medications has expanded globally as a result of efforts to lower healthcare costs generally. These efforts have been exacerbated by a COVID-19-induced economic crisis, declining purchasing power, and financial difficulties. Governments all across the world are implementing pro-generic policies to boost use and reduce escalating costs.



#### UK and Eurozone pharmaceutical industry

With enterprises of all sizes, Europe is the second-largest market for pharmaceuticals in the world. The fact that developing biopharmaceutical companies do more than 70% of the research contributes to the industry's growth. Even while the industry experiences growth due to the rising incidence of illnesses, universal coverage, and easy access to healthcare facilities, future growth is constrained by the rising use of generic medications and government initiatives to minimise costs.

The pharmaceutical market in the UK, which is based on strong innovation, is anticipated to expand with a CAGR of 3.6%, reaching \$34.0 billion in valuation by 2023. The wide availability of healthcare, rising disease burden, and ease of access are the main causes of this.



#### Australia and New Zealand pharmaceutical industry

Australia Pharmaceuticals Market is likely to register a CAGR of 3% over the forecast period. There are several significant participants in the fiercely competitive Australian pharmaceutical business. A select number of the big firms presently control the majority of the market in terms of market share. A few major

players are actively acquiring other businesses and forming joint ventures with them in order to strengthen their market positions in the nation. AstraZeneca, Pfizer Inc., Amgen Inc., Eli Lilly and Company, and Abbvie Inc. are a few of the leading businesses now controlling the market.

The country invested over USD 363 million in the development of COVID-19 prevention and treatment strategies, which is projected to significantly support market expansion. Over the course of the forecast period, market growth is projected to be fueled by an increasing burden of chronic illnesses, an ageing population, and rising R&D spending for cutting-edge medicines.



#### Russia pharmaceutical industry

By 2023, it is expected that Russia's pharmaceutical sector would have expanded by 2.5 billion Russian Rubles. The government's concern for national security in the supply of medicines is one of the key factors in the development of the industry in Russia, particularly in light of the fact that major foreign producers suspended at least some operations in the nation in 2022 as a result of the conflict in Ukraine. The expanding market for internet pharmaceutical sales, which was legalised during the COVID-19 epidemic, is another significant factor propelling the sector. Additionally, as the population ages, demographic factors will continue to drive the pharmaceutical market's rise.

#### Global Biologics industry

The pharmaceutical industry's most intriguing research area is biologics, and injectables are becoming more and more popular as preferred drug delivery systems since they are simpler to use, result in fewer overfills, and boost patient safety. The global biologics market size is expected to expand at a compound annual growth rate (CAGR) of 3.9% from 2020 to 2025. The creation of a variety of tailored treatments has become possible thanks to a better knowledge of the genetic and molecular causes of disease. Biologics are anticipated to have profitable expansion in the upcoming years as small molecule medication R&D productivity declines. In order to preserve their market position, pharmaceutical companies are concentrating on the development of a number of biologic medicines. Improving efficacy from oral products for rheumatoid arthritis and Crohn's disease is anticipated to pull more moderate patients to the novel and branded treatments. In addition, novel molecules provide options for treatment-experienced patients and often show superior safety and efficacy.

<sup>5</sup> <https://www.grandviewresearch.com/industry-analysis/biologics-market>

Advancements pertaining to the development of manufacturing capabilities are projected to boost biopharmaceutical production capacity. These advancements also include the use of single-use systems in the manufacturing and processing of biopharmaceuticals. Between 2024 and 2029, when 100 biologic medicines lose their exclusivity, Europe provides tremendous opportunity, with revenues valued at more than USD 40 billion in the year of expiration. Additionally, researchers are looking towards species and expression systems that have the potential to be more fruitful. Revenue growth is expected to be fueled by the creation of reagents and cell lines that increase the productivity of biological products.<sup>5</sup>

### Global generic industry

The global generic drug industry is expected to reach USD 1,323.68 million by 2030, at a CAGR of 9.9% during the forecast period 2023 to 2030. According to the World Health Organisation, there are 132,000 incidences of melanoma skin cancer and between 2 and 3 million cases of non-melanoma skin cancer per year. Additionally, psoriasis is a dangerous disorder that affects at least 100 million individuals worldwide and has a prevalence that ranges from 0.09 % to 11.43%. The market for advanced topical products is anticipated to expand in the coming years despite the fact that topical drug administration is the main therapy approach for the majority of skin disorders. Future generic product demand will be sustained and expand as a result of an ageing population and budgetary pressures in public health. Obesity, diabetes, and other chronic illnesses and ailments will continue to drive market growth.

### Global OTC industry

The global over-the-counter (OTC) drugs market is projected to witness substantial growth, with revenue expected to reach US\$ 238,453.92 Mn by 2031, growing at a CAGR of 7.0% during the forecast period.<sup>6</sup> Factors such as increasing product approvals and launches, rising prevalence of chronic disorders, a growing geriatric population, and heightened awareness about health management contribute to this market growth. Additionally, the demand for OTC drugs is fueled by the popularity of self-medication, advancements in drug delivery systems, and the preference for convenient and cost-effective medications.

The market growth of OTC drugs is primarily driven by the increasing occurrence of chronic disorders and the growing number of elderly individuals. Additionally, the rising trend of

self-medication and advancements in drug delivery systems play a significant role. Moreover, the market is positively influenced by the preference of consumers for medications that are both convenient and cost-effective. These factors collectively contribute to the expansion of the OTC drugs market.

### Trends in the Global OTC Drugs Market

1. Rise of digital health: Increasing use of technology in healthcare has led to the popularity of digital health platforms and mobile health applications. This trend is expected to drive the expansion of the OTC drugs market as more customers purchase medications and access information digitally.
2. Focus on self-care: Consumers are seeking greater control over their health, leading to a rise in self-care practices. The demand for OTC drugs is projected to increase as individuals look for alternatives to prescription medications to manage their well-being.
3. Demand for natural and organic items: Growing awareness about product contents has led to an increased demand for OTC medications derived from natural ingredients and free of toxic chemicals and additives.
4. Growth in emerging markets: With the expanding global population, there is a significant market potential for OTC medicines, particularly in emerging markets such as Asia and Africa. Manufacturers have opportunities to enter and develop these markets.
5. Increased regulation: Governments worldwide are imposing stricter regulations on the use and sales of OTC medicines to ensure their efficacy and safety. This trend is expected to drive innovation and elevate the overall standard of products in the market.

### Indian pharmaceutical industry

In terms of volume, the pharmaceutical sector in India is the third largest in the world. With 20% of the global supply, the country is also the largest generic drug supplier in the world. The 'Pharmacy of the World' is India, which is also known for its highly efficient and cost-effective pharmaceutical companies. India's domestic pharmaceutical market is estimated to reach USD 130 billion by 2030. The year 2023 holds a positive outlook for India's pharmaceutical industry, with a deeper focus on quality manufacturing, affordability of drugs and adoption of innovation and technology. The main focus this year is to promote research and innovation in the country.

<sup>6</sup> <https://www.astuteanalytica.com/industry-report/over-the-counter-otc-drugs-market>

The industry this year was characterised by a higher level of government and industry collaboration, with both playing a crucial role in assisting the sector in further strengthening its position in the global market. The COVID-19 pandemic has completely changed the pharmaceutical industry's landscape, and cooperation between the government and the sector is now seen more favourably than ever. Despite geopolitical issues, India continued to provide medicines to over 200 countries. The sector also faced challenges this year, however, as the industry expands its footprint around the world, it will need to continuously invest in upgrading manufacturing standards to keep its promise of being a high-quality, reliable supplier of medicines to the world. India is making an effort to build a policy framework that incorporates intellectual property and technology commercialization,

government procurement, scientific research, education, and skill development, as well as ease of doing business, regulatory legislation, and tax and financial incentives. These regulatory adjustments will open the door for further private sector investment in pharmaceutical R&D.<sup>7</sup>

Delivering for patients and investors will be difficult in 2023 because to high inflation, a skills scarcity, rising capital costs, difficult effects of foreign exchange, pressures on consumer spending, and ongoing transactional monitoring by the Federal Trade Commission (FTC). These challenges are added to those brought on by the expiration of blockbuster patents, growing competition in most therapeutic fields, and the effects of the Inflation Reduction Act (IRA) of 2022.<sup>8</sup>

## MEGATRENDS IN INDIAN PHARMACEUTICAL INDUSTRY

### Opportunities & threats

- **Evolving regulatory environment**

Success in collaborating with the government will have an impact on the sector's future as healthcare takes the lead in the agenda for policy.

Due to stricter laws and quicker regulatory approvals, businesses must be precise "first time." The authorities' increased scrutiny has made a focus on quality assurance and control even more crucial.

- **Digital- the basis of transformation**

The industry is changing, and the ecosystem is currently heading towards operational integration supported by digitization.

With investments in data and analytics capabilities, businesses are adapting quickly to the changing relationship dynamics brought on by new digital elements.

- **Shifting industry dynamics-**

The industry is going through a number of changes, including a switch from "Make in India" to "Develop in India," increased globalisation, a focus on rural markets, a mindset shift from one that emphasises pricing to one that emphasises value-added, and a mindset shift from one that emphasises competition to one that emphasises collaboration with the merging of sectors, particularly medical devices, pharmaceuticals, and disposables.

- **Adaptation to new emerging skills-**

Especially in the areas of digital and advanced analytics, as well as market access, businesses are realigning their staff's competencies to new growth models and developing capabilities.

- **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.

<sup>8</sup><https://www.pwc.com/us/en/industries/pharma-life-sciences/pharmaceutical-industry-trends.html>

<sup>7</sup> [Business today](#)

### Globalisation-

Industry changes have prioritised globalisation during the last few years. Leaders from around the world are travelling to India increasingly frequently. More than 200 nations now have Indian pharmaceutical businesses on the market, and this figure is expected to grow. As globalisation picks up speed, businesses operating on a larger scale will increase the depth and breadth of market penetration.

### Rural markets-

Although over 70% of Indians reside in rural areas, roughly 70% of healthcare services are currently offered in urban areas. Future pharmaceutical companies will need to focus on expanding their channel infrastructure to reach rural and urban markets as they become more relevant.

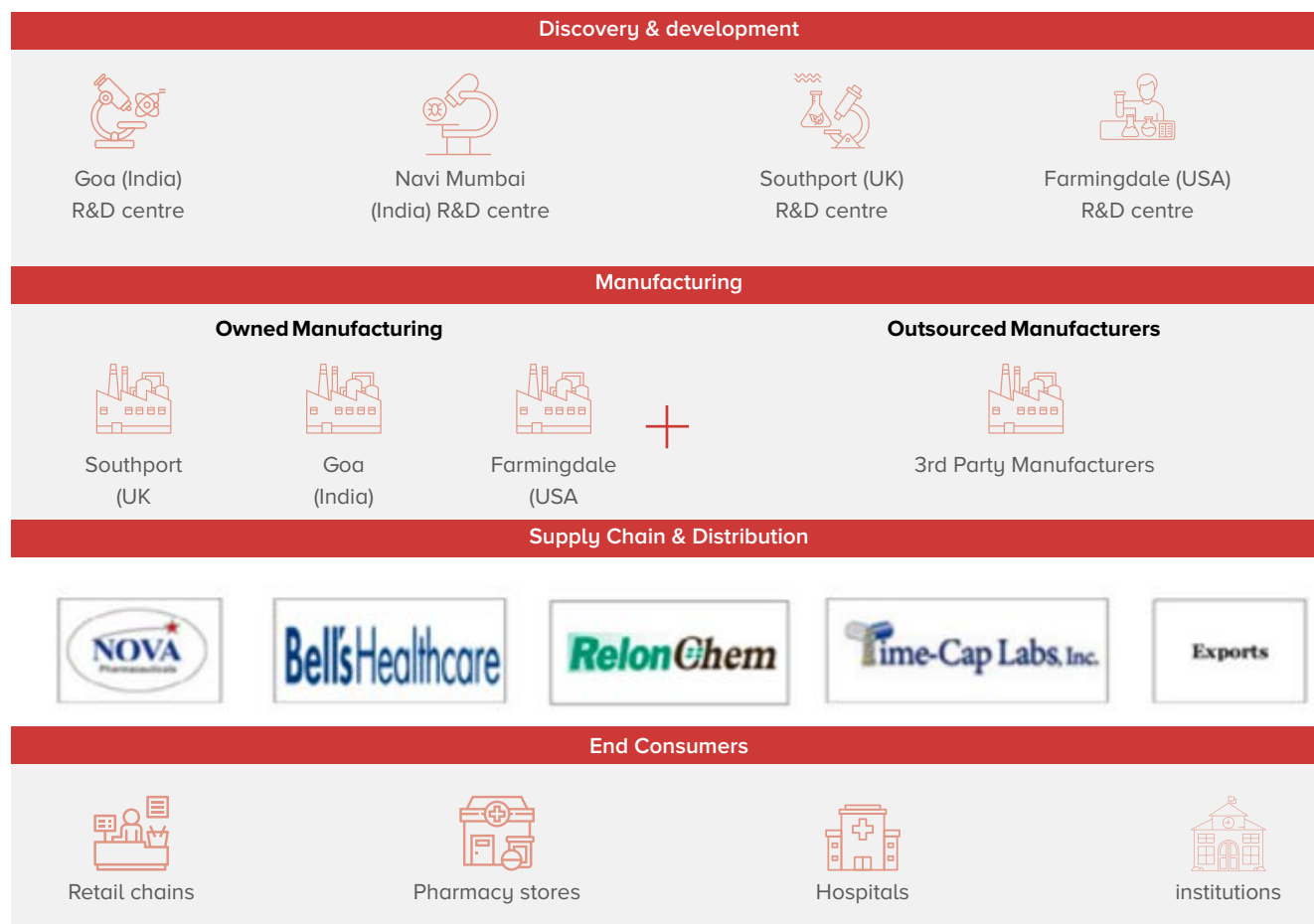
India is anticipated to spend between 9-12% more on healthcare over the next five years, ranking among the top 10 countries globally. The ability of companies to concentrate their product portfolios on chronic therapies for common conditions like cancer, diabetes, depression, and cardiovascular disease will also determine how much future domestic sales expand.

## Company overview

Today's rapidly expanding pharmaceutical company, Marksans, has an integrated forward-thinking corporate approach. The company produces goods in a number of therapeutic areas, such as pain management, cough and cold, cardiovascular and central nervous system, anti-diabetic, gastrointestinal, and anti-allergic, among others.

With facilities in Goa (India), Southport (UK), and New York (USA), the Company has a strong and cutting-edge manufacturing setup that is poised to produce considerable growth by maximising its operational leverage.

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



## Geography-wise performance



### US and North America

In FY23, the Formulation businesses in the US and North America exhibited robust growth of 22% YoY to ₹ 774.6 crore compared to ₹ 635 crores in FY22. It has 32 products in its pipeline, consisting of 20 oral solids and 12 ointments and creams. Specifically, within the oral solids category, there are four Softgels undergoing development.

**₹ 774.6 crore**

Total revenue

**22%**

Y-o-Y growth

**41.8%**

Contribution to total revenue



### Europe and UK

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. The majority of Marksans' revenue mix is attributable to its position in a variety of therapeutic fields in the area, including pain management, diabetes, cold and flu, neurology, cardiology, and hormone treatment.

In FY23, the UK and Europe Formulation business recorded revenue of ₹ 767.6 crores, exhibiting a notable growth rate of 26%. The Company has currently filed an application for approval of 16 products in its pipeline. Looking ahead, it has strategic plans to submit 34 new filings within the next three years.

**₹ 767.6 crore**

Total revenue

**26.0%**

Y-o-Y growth

**41.4%**

Contribution to total revenue



### Australia and New Zealand

The pharmaceutical industries in Australia and New Zealand currently make up the third-largest portion of Marksans' total revenue mix as a result of Marksans' years-long efforts to enhance its market dominance in these region. The Company's regional operations are backed by Nova, a research-focused speciality medicines company that Marksans invested in 2005. One of the biggest generics and private label suppliers in the area, Nova has over 30 MAs.

This business division of the Company reported revenue of ₹ 209.4 crores in FY23. Looking ahead, the Company has a robust pipeline consisting of 10 products that are currently under development and expected to be launched within the next two years.

**₹ 209.5 crore**

Total revenue

**16.5%**

Y-o-Y growth

**11.3%**

Contribution to total revenue



### Rest of the world

The Company has established a notable presence in various regions, including the Middle East, Southeast Asia, CIS, Russia, and Africa. To further bolster its position in the MENA (Middle East and North Africa) region, the Company successfully acquired Access HealthCare for Medical Products LLC in the UAE, which enhances its market presence and capabilities in the area. This business division experienced remarkable growth, achieving an increase of 50.2% YoY to reach ₹ 100.4 crores in FY23.

**₹ 100.4 crore**

Total revenue

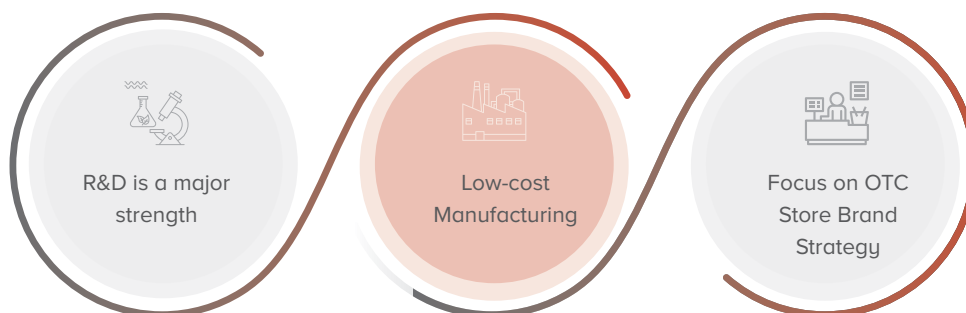
**50.2%**

Y-o-Y growth

**5.4%**

Contribution to total revenue

### Key strengths



### Outlook

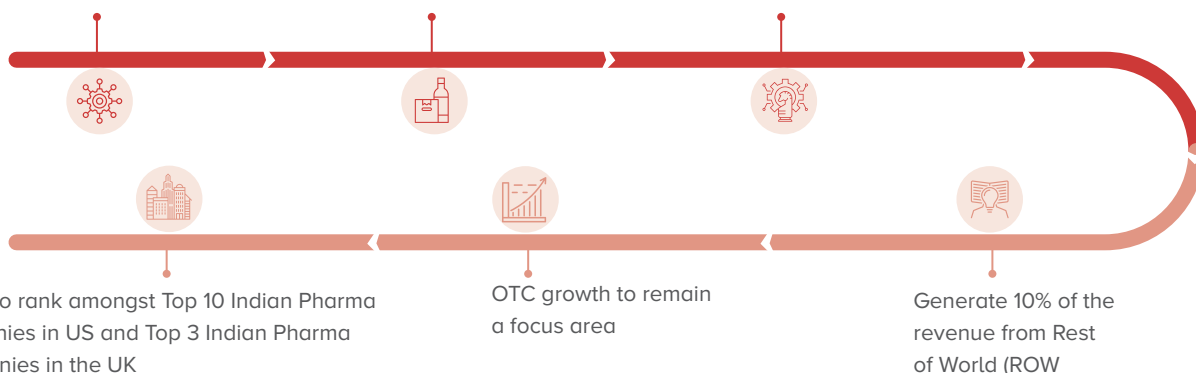
Going forward, its immediate objective is to establish a comprehensive product offering in the largest over-the-counter (OTC) segments, including Pain Management, Cough and Cold, Gastrointestinal, and Anti-Allergic, while also entering the liquids, creams, and ointments OTC category. The Company aims to expand its presence in other regions by acquiring companies that align with its distribution strategy for OTC products through store brands.

### Long term goals

EBITDA Margin expected >25% driven by full integration for key formulations

To add new 10-12 new products in UK and USA every year

- Increasing presence in EU
- Adding new delivery systems
- Expanding across geographies
- Backward Integration
- 100% coverage- across strategic therapeutic segments





Moreover, the recent acquisition of manufacturing capacity from Tevapharm (India) provides scalable production capabilities, with plans to double the existing capacity of 8 billion units per annum. This expansion includes the manufacturing of tablets, hard and soft gel capsules, ointments, liquids, creams, and more.

### Growth strategy



### HUMAN RESOURCES

Marksans believe in expanding by attracting, retaining, and cultivating new people. Given that the Company's main values include innovation, the business prioritises employee empowerment and retention. To maintain the Company's relevance in the crowded market, it has implemented a number of measures to improve teamwork and skills, such as keep improving the company's talent pipeline.

# 1,400+

Workforce

For more details please refer to the page 26 of this annual report.

### Financial review

The Company witnessed a great year of performance as the total revenue exceeded the guidance of Rs. 1,800 crores in revenue. This performance was led by intense focus and execution, driving market share in various products and SKUs. The Company saw strong growth across all our markets.

### Revenue

The Company experienced a substantial growth rate of 24.2% YoY in operating revenue, reaching ₹ 1,852.1 crores. This was primarily driven by its successful market share expansion in existing store brands and markets, as well as the successful introduction of new products. Furthermore, its consolidated revenue from Europe and the UK markets witnessed a significant YoY growth of 26.0%, while the US and North American markets also exhibited a strong YoY growth of 22.0%.

### Depreciation and amortization expenses

The Company's depreciation and amortization expenses rose from ₹ 44.8 crore in FY22 to ₹ 51.9 crore in FY23, marking an increase of 15.8% YoY basis. Increase was mainly on account of additions made into the Fixed Assets during the year.

### Finance cost

Finance cost for the year, increased by ₹ 0.7 crore to ₹ 9.1 crore in FY23 from ₹ 8.4 crore in FY22. It was mainly on account of non-fund based limits bank charges.

## Reserves and surplus

Reserves and surplus grew from ₹ 1161.3 crores in FY22 to ₹ 1699.8 crores in FY23, indicating a substantial increase of 46.3% during the specified period. Increase was mainly on account of profits during the year.

## Trade payables

The Company experienced a 15.2% growth in trade payables, with the amount increasing from ₹ 200.1 crore in FY22 to ₹ 230.6 crore in FY23. Increase was proportionate to increase in the purchases during the year.

## Non-current lease liability

Due to new warehousing premises contract, the non-current lease liability increased to ₹ 65.7 crore in FY23 compared to ₹ 41.4 crore in FY22.

## Other current financial liabilities

The other current financial liabilities decreased in FY23 to ₹ 15.3 crore from ₹ 65.6 crore in FY22. This was on account of reclassification of provisions for expenses into trade payables.

## Provision- non-current liabilities

The provision for non-current liabilities of the Company rose from ₹ 1.9 crore in FY22 to ₹ 3.3 crore in FY23, witnessing a significant increase of 75.20%. Increase was due to increase in the gratuity and leave encashment provisioning.

## Provision- current liabilities

With a substantial increase of 83.1%, the Company's provision for current liabilities reached ₹ 1.3 crore compared to the previous fiscal year's provision of ₹ 0.7 crore. Increase was due to increase in provisions related to employees dues.

## Property, plant and equipment (PPE)

During FY23, the property, plant, and equipment (PPE) grew to ₹ 379.6 crore from ₹ 341.6 crore in FY22. Increase was due to capacity expansion plans at company's manufacturing sites.

## Intangible assets

In FY23, the Company witnessed an increase in its intangible assets, with the value rising to ₹ 68.2 crore from ₹ 56.7 crore in FY22.

## Current investments

Current investments slightly increased from ₹ 0.4 crore in FY22 to ₹ 0.5 crore in FY23 mainly on account of increase in value of investment during the year.

## Other non-current financial assets

Other non-current financial assets increased by approximately 33.3%, rising from ₹ 2.6 crore in FY22 to ₹ 3.5 crore in FY23.

## Other current financial assets

Other current financial assets decreased by ₹ 4.7 crore to ₹ 3.7 crore in FY23 from ₹ 8.4 crore in FY22.

## Inventories

The Company's inventories increased by approximately 14.2%, rising from ₹ 424.4 crore in FY22 to ₹ 484.7 crore in FY23.

## Trade receivables

The Company witnessed a growth of approximately ₹ 22 crore in trade receivables, with the value increasing from ₹ 394.8 crore in FY22 to ₹ 416.8 crore in FY23. Increase was mainly due to increase in sales.

## Other current assets

Other current assets surged from ₹ 20.8 crore in FY22 to ₹ 52.6 crore in FY23.

## Other non-current assets

The Company's other non-current assets increased by approximately 837.3%, rising from ₹ 1.6 crore in FY22 to ₹ 14.6 crore in FY23.

## Cash and cash equivalents

Cash and cash equivalents increased to ₹ 382.4 crore in FY23 from ₹ 206.4 crore in FY22.

## Bank balance other than cash & cash equivalent

Bank balance other than cash & cash equivalent increased to ₹ 332.50 crore in FY23 from ₹ 142.9 crore in FY22 on account of raising of funds through preferential issue of equity shares.

## Lease (Current)

Current lease decreased to ₹ 15.7 crore in FY23 from ₹ 28.1 crore in FY22.

## Other current liability

Other current liability increased to ₹ 11.2 crore in FY23 from ₹ 3.1 crore in FY22.

## Borrowings

Borrowings slightly increased to ₹ 41.6 crore in FY23 from ₹ 41.3 crore in FY22.

## KEY FINANCIAL RATIOS

Complying with 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	2022-23	2021-22	YoY Growth	Details of significant changes
Debtors turnover(days)	154	115	33.91%	Due to increase in trade receivables
Inventory turnover (days)	109	95	14.74%	-
Interest coverage ratio (times)	25.44	29.96	-15.09%	-
Operating profit margin (%)	20.70	21.01	-1.46%	-
Net profit margin (%)	15.70	15.80	-0.61%	-
Return on net worth (%)	9.26	13.25	-30.15%	Due to increase in shareholders equity on account of conversion of warrants
Current ratio (times)	4.22	3.54	19.13%	-
Debt-equity ratio (times)	0.01	0.02	-62.05%	-

## 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.

Regulatory risk		Every pharmaceutical product created or produced by the company is subjected to stringent regulatory, R&D, and quality monitoring. Systems of quality management are in place to guarantee that the products adhere to global standards. All of the Company's manufacturing facilities also adhere to the regulations set out by the top regulatory bodies in the sector.
Technology risk		The Company, which runs a research-driven industry, pushes technical advancement and invests to stay up with shifting trends. Marksans' strong R&D demonstrates its dedication to being a technologically cutting-edge pharmaceutical company. In order to keep current on new developments, the Company also maintains strong contacts with well-known international businesses and organisations.
People risk		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.
Competition risk		Marksans' expenditures in its R&D have kept the Company stay ahead of the competition. Additionally, Marksans has a capable marketing and business development team on staff that continually evaluates industry trends and makes pertinent recommendations to management.

## INTERNAL CONTROL SYSTEM 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 **THIRTY FIRST (31<sup>st</sup>) Annual Reports along with the financial statements for the year ended 31<sup>st</sup> March, 2023.**

## FINANCIAL HIGHLIGHTS

Particulars	(₹ in Million)	
	2022-23	2021-22
Turnover	6,552.04	6,582.89
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	1,487.72	1,521.71
<b>Less:</b> Depreciation & Amortization Expenses	167.37	176.63
Non-recurring expenses	-	-
Tax expenses	291.69	305.20
Profit after Tax	1,028.66	1,039.88

## OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2022-23, your Company achieved turnover of ₹ 6,552.04 Million with net profit of ₹ 1,028.66 Million as compared to turnover of ₹ 6,582.89 Million with net profit of ₹ 1,039.88 Million in the previous year.

On consolidated basis, your Company achieved turnover of ₹ 18,521.39 Million with net profit of ₹ 2,653.21 Million as compared to turnover of ₹ 14,908.39 Million with net profit of ₹ 1,868.14 Million in the previous year. During the year, US and North America Formulation business reported growth of 22%, Europe and UK formulation business reported growth of 26%. Australia and New Zealand formulation business reported growth of 16.5% and Rest of World formulation business reported growth of 50.2%.

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

The Board of Directors at its Meeting held on 30<sup>th</sup> May, 2023, declared dividend of ₹ 0.50/- (50%) per equity share of ₹ 1/- each for the financial year ended 31<sup>st</sup> March, 2023. Total cash outflow on account of dividend payment has been ₹ 226.58 Million for the financial year ended 31<sup>st</sup> March, 2023. The Dividend has been paid in compliance with applicable regulations and in accordance with Company's Dividend Distribution policy. The Dividend Distribution policy is available on the Company's website <http://www.marksanspharma.com/pdf/dividend-distribution-policy.pdf>

## 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 ₹ 7,660.99 Million as compared to sales of ₹ 6,075.84 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 ₹ 7,613.03 Million as compared to sales of ₹ 6,288.02 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 ₹ 1,926.86 Million as compared to sales of ₹ 1,681.22 Million during previous year.
- Access Healthcare for Medical Products L.L.C, a wholly owned subsidiary which operates mainly in UAE and neighboring countries has achieved sales of ₹ 218.48 Million.

Pursuant to a Central Government's Circular dated 8<sup>th</sup> 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 is annexed to this report as **Annexure - I**.

Your Company has no Joint Ventures and Associate Companies.

## 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, Company has undertaken buyback of equity shares through stock exchange mechanism. The Company bought back & extinguished 64,74,276 equity shares which reduced the paid-up capital of the Company to 40,28,39,422 equity shares by 18<sup>th</sup> January, 2023.

Further, pursuant to exercise of conversion rights associated with warrants by the warrants-holders and balance consideration having been paid toward subscription money in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of Directors of the Company, at its meeting held on 20<sup>th</sup> January, 2023, issued and allotted 10,00,000 equity shares to Mr. Mark Saldanha and 4,93,24,324 equity shares to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74/- per equity share having face value of ₹ 1/- each on preferential basis against the conversion of warrants allotted to them. Accordingly, the paid-up equity share capital of the Company has increased to 45,31,63,746 equity shares with effect from 20<sup>th</sup> January, 2023.

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.

## ACQUISITION OF MANUFACTURING FACILITIES IN GOA

On October 11, 2022, your company entered into a Business Transfer Agreement with Tevapharm India Private Limited to acquire its business relating to the manufacture and supply of pharmaceutical formulations in Plot No. A1, Phase 1-A, Verna Industrial Estate, Verna, Goa – 403722 as a going concern on a slump sale basis. Eventually, your company formally took over the above business in April 2023.

The acquisition has potential to significantly expand your Company's manufacturing capability and accelerate core growth strategy. It will supplement innovative product portfolio. It is also a testament to the Company's commitment to invest in product innovation, expand capacities, and drive market share gains. We are confident that this acquisition will lead to a transformational growth journey unlocking further value for the Company's shareholders.

The above acquisition was for ₹ 77.94 crore and your Company plans to further invest ₹ 200 Crore in next Two years to build an additional capacity of 8 billion units per annum. The mode of finance for the above acquisition and further investment is equity and internal accrual.

## 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 / Resignation of Directors:

The Company has re-appointed Mr. Digant Mahesh Parikh (DIN: 00212589) as an Independent Director for a second term of 5 (five) years by passing special resolution through postal ballot and his office shall not be liable to retire by rotation.

The Board of Directors has appointed Ms. Shailaja Vardhan (DIN: 10172764) as an Additional Director in the Category of Independent Non-Executive Director with effect from 30<sup>th</sup> May, 2023 and her office shall not be liable to retire by rotation.

Ms. Meena Rani Surana (DIN: 08863769) has resigned from the Board as an Independent Director with effect from 30<sup>th</sup> May, 2023.

### b. Retirement of Director by rotation:

In terms of Section 152 of the Companies Act, 2013, Dr. Sunny Sharma (DIN: 02267273) will retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself 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 2022-23, the Board met 9 (Nine) times on 23.04.2022, 30.05.2022, 08.07.2022, 29.07.2022, 13.08.2022, 10.10.2022, 14.11.2022, 20.01.2023 and 13.02.2023.

## 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 2022-23, Mr. Mark Saldanha, Managing Director of the Company has also received remuneration of ₹ 1,15,66,080.00 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 2022-23. 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 2022-23. 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-2022-23.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 with weblink	Brief Description
Code of Conduct for Directors & Employees at <a href="http://marksanspharma.com/pdf/Code-of-Conduct.pdf">http://marksanspharma.com/pdf/Code-of-Conduct.pdf</a>	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 at <a href="http://marksanspharma.com/pdf/Code-Of-Conduct-Insider-Trading.pdf">http://marksanspharma.com/pdf/Code-Of-Conduct-Insider-Trading.pdf</a>	The Code provides framework for dealing with securities of the Company by directors and employees of the Company
Policy on Related Party Transactions at <a href="http://marksanspharma.com/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf">http://marksanspharma.com/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf</a>	The Policy regulates all transactions between the Company and its related parties
Corporate Social Responsibility (CSR) Policy at <a href="http://marksanspharma.com/pdf/CSR-Poicy.pdf">http://marksanspharma.com/pdf/CSR-Poicy.pdf</a>	The Policy outlines Company's strategy to bring about a positive impact on society
Whistle Blower Policy (Vigil Mechanism) at <a href="http://marksanspharma.com/pdf/whistle-blower-policy.pdf">http://marksanspharma.com/pdf/whistle-blower-policy.pdf</a>	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 at <a href="http://marksanspharma.com/pdf/determining-materiality-for-disclosures.pdf">http://marksanspharma.com/pdf/determining-materiality-for-disclosures.pdf</a>	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 at <a href="http://marksanspharma.com/pdf/code-of-fair-disclosure.pdf">http://marksanspharma.com/pdf/code-of-fair-disclosure.pdf</a>	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 at <a href="http://marksanspharma.com/pdf/policy-on-material-subsidiary.pdf">http://marksanspharma.com/pdf/policy-on-material-subsidiary.pdf</a>	The Policy provides criteria when a subsidiary becomes a material subsidiary
Dividend Distribution Policy at <a href="http://marksanspharma.com/pdf/dividend-distribution-policy.pdf">http://marksanspharma.com/pdf/dividend-distribution-policy.pdf</a>	The Policy envisages criteria for distribution of dividend.
Nomination and Remuneration Policy at <a href="http://marksanspharma.com/pdf/nomination-and-remuneration-policy.pdf">http://marksanspharma.com/pdf/nomination-and-remuneration-policy.pdf</a>	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. 40(d) 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. Virtually every aspect of your Company's 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 in compliance with environmental regulations.

## 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 2022-23 have been disclosed under Note No. 40(c) of the Notes to the Standalone Financial Statement. Details of material transactions with the related parties entered into during the year are 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 2022-23, 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023, the Company's permanent employee strength is 852 (809 as on 31<sup>st</sup> March, 2022).

## 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 31<sup>st</sup> March, 2023 and Profit of the Company for the period ended 31<sup>st</sup> March, 2023;
- 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 AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report for the financial year 2022-23 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 31<sup>st</sup> March, 2023. The Auditor's reports for the financial year 2022-23 do not contain any qualification, reservation or adverse remark.

### 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 2022-23. 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: 1st August, 2023

**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:

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

#### b) Additional investments:

- Continuously install electronic devices to improve quality of power and reduction of energy consumption.
- Install efficient steam boiler burner.
- Harmonics and power factor improvements.
- Install energy saving lamps.
- 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.

ENERGY CONSERVATION	2022-23	2021-22
Particulars		
<b>1. Electricity</b>		
(a) Purchases		
Units (in kwhs)	13560600.00	12192900.00
Total Amount (₹)	100886378.43	74790216.00
Rate/ Unit (₹)	7.44	6.13
(b) Own Generation		
(i) Through Diesel Generator		
Units (units in'000)	795.81	924.20
Units per Ltr of Diesel Oil	3.06	3.20
Cost/ Unit (₹)	30.09	28.20
<b>2. Agrowaste consumption</b>		
Qty (units in'000)	3519.95	3054.59
Total Amount (₹in'000)	14223.23	11834.93
Average Rate	4.04	3.87

### 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	9.92
b. Revenue expenditure	148.97
<b>C. Total</b>	<b>158.89</b>

d. Total R&D expenditure as a percentage of total standalone revenue – 2.22%

## 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 2022-23, the Company used foreign exchange amounting to ₹ 1,348.40 Million (Previous year ₹ 1,040.01 Million) and earned foreign exchange amounting to ₹ 6,491.44 Million (Previous Year ₹ 6,418.59 Million).

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

**Mark Saldanha**

Chairman & Managing Director  
DIN: 00020983

Mumbai  
Dated: 1st August, 2023

# 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 & purchase 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: ₹ 3118.66 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: 1st August, 2023

**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 31<sup>st</sup> March 2023, 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-Poicy.pdf>

The Company's CSR Projects is available on the Company's web-link at <http://marksanspharma.com/pdf/CSR-Projects-22-23.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:

Sl. 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	2021-22	10,568.51	10,568.51

#### 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 2022-23 was ₹ 1,01,41,44,302

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

The prescribed CSR expenditure requirement for FY 2022-23 was ₹ 2,02,82,886.04

**(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 2022-23 is ₹ 10,568.51

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

Total CSR obligation for the financial year is ₹ 2,02,72,317.53

**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
₹ 2,03,56,564.31				Not Applicable	

**(b) Details of CSR amount spent against 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	(6) Project duration
Not Applicable					
(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) 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: Testing and other medical charges for local, provided essential supplies, medicines, sanitisers, masks, gloves and kits to the frontline health workers, etc in the fight against COVID-19 pandemic and other related expenses in connection therein.	Promotion of Health Care including preventive health care	Yes	Goa	North Goa

(1)	(2)	(3)	(4)	(5)	
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	
				State	District
2.	Project ensures environmental sustainability and ecological balance. Project includes plantation of tree, conservation of natural resources and maintaining quality of soil, air and water.	Environmental sustainability, ecological balance and protection of flora and fauna	Yes	Goa	North Goa
3.	Distribution of free food items to the needy people.	Eradication of Hunger, poverty & malnutrition	Yes	Goa	North Goa
4.	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
5.	Contribution for construction of building to provide Nursing education to the economically challenged students from rural areas across Goa.	Promoting education	Yes	Goa	North Goa
6.	Provided 12 nos. personal computers to Shri Shraddhanand Vidyalyay School at Poinguinim, Canacona, Goa, under Saksharta Education Support project undertaken by the Rotary Club of Panaji Mid-Town	Promoting education	Yes	Goa	North Goa
7.	Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	Overall wellbeing of women and children	Yes	Goa	North Goa
8.	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

**Total**

(6)	(7)	(8)	
Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
		Name	CSR Registration Number
₹ 85,53,246.60	Yes	-	-
₹ 38,30,352.19	Yes	-	-
₹ 24,03,490.52	Yes	-	-
₹ 24,00,000.00	Yes	-	-
₹ 15,00,000.00	Yes	-	-
₹ 9,82,350.00	Yes	-	-
₹ 6,00,000.00	Yes	-	-
₹ 87,125.00	Yes	-	-
<b>₹ 2,03,56,564.31</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)**

₹ 2,03,56,564.31

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

₹ 10,568.51

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,02,82,886.04
(ii)	Total amount spent for the Financial Year	2,03,56,564.31*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	84,246.78
(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)]	84,246.78

\*It includes ₹ 10,568.51 carried forward from previous financial 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 FY 2021-22 (in ₹)	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) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration
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Not Applicable

(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed /Ongoing
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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 2022-23.

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

Place: Mumbai  
Date: 30<sup>th</sup> May, 2023

**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 2022-23

#### 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, 2023, 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 regulatory authority.

During the financial year under review, Nine (9) Board Meetings were held on 23.04.2022, 30.05.2022, 08.07.2022, 29.07.2022, 13.08.2022, 10.10.2022, 14.11.2022, 20.01.2023 and 13.02.2023. 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 or 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 9 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 29.08.2022
Mr. Mark Saldanha (Chairman & Managing Director) (DIN: 00020983)	Executive, Non Independent & Promoter	198491553	9	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha (DIN: 00021023)	Executive, Non-Independent & Promoter	220180	8	Nil	Nil	Nil	Yes
Mr. Varddhan Vikramaditya Jain (DIN: 08338573)	Executive & Non-Independent	Nil	9	Nil	Nil	Nil	Yes
Mr. S R Buddharaju (DIN: 03630668)	Non-Executive & Independent	Nil	8	Nil	Nil	Nil	Yes
Mr. Digant Mahesh Parikh (DIN: 00212589)	Non-Executive & Independent	Nil	9	1	Nil	Nil	Yes
Mr. Abhinna Sundar Mohanty (DIN: 00007995)	Non-Executive & Independent	Nil	8	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 9 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 29.08.2022
Dr. Meena Rani Surana (DIN: 08863769)	Non-Executive & Independent	Nil	8	Nil	Nil	Nil	Yes
Dr. Sunny Sharma (DIN: 02267273)	Non-Executive & Non- Independent	Nil	9	1	Nil	Nil	Yes

\* This excludes directorship held in private companies, foreign companies, high value debt listed entities 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	Name of other listed companies in which also holds directorship	Category of directorship	Relationship between Directors inter se
Mr. Mark Saldanha	Nil	-	Relative of Mrs. Sandra Saldanha
Mrs. Sandra Saldanha	Nil	-	Relative of Mr. Mark Saldanha
Mr. Varddhman Vikramaditya Jain	Nil	-	None
Mr. Seetharama Raju Buddharaju	Nil	-	None
Mr. Digant Mahesh Parikh	Nil	-	None
Mr. Abhinna Sundar Mohanty	Nil	-	None
Dr. Meena Rani Surana	Nil	-	None
Dr. Sunny Sharma	Advanced Enzyme Technologies Limited	Non-Executive & Non-Independent	None

**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**

<b>Skills/expertise/competencies identified by the Board which are required in the context of its business and sector</b>	<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> <li>Best corporate governance practice.</li> <li>Monitoring in general management of affairs of the Company.</li> <li>Board members should act in good faith and with due diligence and care and in the best interest of the Company and shareholders.</li> </ol>
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	8. Board members should be capable of exercising independent judgment.
	9. Board members should be able to commit themselves effectively to their responsibilities.
<b>Skills / expertise / competencies actually available with the Board</b>	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.

**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 March 13, 2023 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 <http://marksanspharma.com/pdf/familiarisation-programme-for-independent-directors-2022-23.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 Mr. 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 (Listing Obligations and Disclosure Requirement) 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 seven (7) times on 23.04.2022, 30.05.2022, 29.07.2022, 13.08.2022, 10.10.2022, 14.11.2022 and 13.02.2023. 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 7 held
1.	Mr. Digant Mahesh Parikh	Chairman	Non-executive & Independent	7
2.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	6
3.	Dr. Sunny Sharma	Member	Non-executive & Non-Independent	7
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	7

## 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 (Listing Obligations and Disclosure Requirements) 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 Two (2) times on 29.07.2022 and 13.02.2023. 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 2 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	2
2.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	2
3.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	2
4.	Dr. Sunny Sharma	Member	Non-executive & Non-Independent	2

## 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 Obligations and Disclosure Requirements) Regulations, 2015 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 31<sup>st</sup> March, 2023 are given below:

Name of Directors	Basic	Allowances	Bonus	Medical Reimbursement	Sitting Fees#	Total
Mr. Mark Saldanha	4,80,00,000	41,01,600	60,000	—	—	5,21,61,600
Mrs. Sandra Saldanha	10,80,000	59,22,564	12,000	15,000	—	70,29,564
Mr. Vardhman Vikramaditya Jain	60,00,000	77,34,828	15,00,000	15,000	—	1,52,49,828
Mr. Seetharama Raju Buddharaju	—	—	—	—	40,000	40,000
Mr. Digant Mahesh Parikh	—	—	—	—	2,00,000	2,00,000
Mr. Abhinna Sundar Mohanty	—	—	—	—	40,000	40,000
Dr. Meena Rani Surana	—	—	—	—	35,000	35,000
Dr. Sunny Sharma	—	—	—	—	—	—

# 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 and other perquisites.
- 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 capital, 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 March 13, 2023 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, act 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 : 1

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

Number of complaints outstanding as on 31.03.2023 : 0

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 30.05.2022, 13.08.2022, 14.11.2022 and 13.02.2023. 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	3
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 Companies Act, 2013.
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 30.05.2022 and 13.03.2023. 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	Meetings 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 30.05.2022, 14.11.2022 and 13.03.2023. 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	Meetings 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 share transfers lodged in physical mode, 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 Practicing Company Secretaries as per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is filed with the Stock Exchanges. The Certificate has also been received from a Practicing 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 are accepted from that date.

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

#### Details of the Company's material subsidiary:

**Name** : **Time Cap Laboratories Inc**

Name of the Statutory Auditors : BDO India LLP  
Date of appointment of Statutory Auditors : 31<sup>st</sup> May, 2022  
Date of Incorporation : December 11, 2014  
Place of Incorporation : New York, USA

**Name** : **Bell, Sons & Co. (Druggists) Limited**

Name of the Statutory Auditors : PBG Associates Limited  
Date of appointment of Statutory Auditors : February 2018  
Date of Incorporation : 16 July 2012  
Place of Incorporation : England & Wales, UK

**Name** : **Relonchem Limited**

Name of the Statutory Auditors : PBG Associates Limited  
Date of appointment of Statutory Auditors : February 2018  
Date of Incorporation : 16 July 2012  
Place of Incorporation : England & Wales, UK

#### DISCLOSURES

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. exceed the materiality limit as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, since time-cap laboratories Inc. is a wholly owned subsidiary, neither audit committee nor shareholder prior approval would be required. Further, all the transactions with these subsidiaries are at arm's length and in the ordinary course of business 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 31<sup>st</sup> March, 2023 has been set out under Note No. 40(c) of the Notes annexed to the Financial Statements for the year ended 31<sup>st</sup> March, 2023. 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/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf> & <http://marksanspharma.com/pdf/policy-on-material-subsiary.pdf> respectively.

- b) There was no incident of 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 2022-23, 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 Equity Shares @ ₹ 74.00 each pursuant to the conversion of convertible warrants on preferential basis. The Company has raised ₹ 372.40 Crore from the said preferential issue. The Company has partly 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 fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor is ₹8.69 million for the year ended 31<sup>st</sup> March, 2023.
- h) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-
- Number of complaint filed during the financial year 2022-23 : Nil
  - Number of complaint disposed of during the financial year 2022-23 : NA
  - Number of complaints pending as at end of the financial year 2022-23 : 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.
- m) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- The Company has an executive chairperson.
  - Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.
  - Every endeavor is made to make the financial statements with unmodified audit opinion.
  - The internal auditors' reports are placed before the Audit Committee from time to time.
- n) During the year ended March 31, 2023, there was no shares in the demat suspense account/unclaimed suspense account of the Company.
- 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 31<sup>st</sup> March, 2023, 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 (Listing Obligations and Disclosure Requirements) 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 (Lakshadeep). 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 analysts and is 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**

CARE Ratings Ltd. has given Marksans Pharma Limited's Fund based limits rating at CARE A+; Stable and Non-Fund based limits rating at "CARE A1+".

**GENERAL BODY MEETINGS**

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
Thirtieth	29.08.2022	09:00 A.M.	Video Conferencing	2*
Twenty Ninth	23.09.2021	11:00 A.M.	Video Conferencing	4**
Twenty Eighth	29.09.2020	11:00 A.M.	Video Conferencing	5***

\* Two (2) Special Resolutions were passed in the AGM held on 29<sup>th</sup> August, 2022:-

1. Approval of revision in remuneration of Mr. Mark Saldanha (DIN: 00020983).
2. Approval of Marksans Employees Stock Option Scheme 2022.

\*\*Four (4) Special Resolutions were passed in the AGM held on 23<sup>rd</sup> 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 Dr. 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 29<sup>th</sup> 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.

## POSTAL BALLOT

Company has not passed any resolution through postal ballot in reporting financial year. However as of date, one special resolution for re-appointment of Mr. Digant Mahesh Parikh (DIN: 00212589) as an Independent Director of the Company has been passed through postal ballot by providing remote e-voting facility to its members to exercise their votes electronically.

## GENERAL SHAREHOLDER INFORMATION

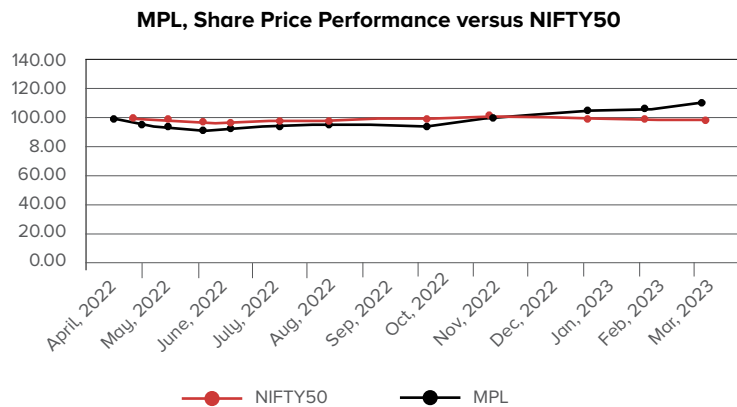
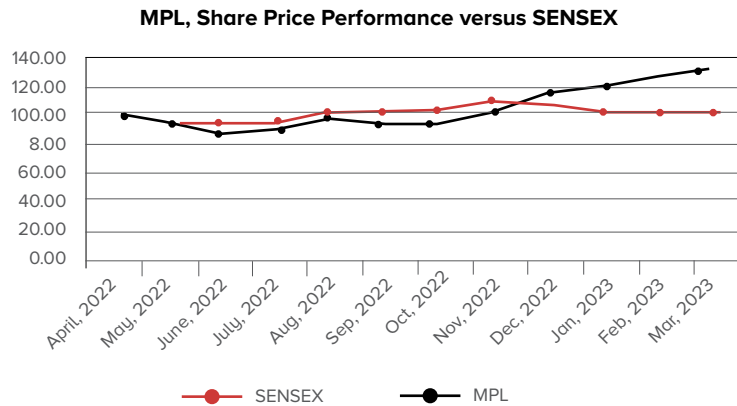
CIN	L24110MH1992PLC066364
Registered Office	11 <sup>th</sup> Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053.
AGM	Thirty-First (31 <sup>st</sup> ) Annual General Meeting.
Day & Date	Monday, 28 <sup>th</sup> August, 2023
Financial Year	2022-2023
Time	04:30 PM
Venue	Through Video Conferencing / Other Audio Visual Means.
Financial calendar	Financial Year - April to March
(Tentative schedule)	First Quarter Results – 2 <sup>nd</sup> week of August Second Quarter Results – 2 <sup>nd</sup> week of November Third Quarter Results – 2 <sup>nd</sup> week of February Last Quarter Results – 3 <sup>rd</sup> / 4 <sup>th</sup> week of May
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 2022-23 have 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 prices of Marksans' shares on BSE & NSE during the period April 2022 to March 2023 are as under:

Month	BSE Market Price				NSE Market Price			
	Open (₹)	High (₹)	Low (₹)	Close (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)
April 2022	45.55	62.35	45.55	53.95	52.35	62.4	45.5	55.5
May 2022	52.55	53.45	44.50	46.80	52.25	53.5	44.5	44.7
June 2022	46.70	48.10	38.70	43.70	46.8	48.1	38.6	42.6
July 2022	43.40	51.55	42.85	48.80	43.5	51.6	42.85	49
August 2022	48.60	54.60	48.40	52.25	48.9	54.65	48.45	52.3
September 2022	52.25	54.75	45.90	46.60	52.75	54.7	45.4	47
October 2022	47.45	52.25	45.65	49.40	46.35	54.6	45.8	48.45
November 2022	49.40	62.00	47.25	57.55	49.6	62.0	47.35	59.6
December 2022	58.25	64.40	57.65	58.30	57.9	64.8	57.65	58.6
January 2023	58.15	69.60	57.90	64.25	58.85	69.6	57.9	63.5
February 2023	64.95	72.25	60.65	67.45	62.0	72.3	60.7	67.6
March 2023	67.06	74.42	64.33	70.49	68.1	74.4	64.3	74.4

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



### Shareholding Pattern as on 31.03.2023

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident Individuals	192681	97.13	35,47,26,292	78.3
HUF	2625	1.32	52,73,878	1.2
Bodies Corporate	487	0.25	96,62,188	2.1
FDI	1	0.00	4,93,24,324	10.9
MF	2	0.00	38,75,750	0.9
Banks & Financial Institutions	3	0.00	2911	0.0
Clearing Members	80	0.04	6,49,569	0.1
NRIs	2433	1.23	70,74,092	1.6
FPIs	63	0.03	1,91,73,637	4.2
IEPF	1	0.00	6,50,852	0.1
Others	6	0.00	27,50,253	0.6
<b>Total</b>	<b>198382</b>	<b>100.00</b>	<b>45,31,63,746</b>	<b>100.00</b>
Promoters	2	0.01	19,87,11,733	43.85
Non-Promoters	198380	99.99	25,44,52,013	56.15
<b>Total</b>	<b>198382</b>	<b>100.00</b>	<b>45,31,63,746</b>	<b>100.00</b>

### Distribution of Shareholding as on 31.03.2023

Shareholding	No. of Folios	% of Folios	No. of Shares held	% of Shareholding
Upto 5000	197590	97.66	71026310	15.67
5001 – 10000	2528	1.25	18994892	4.19
10001 – 20000	1156	0.57	16866939	3.72
20001 – 30000	354	0.18	8868616	1.96
30001 – 40000	184	0.09	6525947	1.44
40001 – 50000	124	0.06	5749988	1.27
50001 – 100000	214	0.16	15218691	3.36
Above 100000	170	0.08	309912363	68.39
<b>Total</b>	<b>202320</b>	<b>100</b>	<b>453163746</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, 6<sup>th</sup> 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: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>; Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a></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	Based on SEBI directives, Company's shares are traded in dematerialized form. As on 31.03.2023, 99.93% of the paid up equity share capital of the Company was in dematerialized form.
In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the Stock Exchanges.
Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	-

Plant Locations	<p><b>India Formulation Plant</b> Marksans Pharma Limited 1. L-82 &amp; L-83 Verna Industrial Estate, Verna, Goa- 403 722. 2. Plot No. A1, Phase I-A, Verna Industrial Estate, Verna, Goa - 403722</p> <p><b>U.K. Plant</b> Bell, Sons &amp; Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL.</p> <p><b>U.S.A. Plant</b> Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.</p>
Address for Correspondence	<p><b>Mr. Harshavardhan Panigrahi</b> Company Secretary &amp; Compliance Officer</p> <p><b>Marksans Pharma Limited</b> 11<sup>th</sup> 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></p>

**Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account as on March 31, 2023**

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

- |   |   |
|---|---|
| (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year - Nil. | (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - NA |
|   | (c) Number of shareholders to whom shares were transferred from suspense account during the year – NA                     |
|   | (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year –Nil     |

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

Name	Mrs. Shailaja Vardhan
Age	56 years
Qualification	Management
Date of first appointment on Board	May 30, 2023
Nature of expertise in specific functional areas	Corporate communication, public communication, building brand architecture and CSR activities
Brief profile including experience	Mrs. Shailaja Vardhan has done her management programme from IHMCT & AN. She has over 30 years of experience in the field of corporate communications, corporate public communications, building brand architecture, positioning go-to-market strategies, CSR activities, etc. She is also into strategic role in the development of compelling marketing communication. Driven by a passion for Corporate Social Responsibility, she has worked with the Confederation of Indian Industry (CII) to assist Paniyur Periya Kuppam, a Tsunami-affected village in Tamil Nadu with Ford India. Under her leadership at Ogilvy, the team received the prestigious WPP award for the WHO program aimed at eliminating Lymphatic Filariasis from 13 districts in Tamil Nadu. Presently, she is head of corporate communications at Apollo Hospitals group. Previously she has worked with MARG Ltd., Ford India, Ogilvy, etc.

Name of the other public Companies in which also holds directorship	Nil
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 31 <sup>st</sup> March, 2023)	Nil
No. of board meetings attended during the year	NA
Relationship with other Directors/ Key Managerial Personnel.	None
Terms and conditions of appointment including remuneration last drawn	Appointment as an Independent Director for a period of 5 years with effect from May 30, 2023 to May 29, 2028 (both days inclusive)

**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	51 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	<ol style="list-style-type: none"> <li>1. Marksans Pharma (UK) Limited</li> <li>2. Marksans Holdings Limited</li> <li>3. Relonchem Limited</li> <li>4. Bell, Sons and Co (Druggists) Limited</li> <li>5. Time-Cap Laboratories Inc.</li> </ol>
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 31 <sup>st</sup> March, 2023)	2,20,180 Equity Shares
No. of board meetings attended during the year	8/9
Relationship with other Directors / Key Managerial Personnel.	Relative of Mr. Mark Saldanha
Terms and conditions of appointment including remuneration last drawn	<p>Re-appointed as a Whole-time Director for a period of three years w.e.f 25.09.2020, liable to retire by rotation.</p> <p>The detail of remuneration last drawn within the terms as approved by members is as below:</p> <p>Remuneration: 70,29,564 per annum</p>

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

Name	Dr. Sunny Sharma (DIN: 02267273)
Age	49 Years
Qualification	MBA & M.B.B.S
Date of first appointment on Board	11.08.2021
Nature of expertise in specific functional areas	Corporate Finance and Investment Banking
Brief profile including experience	Dr. Sunny Sharma is a Senior Managing Director of OrbiMed Asia. Previously, he was with Investor Growth Capital (IGC), the investment arm of Investor AB in North America, and before that with Easton Capital in New York. Earlier in his career, Mr. Sharma worked in the healthcare investment banking group of Lehman Brothers in London.
Name of the other public Companies in which also holds directorship	1. Advanced Enzyme Technologies Limited 2. Uquifa Sciences (Mascarene) Limited 3. Uquifa Sciences S.L. (formerly Vivimed Labs Spain S.L.)
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 31 <sup>st</sup> March, 2023)	Nil
No. of board meetings attended during the year	9/9
Relationship with other Directors / Key Managerial Personnel.	None
Terms and conditions of appointment	Appointed as Non-executive Director of the Company effective from August 11, 2021, liable to retire by rotation.

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

We have examined the compliance of conditions of corporate governance by **Marksans Pharma Limited** (CIN: L24110MH1992PLC066364) (the Company) for the financial year ended March 31, 2023, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further 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.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Jinesh Dedhia & Associates**  
Company Secretaries

**Jinesh Dedhia**  
Proprietor  
Peer Review Certificate No.:1914/2022  
ACS:54731 CP. 20229  
UDIN: A054731E000715732

Place: Mumbai  
Date: 1st August, 2023



**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 31<sup>st</sup> March, 2023 that:-

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2023 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**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2023

**Mark Saldanha**  
Managing Director

**Jitendra Sharma**  
Chief Financial Officer

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

This is to confirm that during the year ended 31<sup>st</sup> March, 2023, 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: 30<sup>th</sup> May, 2023

**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: 256.42
- b. Mrs. Sandra Saldanha, Whole-time Director: 34.56
- c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 74.97

### 2. PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- a. Mr. Mark Saldanha, Managing Director: 36.36
- b. Mrs. Sandra Saldanha, Whole-time Director: 0
- c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 0
- d. Mr. Jitendra Sharma, Chief Financial Officer: 0
- e. Mr. Harshavardhan Panigrahi, Company Secretary: 3.15

### 3. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023 IN COMPARISON TO THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022: (7.23)

### 4. NUMBER OF PERMANENT EMPLOYEES AS ON 31<sup>ST</sup> MARCH, 2023: 852

### 5. a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 8.18

#### b. Percentile increase in the managerial remuneration in the last financial year:

- i. Mr. Mark Saldanha, Managing Director: 402.31
- ii. Mrs. Sandra Saldanha, Whole-time Director: 0
- iii. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 0
- iv. Mr. Jitendra Sharma, Chief Financial Officer: 0
- v. Mr. Harshavardhan Panigrahi, Company Secretary: 7.10

#### 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 | 50 Years | Science Graduate | 27 Years | Managing Director | 06.10.2005 | ₹ 6,87,99,651.00 | Contractual | - | 43.80% | Relative of Mrs. Sandra Saldanha.
2. Mrs. Sandra Saldanha | 51 Years | MA (Sociology) | 25 Years | Whole-time Director | 25.09.2014 | ₹ 7,02,95,64.00 | Contractual | - | 0.05% | Relative of Mr. Mark Saldanha.
3. Mr. Varddhman V. Jain | 53 Years | M. Pharm | 31 Years | Whole-time Director | 24.05.2016 | ₹ 15,24,98,28.00 | Contractual | Watson Pharma Pvt. Ltd. | Nil | No.
4. Mr. Jitendra Sharma | 54 Years | B.Com, CA & CWA | 30 Years | CFO | 06.09.2002 | ₹ 13,97,08,80.00 | Contractual | - | Nil | No.
5. Mr. Sunil K Rane | 52 Years | PG Diploma – Analytical Chemistry | 28 Years | Sr. VP – QC | 04.04.2016 | ₹ 9,30,70,84.00 | Contractual | Cipla Ltd. | Nil | No.
6. Mr. Harish Vyas | 56 Years | BSc, MBA in TQM/HR | 35 Years | Director - Quality | 21.03.2022 | ₹ 6,84,51,16.00 | Contractual | Mankind Pharma. Ltd | Nil | No.
7. Mr. Manda Murali Bhaskar Rao | 50 Years | B. Tech. | 26 Years | Senior General Manager | 25.05.2020 | ₹ 4,29,95,78.00 | Contractual | Sanofi Healthcare Limited | Nil | No.
8. Ms. Ashwini Memane | 39 Years | B. Tech. | 18 Years | GM-International Business | 01.03.2012 | ₹ 3,98,98,08.00 | Contractual | Alkem Laboratories Ltd. | Nil | No.
9. Mr. Piyush Joshi | 46 Years | BSC / MICA | 24 Years | General Manager-ADL | 01.08.2016 | ₹ 3,80,72,34.00 | Contractual | Micro Labs Ltd. | Nil | No.
10. Mr. Ramesh D V V S Melusuri | 39 Years | BSc in Science | 21 Years | Deputy General Manager | 06.12.2019 | ₹ 32,21,46,50.00 | Contractual | Hetero Drugs | Nil | No.

# Annexure – G

## ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L24110MH1992PLC066364
2.	Name of the Listed Entity	MARKSANS PHARMA LIMITED
3.	Year of incorporation	1992
4.	Registered Office address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
5.	Corporate address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
6.	E-mail id	<a href="mailto:companysecretary@marksanspharma.com">companysecretary@marksanspharma.com</a>
7.	Telephone	(022) 40012000
8.	Website	<a href="http://www.marksanspharma.com">www.marksanspharma.com</a>
9.	Financial Year for which reporting is being done	1st April, 2022 to 31st March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital	Rs. 45,31,63,746
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Harshavardhan Panigrahi Designation: Company Secretary Phone No.:(022) 40012000 E-mail ID: <a href="mailto:companysecretary@marksanspharma.com">companysecretary@marksanspharma.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Pharmaceutical Formulation	100

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Solid Orals, Tablets and Capsules (including Soft Gelatin Capsules)	2100	100

**III. Operations**

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2*	2	3
International	2	5	8

\*Includes recently acquired facility.

17. Markets served by the entity:

- a) Number of locations

Location	Number
National (No. of States)	-
International (No. of Countries)	50+

- b) What is the contribution of exports as a percentage of the total turnover of the entity?

100%

- c) A brief on types of customers

1. Retail Chains
2. Pharmacy Stores
3. Institutions

**IV. Employees**

18. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	572	493	86	79	14
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	572	493	86	79	14
Workers						
4.	Permanent (F)	280	280	100	0	0
5.	Other than Permanent (G)	221	139	63	82	37
6.	Total workers (F + G)	501	419	84	82	16

## b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Differently abled Employees				
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
		Differently abled Workers				
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25
Key Management Personnel	5	1	20

## 20. Turnover rate for permanent employees and workers

	FY (2022-23)			FY (2021-22)			FY (2020-21)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	12	2	<b>14</b>	15	1	<b>16</b>	14	1	<b>15</b>
<b>Permanent Workers</b>	10	3	<b>13</b>	12	2	<b>14</b>	13	2	<b>15</b>

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Marksans Pharma (UK) Ltd	Subsidiary	100	No
2.	Marksans Pharma Inc.	Subsidiary	100	No
3.	Nova Pharmaceuticals Australasia Pty Ltd	Subsidiary	60	No
4.	Marksans Pharma GmbH	Subsidiary	100	No
5.	Access Healthcare for Medical Products L.L.C	Subsidiary	100	No
6.	Marksans Holdings Limited	Step down Subsidiary	100	No



Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
7.	Relonchem Limited	Step down Subsidiary	100	No
8.	Time Cap Laboratories Inc.	Step down Subsidiary	100	No
9.	Bell Sons & Co. (Druggists) Limited	Step down Subsidiary	100	No
10.	Marise Ann Inc.	Step down Subsidiary	100	No
11.	Marksans Realty LLC	Step down Subsidiary	100	No
12.	Custom Coatings Inc.	Step down Subsidiary	100	No

## VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- ii. Turnover (in Rs.): 6552.04 million
- iii. Net worth (in Rs.): 11113.21 million

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Company reaches out to 20-25 villages located in the peripheral area of its operating locations through mobile health care units. Each of the mobile health care unit carries a register accessible to all the community members to address the grievances and queries through written complaints. The grievances received through the register are addressed by the concerned authority members.	Nil	-	-	Nil	-	-
Investors (other than shareholders)	NA	NA	-	-	-	-	-
Shareholders	Yes, the Company has a grievance redressal mechanism for shareholders. The Company has appointed Bigshare Service Private Limited as the Share Transfer Agent/Registrar. The RTA takes care of shareholders' enquiries/queries, requests and complaints. The Share Transfer Agent/Registrar respond to enquiries/queries, requests and complaints within the framework specified/ defined by SEBI.	1	Nil	One complaint received in Q3 has been resolved	Nil	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, the employees and workers have access to the Company's Whistleblower mechanism. The Company provides different channels of communication for grievances through Whistleblower mechanism - email id, and written complaints.	Nil	-	-	Nil	-	-
Customers	Yes, the customers address their grievances through various channels of communication such as telephone, e-mail and courier	Nil	-	-	Nil	-	-
Value Chain Partners	Yes, the grievance redressal mechanism for value chain partners is through email id, shared service helpdesk and Whistleblower mechanism.	Nil	-	-	Nil	-	-

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Governance	Opportunity & Risks	The rationale of identifying opportunity and risk is to generate a comprehensive list of opportunities and risks based on those event that creates, enhances, prevents, degrades, accelerates or delays the achievement of business objectives. Without identifying risks and opportunities, a business cannot successfully define its objectives. Risk is a threat that could affect the business ability to meet its objectives. On the other hand, opportunity is a positive impact that improve the business' ability to meet its objectives. Therefore, identification and taking corrective measures is most essential for a successful business.	The Company has in place a Risk Management and Mitigation Policy for identifying various risks and adopting suitable risk mitigation measures under the supervision of a Risk Management Committee.	Strong governance ensures growth and strategic direction.

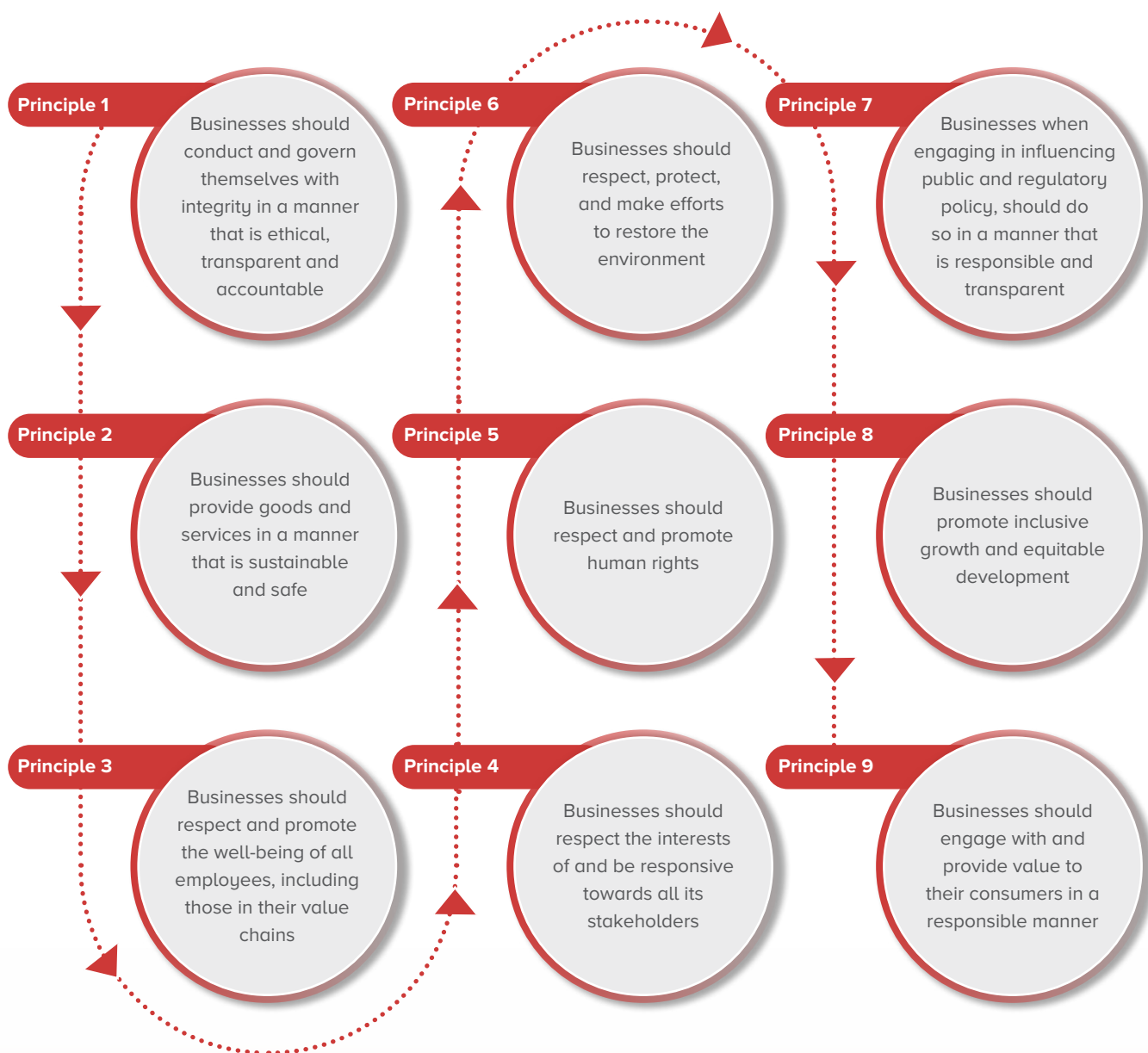
Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Ethics	Opportunity & Risks	Business ethics enhances the law by outlining acceptable behaviours beyond Government control. Business ethics are established to promote integrity among the employees and gain trust from key stakeholders such as investors and consumers. An ethical risk assessment is a systematic way to identify the ethical and integrity risks that could threaten its ability to fulfil its mission.	The Company has in place a Risk Management and Mitigation policy for identifying various risks and adopting suitable risk mitigation measures under the supervision of a Risk Management Committee.	Conduct of business in most ethical way ensures stakeholders' trust.
3	People retention	Risk	Talent management parameters such as acquisition, retention and development are intrinsically linked to workforce welfare. Inability to meet with the workforce expectations may impact the Company's retention rate and affect the Company's business operation due to the criticality of workforce as a part of the business growth plan.	Attracting and retaining talent through multiple talent development programs encompassing global talent management, stretch programs and schemes along with compensation and other benefits to employees. Formal succession planning programme for all leadership positions.	High attrition may have negative implication which are mitigated through people retention initiatives.
4	Employee well being	Opportunity	Company's efforts towards employee well-being and development directly conveys its resolute commitment towards the upliftment of the most integral asset.	Various measures are taken to look after employees well-being.	Overall employee well being initiatives lead to a productive workforce.
5	Data privacy & Technology	Risk	Risk linked to technology directly impacts the security and integrity of the system across the business operation. The criticality involved with the technology and cyber security needs to be assessed periodically to prevent breaches of data privacy from the aspects of confidential information of the Company as well as its stakeholders.	Strengthened perimeter security, IT and monitoring systems, anti-virus and patch management while conducting trainings on cyber security to reduce risks arising from cyber security and data breaches.	Data privacy measures will create positive outcomes in the form of improved security and controls. Adopting latest and innovative technology will keep the business operations always ahead matching with ever changing trends.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Environment	Risk	Waste, water and energy management have been identified as key material issues under the Climate change and Environmental risk. The Climate change and Environmental risks is addressed to emphasize on the Company's climate consciousness and its contribution towards mitigation action plans against climate change.	Various environmental friendly measures and techniques are implemented to reduce environmental risks.	Conducive environmental measures lead to clean environment and better living place.
7	CSR program	Opportunity	Streamlining CSR initiatives with the needs of community members and stakeholder engagement sessions, enables the Company to highlight its positive impact on the community.	The Company 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.	CSR activities lead to equitable and sustainable development of the community.
8	Competition	Risks	The Company's products are prone to stiff competition which may impact its revenues and market share.	Continuous investments in R & D capabilities to develop differentiated products will help stay ahead of the curve.	Stiff competition will impact company's revenues and market share.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

THE NATIONAL GUIDELINES FOR RESPONSIBLE BUSINESS CONDUCT (NGRBC) AS PRESCRIBED BY THE MINISTRY OF CORPORATE AFFAIRS ADVOCATES NINE PRINCIPLES REFERRED AS P1-P9 AS GIVEN BELOW:



Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Yes, the Company has developed comprehensive policies covering these principles, some of the Policies have been approved by the Board as per relevant statutory requirements.								
	c. Web Link of the Policies, if available	<a href="http://marksanspharma.com/codes-policies.html">http://marksanspharma.com/codes-policies.html</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	N	N	N	N	N	N	N	N
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-
<b>Governance, leadership and oversight</b>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	Refer pages from 24 to 27 of the Annual Report.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Mark Saldanha (DIN: 00020983), Managing Director of the Company								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. As above								

## 10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y		A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y		A	A	A	A	A	A	A	A	A



11.		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No)	No, the Company internally reviews the working of the above-mentioned policies								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

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.

#### Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Company conducts familiarisation programmes for its Board of Directors at regular intervals covering Roles, Functions, Responsibilities and Duties.	100

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	1	KMPs are imparted professional training through programme conducted by respective professional bodies such as ICAI, ICSI. Also company conducts familiarization programme for its KMPs at regular intervals covering Roles, Functions, Responsibilities and Duties.	100
Employees other than BoD and KMPs	1	The Company conducts training programme for its employees at regular intervals covering Roles, Functions, Responsibilities and Duties.	100
Workers	1	The Company conducts training programme for its workers at regular intervals covering Roles, Functions, Responsibilities and Duties.	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	-	-	-	-
Settlement	Nil	-	-	-	-
Compounding fee	Nil	-	-	-	-

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	-	-	-
Compounding fee	None	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

Marksans anti-bribery policy emphasizes on zero tolerance approach to bribery and corruption. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues. It guide us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

## LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes

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. The Company has also in place a comprehensive Code of Conduct for Directors and Senior Management. Every Board member discloses the names of the entities or arrangements in which they are interested which is brought to the attention of the Board.

**PRINCIPLE 2**
**Businesses should provide goods and services in a manner that is sustainable and safe**

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.

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Note: The Company is planning to install solar panels to generate clean energy for its plants in Goa.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Raw Materials/formulations are sourced from suppliers approved by regulatory authorities.

- b. **If yes, what percentage of inputs were sourced sustainably?**

Majority of raw materials/ formulations are sourced from sustainable suppliers.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- (a) **Plastics (including packaging)**

The waste generated is given to the authorized scrap dealer.

- (b) **E-waste**

E-waste generated is given to Authorized recycler.

- c) **Hazardous waste**

Hazardous waste generated such as used / spent oil is given to the authorized recycler for recycling and the process waste & residue generated is sent to the authorized cement industry for co processing.

- (d) **Other waste**

NA

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No) – Yes**

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.- Yes

**LEADERSHIP INDICATORS**

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

No

If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
NA	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
NA	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	23.5	NA	NA	20.4	NA
E-waste	NA	0.1	NA	NA	0.1	NA
Hazardous waste	NA	1.8	409.6	NA	0.9	390.4
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

## PRINCIPLE 3

### Businesses should respect and promote the well-being of all employees, including those in their value chains

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.

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.

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent employees										
Male	493	493	100	67	25	0	0	0	0	0	0
Female	29	29	100	11	41	79	100	0	0	0	0
Total	572	572	100	78	26	0	0	0	0	0	0
	Other than Permanent employees										
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	79	100	0	0	0	0

##### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent workers										
Male	82	82	100	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	82	82	100	0	0	0	0	0	0	0	0
	Other than Permanent workers										
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



## 2. Details of retirement benefits

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	91	56	Y			
ESI	48	84	Y			
Others – please specify	-	-	-	-	-	-

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.  
Yes

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	1	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Yes

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Mode of report of grievance:
Permanent Employees	a. Mails & other established channels.
Other than Permanent Employees	b. Suggestion book.
	c. Quarterly town hall meeting.

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>572</b>	<b>0</b>	<b>0</b>	<b>543</b>	<b>0</b>	<b>0.00</b>
- Male	493	0	0	472	0	0.00
- Female	79	0	0	71	0	0.00
<b>Total Permanent Workers</b>	<b>280</b>	<b>118</b>	<b>42</b>	<b>266</b>	<b>220</b>	<b>83</b>
- Male	280	118	42	266	220	83
- Female	0	0	0	0	0	0.00

## 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	493	143	29	0	0	472	110	23	0	0
Female	79	47	60	0	0	71	42	59	0	0
Total	572	190	33	0	0	543	152	28	0	0
					Workers					
Male	280	280	100	0	0	266	266	100	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	280	280	100	0	0	266	266	100	0	0

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	493	493	100	472	472	100
Female	79	79	100	71	71	100
<b>Total</b>	<b>572</b>	<b>572</b>	<b>100</b>	<b>543</b>	<b>543</b>	<b>100</b>
<b>Workers</b>						
Male	280	280	100	266	266	100
Female	0	0	0	0	0	0
<b>Total</b>	<b>280</b>	<b>280</b>	<b>100</b>	<b>266</b>	<b>266</b>	<b>100</b>

**10. Health and safety management system:**

- Illumination of Assembly points.
- Safety Posters.
- Safety Signages all across the plant.
- Secondary containment.
- Spillage kits in designated areas.

Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have Occupational health and Safety Management system implemented at our site covering the following but not limited to:

1. Occupational Safety and Health Policy
2. OS&H Organizational Setup
3. Education and Training
4. Employee Participation in OS&H Management
5. Motivational and Promotional Measures for OS&H
6. Safety Manual and Rules
7. Compliance of Statutory Requirements
8. Accident reporting, analysis, investigation and implementation of recommendation.
9. Risk Assessment including Hazard Identification
10. Safety inspections
11. First aid facility - Occupational Health Centre
12. Personal Protective Equipment
13. Ventilation, Illumination and Noise
14. Work Permit System
15. Fire Prevention, Protection and Fighting System
16. Hazardous waste Treatment and Disposal
17. Emergency Preparedness Plans

What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have procedure for identification of work related hazard through Hazard Identification and Risk Assessment.

Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we have Safety Suggestion Schemes for employees to report work related hazards and suggestion box is provided at prime location. Also we have Grievance Committee to address any work related hazards.

Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

# 11. Details of safety related incidents:

Safety Incident/ Number	Category	For Year Ended 31st March, 2023	For Year Ended 31st March, 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

# 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company undertakes periodic internal and external audits to assess the safety practices and procedures. The Company endeavors to prevent negative health impact on the employees through provision of medical facilities and medical insurance benefits

# 13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	99	0	-	-	-	-
Health & Safety	-	-	-	-	-	-

# 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Occupational Health and Safety audit is conducted once in three years through competent person authorized by Inspectorate of Factories & Boilers, Govt. of Goa.
Working Conditions	Industrial hygiene survey is conducted through competent person authorized by Inspectorate of Factories & Boilers, Govt. of Goa which includes illumination, noise and ventilation of working conditions

# 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of : (Y/N) ?**

(A) Employees (Y/N)	Yes, Company has medical insurance scheme which covers self & his family.
(B) Workers (Y/N)	Yes, Covers under Employee State Insurance Corp. Scheme & medical insurance scheme.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Submission, review and checking of the monthly statutory dues deducted and deposited by the value chain partner.

For value chain partners we are conducting monthly audit & verified statutory registers such as wage register, muster-roll, online challan, etc.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

**5. Details on assessment of value chain partners:**

	% of value chain partners that were assessed (by value of business done with such partners)
Health and safety practices	80%
Working Conditions	85%

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

- Working condition are safe & hygienic
- Maintain work life balance.
- Policy on freedom of association.
- Regular employment is provided.
- No-discrimination practice among employees.
- No harsh or inhumane treatment is allowed.
- Living wages & other benefits are paid as per prescribed law.

**PRINCIPLE 4**
**Businesses should respect the interests of and be responsive to all its stakeholders**

Company provides its highest attention to the needs of disadvantaged and marginalized stakeholders and has mapped its internal and external stakeholders.

**Essential Indicators**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company provides highest attention to the needs and has mapped its internal and external stakeholders. The Company identifies stakeholders as those individuals, groups of individuals or organization that affect and/or could be affected by or could impact the Company's activities, products or services and associated performances.

**2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1. Employees and workers	No	Telephones, SMSs, E-mails, Notice Board, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
2. Suppliers	No	Telephones, SMSs, E-mails, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
3. Distributors	No	Telephones, SMSs, E-mails, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
4. End Customers	No	Telephones, SMSs, E-mails, Website, etc.	As per prevalent need	As per prevalent need
5. Shareholders	No	Telephones, SMSs, E-mails, Newspapers, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
6. Investors (other than shareholders)	No	Telephones, SMSs, E-mails, Newspapers, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
7. Banks	No	Telephones, SMSs, E-mails, Newspapers, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
8. Other product/ service Vendors	No	Telephones, SMSs, E-mails, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need

## LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Concerned department officials are engaged in consultation with stakeholders and periodic reports are submitted to the Managing Director for review.

- 2 a. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No).

Yes

- 2 b. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Our material issues are identified based on our discussion with our stakeholders. The Company subsequently strategises and develops mitigation action plans for the identified issue.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Nil

## 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.

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers (B)	% (B / A)	Total (C)	No. of employees / workers (D)	% (D / C)
<b>Employees</b>						
Permanent	572	572	100	543	543	100
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>572</b>	<b>572</b>	<b>100</b>	<b>543</b>	<b>543</b>	<b>100</b>
<b>Workers</b>						
Permanent	280	280	100	266	266	100
Other than permanent	221	221	0	175	175	100
<b>Total Workers</b>	<b>501</b>	<b>501</b>	<b>100</b>	<b>441</b>	<b>441</b>	<b>100</b>



## 2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
	Employees									
Permanent	572	102	18	470	82	543	98	18	445	82
Male	493	79	16	414	84	472	86	18	386	82
Female	79	23	29	56	71	71	12	17	59	83
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
	Workers									
Permanent	280	231	83	49	17	266	213	80	53	20
Male	280	231	83	49	17	266	213	80	53	20
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	221	221	100	0	0	0	0	0	0	0
Male	139	139	100	0	0	0	0	0	0	0
Female	82	82	100	0	0	0	0	0	0	0

## 3. Details of remuneration/ salary/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	67,411,428.00	1	7,029,564.00
Key Managerial Personnel	2	16,577,532.00	0	-
Employees other than BoD and KMP*	554	258,642,403.45	78	29,643,292.00
Workers*	308	55,982,859.79	2	387,407.82

\* Median remuneration for workers and employees other than BoD & KMP who are in payroll for more than 90 days have taken in calculation.

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

1. This Policy is implemented under the supervision and monitoring of the Company's Stakeholders Relationship Committee of Directors.
2. The policy is communicated to all employees through induction programmes, policy manuals and intranet portals.
3. Corporate HR periodically assess the company's human rights impacts and risk areas and submit a report to the Stakeholders Relationship Committee of Directors of the Company.

4. Every endeavor is made to ensure that any of company's action or inaction does not cause or contribute any adverse human rights to the employees, suppliers, service providers, customers etc. In case such situation arises, the same will be investigated and corrective measures taken immediately.
5. Any person who may be adversely affected by the Company's activities, such affected person can lodge a complaint with the Corporate HR. In case the complaint remains unanswered, the affected person may even write to the Stakeholders Relationship Committee of Directors for redressal.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	-		Nil	-	
Discrimination at workplace	Nil	-		Nil	-	
Child Labour	Nil	-		Nil	-	
Forced Labour/Involuntary Labour	Nil	-		Nil	-	
Wages	Nil	-		Nil	-	
Other human rights related issues	Nil	-		Nil	-	

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company safeguards against any victimization of persons complaining against issues of human right violation.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable as there is no instances of the above cases.

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not Applicable

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The entire work force of all sites.

**3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

#### 4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

#### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

### PRINCIPLE 6

#### Businesses should respect and make efforts to protect and restore the environment

The Company 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.

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

	FY 2022-23	FY 2021-22
Total electricity consumption (A)	48818160 MJ (Total Electricity Consumed is 13560600 kWh is converted to MJ using the Conversion Factor of 1 kWh = 3.6 MJ)	43894440 MJ (Total Electricity Consumed 12192900 kWh is converted to MJ using the Conversion Factor of 1 kWh = 3.6 MJ)
Total fuel consumption (B)	9742478 MJ (Total Fuel Consumed 256381 Litres is converted to MJ using the Conversion Factor of 1 Litre = 38 MJ)	11272548 MJ (Total Fuel Consumed 296646 Litres is converted to MJ using the Conversion Factor of 1 Litre = 38 MJ)
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>58560638 MJ</b>	<b>55166988 MJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

3. Provide details of the following disclosures related to water, in the following format:

	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	147 KL	-
(iii) Third party water	89628 KL	94483 KL
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>89775 KL</b>	<b>94483 KL</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>89775 KL</b>	<b>94483 KL</b>
Water intensity per rupee of turnover (Water consumed / turnover)	-	156.13
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the ETP treated water is used in Gardening purpose

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

**Air Emission for DG Set -01 (750 KVA)**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	g/kw-hr	0.25	0.33
Sox	kg/hr	0.36	0.96
Particulate matter (PM)	g/kw-hr	0.14	0.13
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

**Air Emission for DG Set -01 (750 KVA)**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	g/kw-hr	0.38	0.47
Sox	kg/hr	0.30	0.87
Particulate matter (PM)	g/kw-hr	0.15	0.12
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

**Air Emission for DG Set -03 (1010 KVA)**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	ppmv	179.97	190.85
Sox	kg/hr	1.12	1.32
Particulate matter (PM)	mg/Nm3	43.87	41.03
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

**Air Emission for Boiler (2.25 Ton) G-163**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	ppmv	-	-
Sox	kg/hr	0.28	0.40
Particulate matter (PM)	mg/Nm3	81.49	95.32
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

**Air Emission for Boiler (3 Ton) G-194**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	ppmv	-	-
Sox	kg/hr	0.30	0.29
Particulate matter (PM)	mg/Nm3	87.42	68.33
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes,

M/s. Sadekar Enviro Engineering Pvt. Ltd.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

No

## 7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we have energy management policy in place and we monitor the targets annually

## 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	23.477	20.432
E-waste (B)	0.117	0.060
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>23.594</b>	<b>20.492</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0.117	0.060 MT
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>0.117 MT</b>	<b>0.060 MT</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	409.649	390.365 MT
<b>Total</b>	<b>409.649</b>	<b>390.365 MT</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

## 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste

We have Environment Health and Safety Policy which is displayed at different location and communicated to all the employees through EHS Induction training. We have the waste management procedure covered in our Safety Manual for monitoring of parameter and disposal of waste which is as per the state pollution control board consent requirements. We monitor the inventory of raw material/ chemicals so as to prevent purchase of excess materials there by reducing the generation of waste also all the hazardous and non-hazardous wastes are segregated and stored separately so as to prevent mixing and generation of waste. We have provided the secondary containment for all the chemical stored in drums.

## 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances :

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-



Parameter	FY 2022-23	FY 2021-22
iii) To Seawater	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	Effluent treatment plant	Effluent treatment plant
- No treatment	-	-
With treatment – please specify level of treatment	The effluent treatment is done through primary (chemical), secondary (biological) and tertiary (sand and activated carbon filter) treatment	The effluent treatment is done through primary (chemical), secondary (biological) and tertiary (sand and activated carbon filter) treatment
<b>Total water discharged (in kilolitres)</b>	<b>24890 KL</b>	<b>23226 KL</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, the raw and treated water analysis is done by the agency so as to confirm the water treatment is done properly and treated water is well within the acceptable limit,

Name of Agency: **M/s Sadekar Enviro Engineering Pvt. Ltd.**

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	147 KL	NA
(iii) Third party water	89628 KL	94483 KL
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	89775 KL	94483 KL
Total volume of water consumption (in kilolitres)	89775 KL	94483 KL
Water intensity per rupee of turnover (Water consumed / turnover)	-	156.13
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)

No

4. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 3</b> emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3</b> emissions per rupee of turnover	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
-	-	-	-

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the entity has a business continuity plan.

Marksans Business Continuity is the creation of a plan 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.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

NO.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NO.

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

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

**Essential Indicators****1. a. Number of affiliations with trade and industry chambers/ associations.**

One

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ssociations	Reach of trade and industry chambers/ associations (State/National)
1	Bombay Chamber of Commerce	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
-	-	-

Note: The Company participates in presenting industry related issues to the Government.

## LEADERSHIP INDICATORS

### 1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
-	-	-	-	-	-
-	-	-	-	-	-

Note: The Company participates in presenting industry related issues to the Government.

## PRINCIPLE 8

### Businesses should promote 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.

#### Essential Indicators

### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	-	-	-	-	-

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-

### 3. Describe the mechanisms to receive and redress grievances of the community.

The Company engages with its community members through in-person meetings

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	-	-
Sourced directly from within the district and neighbouring districts	-	-

## LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-	-

In FY 2022-23, there were no social impact assessment conducted

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
-	None	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	None	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable	-	-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Covid 19 related expenses: Testing and other medical charges for local, provided essential supplies, medicines, sanitisers, masks, gloves and kits to the frontline health workers, etc in the fight against COVID-19 pandemic and other related expenses in connection therein.	-	-
2.	Project ensuring environmental sustainability and ecological balance. Project includes plantation of tree, conservation of natural resources and maintaining quality of soil, air and water. It also includes recycled water in gardening.	-	-

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
3.	Distribution of free food items to needy people	-	-
4.	Medical treatment to under privileged society cancer and other blood disorders	2	-
5.	Contribution for construction of building to provide Nursing education to the economically challenged students from rural areas across Goa.	-	-
6.	Provided 12 nos. personal computers to Shri Shraddhanand Vidyalay School at Poinguinim, Canacona, Goa, under Saksharta Education Support project undertaken by the Rotary Club of Panaji Mid-Town	12	-
7	Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	-	-
8	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.	-	-

## PRINCIPLE 9

### Businesses should engage with and provide value to their 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.

#### Essential Indicators

##### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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.

##### 2. Turnover of products / services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100
Recycling and/or safe disposal	-

## 3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-		Nil	-	
Advertising	Nil	-		Nil	-	
Cyber-security	Nil	-		Nil	-	
Delivery of essential services	Nil	-		Nil	-	
Restrictive Trade Practices	Nil	-		Nil	-	
Unfair Trade Practices	Nil	-		Nil	-	
Other	Nil	-		Nil	-	

## 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

## 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has a framework on cyber security and risks related to data privacy as a part of Risk Management Policy.

## 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

For FY 2022-23, there were no complaints received for issues pertaining to delivery of essential services, advertising, action taken by regulatory authorities on safety of products/services.

## LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
[www.marksanspharma.com](http://www.marksanspharma.com)

## 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company carries out consumer survey periodically.

## 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Consumers are informed of any risk of disruption/discontinuation of services when such situation takes place.

## 4a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

No

## 4b. If yes, provide details in brief.

Not Applicable

## 4c. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

## 5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

None

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable



# Annexure- H

## ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS

JINESH DEDHIA & ASSOCIATES

COMPANY SECRETARIES

A-103, Raj Satyam CHS, Ashok Van, Shiv Vallabh Road, Dahisar (East), Mumbai-400068

Email Id:-[jinesh@csjdedhia.in](mailto:jinesh@csjdedhia.in) Contact No.8108852470

### Form No. MR-3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31<sup>st</sup> March, 2023

[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**  
11<sup>th</sup> 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not Applicable during the review period);**
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable during the review 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, 2021 **(Not Applicable to the Company during the Audit Period);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically 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.

#### **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. There was no change in the composition of the Board of Directors of the Company during the period under the review

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.
20 <sup>th</sup> January, 2023	The Board of Director at their meeting has created, issued and allotted 5,03,24,324 fully paid-up Equity Shares having face value of ₹ 1/- each on conversion of convertible warrants issued on preferential basis.
14 <sup>th</sup> January, 2023	The Company has completed buyback of 64,74,276 (Sixty Four Lakh Seventy Four Thousand Two Hundred and Seventy Six) fully paid-up equity shares of face value of ₹ 1/- (Rupee One) each ("Equity Shares"), on a proportionate basis, through the Open market route through the Stock Exchange mechanism as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, at a price of ₹ 49.60/- (Rupees Forty Nine and Sixty Paise Only) per Equity Share.

For **Jinesh Dedhia & Associates**  
Company Secretaries

**Jinesh Dedhia**  
Proprietor

Peer Review Certificate No.:1914/2022  
ACS:54731 CP. 20229  
UDIN: A054731E000715798

Place: Mumbai  
Date: 1st August, 2023

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**  
11<sup>th</sup> 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

**Jinesh Dedhia**  
Proprietor

Peer Review Certificate No.:1914/2022  
ACS:54731 CP. 20229  
UDIN: A054731E000715798

Place: Mumbai  
Date: 1st August, 2023

# Annexure – I

## ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS

### From AOC - 1

Pursuant to first proviso to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statements of subsidiaries.

Particulars	Reporting period	Reporting currency	Exchange Rate	Share capital	Reserve and surplus	Total assets	Total liabilities (excluding share capital and reserve and surplus)	Investment	Turnover*	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% Of Share Holding
Marksans Pharma (Uk) Limited	31 March 2023	GBP	101.44	669.24	5,416.28	7,563.96	1,478.44	-	7,660.99	2,104.57	407.02	1,697.55	253.60	100%
Nova Pharmaceuticals Australasia Pty Ltd	31 March 2023	AUD	55.02	-*	497.75	931.90	434.15	-	1,926.86	-24.67	-	-24.67	-	60%
Marksans Pharma Inc	31 March 2023	USD	82.16	1,675.60	713.55	5,817.06	3,427.91	-	7,613.03	41.30	29.13	12.17	-	100%
Access Healthcare For Medical Products Llc	31 March 2023	AED	22.37	296.79	81.04	391.96	14.13	-	218.48	63.20	-	63.20	-	100%

#### Note:

\* Rounded off to millions

## 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)

**JINESH DEDHIA & ASSOCIATES**

**COMPANY SECRETARIES**

A-103, Raj Satyam CHS, Ashok Van, Shiv Vallabh Road, Dahisar (East), Mumbai-400068

Email Id:-[jinesh@csjdedhia.in](mailto:jinesh@csjdedhia.in) Contact No.8108852470

To  
The Members of  
**MARKSANS PHARMA LIMITED**  
11<sup>th</sup> 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 11<sup>th</sup> 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](http://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 31<sup>st</sup> March, 2023 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	Mark Saldanha	00020983	06/10/2015
2	Sandra Saldanha	00021023	25/09/2014
3	Seetharama Raju Buddharaju	03630668	05/10/2011
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

**Jinesh Dedhia**

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731E000715875

Place: Mumbai  
Date: 1st August, 2023

# Independent Auditor's Report

To the Members of  
**Marksans Pharma Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Marksans Pharma Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 (ICAI) 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

standalone financial statements for the year ended March 31, 2023. We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the 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 and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### 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 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 in 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 of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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.

We give in **"Annexure A"** a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### Other Matter

The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those standalone financial statements.

Our opinion is not modified in respect of the above matter.

### 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 **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed in Note 42 the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the standalone financial statements.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) 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 (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations
- under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- The Board of Directors of the Company have declared interim dividend for the year after the closure of financial year ended March 31, 2023. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 17 on Other Equity to the standalone financial statements).
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRN4810

Place: Mumbai  
Date: May 30, 2023

# Annexure A to the Independent Auditor's Report

## On Even Date on the Standalone Financial Statements of Marksans Pharma Limited

### Auditor's Responsibilities for the Audit of the 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:

- 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.
- Obtain an understanding of internal 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 has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial 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.

- 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 standalone financial statements for the year ended March 31, 2023 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.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Bhavik L. Shah**

Partner

Membership No. 122071

UDIN: 23122071BGXNRN4810

Place: Mumbai

Date: May 30, 2023

# Annexure B to the Independent Auditor's Report

On Even Date on the Standalone Financial Statements of Marksans Pharma Limited for the year ended March 31, 2023

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]**

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, 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 properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from a Bank on the basis of security of current assets. Quarterly returns filed with such Bank are in agreement with the books of account.
- iii. (a) According to the information and explanation provided to us, the Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence the requirements under paragraph 3 (iii) (a), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded INR in Millions	Amount Paid INR in Millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Taxes (including penalty)	14.47	--	AY 2014 – 2015	Hon'ble Income Tax Appellate Tribunal, Mumbai

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (c) and sub Clause (e) and (f) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with.

Further, the Company has utilized funds raised by way of preferential allotment or private placement of shares for the purposes for which they were raised except for the following:

Nature of Securities	Purpose for which funds raised	Total Amount Raised in INR Millions	Amount utilized for the other purpose in INR Millions	Unutilized Balance as at Balance sheet date in INR Millions	Remarks
Convertible share warrants converted to equity shares	Business Expansion	3,724.00	--	3,381.30	Unutilized balance has been invested by the Company in Fixed Deposits with banks

- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. (a) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi) (a) of the Order are not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi) (b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been resignation of the statutory auditors during the year, there were no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 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. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRN4810

Place: Mumbai  
Date: May 30, 2023

# Annexure C to the Independent Auditor's Report

On Even Date on the Standalone Financial Statements of Marksans Pharma Limited for the year ended March 31, 2023

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Marksans Pharma Limited on the Financial Statements for the year ended March 31, 2023]

**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 March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 internal financial controls with reference to standalone financial statements, 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 control 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 control with reference to standalone financial statements 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 control 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 **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRN4810

Place: Mumbai  
Date: May 30, 2023



# Standalone Balance Sheet

as at 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,408.81	1,318.61
Capital work-in-progress	4	39.05	—
Intangible assets	5	30.59	36.51
<b>Financial assets</b>			
(i) Investments	6	2,657.53	2,360.74
(ii) Other financial assets	7	14.05	26.08
Other non-current assets	8	152.23	15.54
Non current tax assets (net)	9	8.70	—
<b>Total non-current assets</b>		<b>4,310.96</b>	<b>3,757.48</b>
<b>Current assets</b>			
Inventories	10	1,309.52	1,036.75
<b>Financial Assets</b>			
(i) Investments	11	5.40	4.35
(ii) Trade receivables	12	3,054.92	2,467.83
(iii) Cash and cash equivalents	13a	1,483.13	811.89
(iv) Bank balances other than (iii) above	13b	2,919.49	1,428.59
(v) Other financial assets	14	29.34	83.76
Other current assets	15	335.84	65.43
<b>Total current assets</b>		<b>9,137.64</b>	<b>5,898.60</b>
<b>TOTAL ASSETS</b>		<b>13,448.60</b>	<b>9,656.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	453.16	409.31
Other equity	17	10,660.05	7,437.42
<b>Total equity</b>		<b>11,113.21</b>	<b>7,846.73</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	18	51.80	35.46
Provisions	19	31.81	18.56
Deferred tax liabilities (net)	20	86.38	90.08
<b>Total non current liabilities</b>		<b>169.99</b>	<b>144.10</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	—	50.00
(ii) Lease liabilities	22	25.08	57.59
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		155.77	67.48
b) Total outstanding dues of other than micro enterprises and small enterprises		960.00	677.06
(vi) Other financial liabilities	24	125.90	163.11
Other current liabilities	25	825.50	568.80
Provisions	26	13.26	7.24
Current tax liabilities (net)	27	59.89	73.97
<b>Total current liabilities</b>		<b>2,165.40</b>	<b>1,665.25</b>
<b>Total liabilities</b>		<b>2,335.39</b>	<b>1,809.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,448.60</b>	<b>9,656.08</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

**For and on behalf of the Board of Directors**
**MARKSANS PHARMA LIMITED**

CIN: L24110MH1992PLC066364

**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

Place : Mumbai

Date : 30 May 2023

Place : Mumbai

Date : 30 May 2023



# Standalone Statement of Profit and Loss

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>INCOME</b>			
Revenue from operations	28	6,552.04	6,582.89
Other income	29	604.82	422.51
<b>Total Income</b>		<b>7,156.86</b>	<b>7,005.40</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	3,384.90	3,279.91
Purchases of stock-in-trade		661.45	457.06
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(101.86)	38.94
Employee benefits expense	32	560.88	604.60
Finance costs	33	36.13	37.95
Depreciation and amortization expense	34	167.37	176.63
Other expenses	35	1,127.64	1,065.23
<b>Total expenses</b>		<b>5,836.51</b>	<b>5,660.32</b>
<b>Profit before tax</b>		<b>1,320.35</b>	<b>1,345.08</b>
<b>Tax expense:</b>			
(1) Current Tax		303.54	300.08
(2) Tax adjustments for earlier years		(10.14)	0.08
(3) Deferred tax		(1.71)	5.04
<b>Total tax expenses</b>		<b>291.69</b>	<b>305.20</b>
<b>Profit for the year</b>		<b>1,028.66</b>	<b>1,039.88</b>
<b>Other Comprehensive Income/(Loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
- Remeasurement (losses)/ gains of defined benefit plan		(7.90)	0.61
- Income tax relating to above		1.99	(0.15)
<b>Other Comprehensive Income/(Loss) for the year, net of tax</b>		<b>(5.91)</b>	<b>0.46</b>
<b>Total Comprehensive income for the year</b>		<b>1,022.75</b>	<b>1,040.34</b>
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		2.48	2.54
(2) Diluted (in ₹)		2.48	2.54

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Bhavik L. Shah**  
Partner  
Membership No.: 122071

**For and on behalf of the Board of Directors**  
**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

**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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023

# Standalone Statement of Changes in Equity

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## A Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year	409,313,698	409.31	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note 16 - share capital)	50,324,324	50.32	—	—
Less: Buy back of equity shares during the year (Refer note 16 - share capital)	6,474,276	6.47	—	—
<b>Equity shares outstanding at the end of the year</b>	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>

## B Other equity

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained Earnings	Convertible Warrants	Total
Balance as at 1 April 2022	0.12	85.00	1,731.87	3,137.37	1,552.06	931.00	7,437.42
Profit for the year	—	—	—	—	1,028.66	—	1,028.66
Other comprehensive income / (loss)	—	—	—	—	(5.91)	—	(5.91)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,022.75</b>	<b>—</b>	<b>1,022.75</b>
On redemption of preference share	—	50.00	—	—	(50.00)	—	—
On buyback of equity shares (Refer note 16 - Share capital)	—	6.47	—	—	(6.47)	—	—
Dividend paid on equity shares	—	—	—	—	(101.71)	—	(101.71)
Conversion of share warrant, net of expenses (Refer note 16 - Share capital)	—	—	3,627.77	—	—	(931.00)	2,696.77
Buyback of equity shares, net of expenses and tax on buyback (Refer note 16 - Share capital)	—	—	(314.66)	—	(80.52)	—	(395.18)
<b>Balance as at 31 March 2023</b>	<b>0.12</b>	<b>141.47</b>	<b>5,044.98</b>	<b>3,137.37</b>	<b>2,336.11</b>	<b>—</b>	<b>10,660.05</b>

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained Earnings	Convertible Warrants	Total
Balance as at 1 April 2021	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 / (loss)	—	—	—	—	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)
Issue of convertible share warrants, net of expenses	—	—	(19.45)	—	—	931.00	911.55
<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>

# Standalone Statement of Changes in Equity

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## C Nature and purpose of reserves:

### 1 Capital Reserve

The Capital Reserve was created as per the requirements 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 1,350,000 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. ₹ 135 Million (including ₹ 50 Million pertaining to current year), out of the profits, has been transferred to Capital redemption reserve, as and when Preference Shares were redeemed.

During the current year, the Company bought back and accounted buy back of 6,474,276 equity shares. As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Accordingly, ₹ 6.47 Million has been transferred from Retained Earnings to Capital Redemption Reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

### 3 Securities Premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

### 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 earned till date, less any transfers to other reserves and dividends distributed.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

#### For M S K A & Associates

Chartered Accountants  
Firm Registration No.: 105047W

#### Bhavik L. Shah

Partner  
Membership No.: 122071

#### For and on behalf of the Board of Directors

**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

#### 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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023

# Standalone Cash Flow Statement

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>A. Cash flow from Operating Activities</b>		
<b>Profit before tax</b>	1,320.35	1,345.08
Adjustments to reconcile profit before tax to net cash provided by operating activities		
– Depreciation and amortisation	167.37	176.63
– Exchange differences on translation of assets and liabilities, net	(6.28)	(89.52)
– Loss on sale / disposal of property, plant and equipment, net	0.61	–
– Finance costs	36.13	37.95
– Dividend income from a subsidiary	(108.33)	(98.86)
– Interest income	(102.94)	(59.32)
– Loss / (gain) arising on financial assets measured at FVTPL, net	108.02	(56.23)
– Loss on lease modification	0.65	–
– Allowance for credit losses on trade receivables (Including bad debts)	13.84	10.01
<b>Operating profit before working capital changes</b>	<b>1,429.42</b>	<b>1,265.74</b>
<b>Movements in working capital:</b>		
Increase in inventories	(272.77)	(99.89)
Increase in trade receivables	(598.48)	(705.65)
Increase in Non-current/current financial and other assets	(293.18)	(52.63)
Increase in trade payables	375.51	109.92
Increase in provisions and other liabilities	192.93	360.55
<b>Cash generated from operations</b>	<b>833.43</b>	<b>878.04</b>
Income taxes paid (net)	(316.18)	(318.33)
<b>Net cash generated from operating activities (A)</b>	<b>517.25</b>	<b>559.71</b>
<b>B. Cash flow from Investing Activities:</b>		
Payments to acquire property, plant and equipment (including capital work in progress)	(352.79)	(228.50)
Proceeds from sale of property, plant and equipment	0.18	–
Investment in deposits (net) and other bank balances	(1,490.90)	(1,196.66)
Purchase of Investments	(1.00)	(1.50)
Escrow and other deposit pertaining to buy back of equity shares	150.00	–
Redemption of escrow and other deposit pertaining to buy back of equity shares	(150.00)	–
Payment for acquisition of a subsidiary (Refer Note 6)	(275.41)	–
Investment in a subsidiary	(21.38)	–
Dividend income from a subsidiary	108.33	98.86
Interest received	86.75	47.19
<b>Net Cash (used in) Investing Activities (B)</b>	<b>(1,946.22)</b>	<b>(1,280.61)</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from issue of share warrants (net of issue expenses)	2,747.09	911.55
Buy back of equity shares (including transaction cost ₹ 7.22 million and tax on buy back ₹ 73.30 million)	(401.66)	–
Payment of dividend	(101.71)	(105.83)
Redemption of 7% redeemable cumulative preference shares	(50.00)	–
Repayment of principal portion of lease liabilities (including interest on lease liabilities)	(57.40)	(62.67)
Interest cost paid	(36.13)	(34.45)

# Standalone Cash Flow Statement

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Net Cash generated from Financing Activities (C)</b>	<b>2,100.19</b>	<b>708.60</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>671.22</b>	<b>(12.30)</b>
Cash and cash equivalents at the beginning of the year	811.89	824.19
Effect of exchange rate changes on cash and cash equivalents	0.02	–
<b>Cash and cash equivalents at the end of the period</b>	<b>1,483.13</b>	<b>811.89</b>

Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes under Para 44A as set out in Ind AS 7 “Statement of Cash flows” under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under.

## Net debt reconciliation:

31 March 2023	Preference Shares	Lease Liabilities (including interest)
Opening Balance	50.00	93.05
Cash Flows	(50.00)	(57.40)
Non - cash movement	–	41.23
<b>Closing Balance</b>	<b>–</b>	<b>76.88</b>

31 March 2022	Preference Shares	Lease Liabilities (including interest)
Opening Balance	50.00	143.73
Cash Flows	–	(62.67)
Non - cash movement	–	11.99
<b>Closing Balance</b>	<b>50.00</b>	<b>93.05</b>

## Notes :

- The above Cash Flow Statement is prepared under the “Indirect Method” as set out in Ind AS 7, ‘Statement of Cash Flows’.
- Amounts in bracket represent cash outflow

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Bhavik L. Shah**  
Partner  
Membership No.: 122071

**For and on behalf of the Board of Directors**  
**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

**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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in India.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. (i) Statement of compliance and basis of preparation and presentation

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. These standalone financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments) and;
- Defined employee benefit plans.

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on 30 May 2023.

The financial statements have been prepared on the assumption that the Company is a going concern and will continue its operations for the foreseeable future.

### (ii) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Million, unless otherwise stated.

### (iii) Current versus non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## (iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

## 2.2. Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries) at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on its nature, characteristics, and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 2.3. 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 recognized in the period in which the estimate is revised and future periods affected.

Estimates and judgments involved in applying accounting policies, is in respect of:

- Useful lives of property, plant and equipment and intangible assets
- Useful lives of intangible assets
- Employee benefits
- Provisions & contingent liabilities

## 2.4. Standards issues but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) Ind AS 1 - Presentation of Financial Statements
- b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- c) Ind AS 12 - Income Taxes

The above amendments are not likely to have any material impact on the financial statements of the Company for the current or future reporting period.

## 2.5. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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 if the recognition criteria is met up to 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss, during the reporting period in which they are incurred.

An item of property, plant and equipment is de-recognized 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 recognized in the Statement of Profit and Loss.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

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.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

## 2.6. Intangible assets

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

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

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

Internally generated Abbreviated New Drug Application (ANDA), Market Authorization and Product Licenses are amortized over 5 to 10 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is de-recognized.

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

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 unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

## 2.7. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Standalone Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset or cash-generating unit's (CGUs) fair value, less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Standalone Statement of Profit and Loss.

Reversal of impairment losses is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

## 2.8. Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Cost is determined on weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labor and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. The cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

## 2.9. Foreign exchange transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

## 2.10. Financial instruments

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

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

### Financial assets:

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost

### Derecognition of financial assets:

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognized if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

## Income recognition

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

## Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

## Investments

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost less provision for impairment, if any.

## Trade receivables

Trade receivables are amounts due from customers for the sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at their transaction price, which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

## Financial liabilities:

### Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

### Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

on derecognition is also recognized in the Statement of Profit and Loss.

## Classification as debt or equity

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. The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Derecognition of financial liabilities

Financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using an effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

## Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

## Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to manage its exposure to interest rates and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e., hedge accounting is not followed. Such contracts are accounted for at FVTPL.

## Offsetting financial instruments:

Financial assets and liabilities are off-set and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.11. Revenue recognition

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognized using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

## **Sale of goods:**

The Company derives revenue principally from sales of pharma products. Revenue from the sale of products is recognized when the Company satisfies a performance obligation in accordance with the provisions of the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax.

## **Export incentives:**

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

## **Interest income:**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

## **Dividend income:**

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

## **2.12. 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 recognized 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**

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

The Company makes defined contributions to the Government Employee Provident Fund, which is recognized in the Standalone Statement of Profit and Loss, on an accrual basis. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. The Company has no obligation other than the contribution payable to the provident fund.

## Defined benefit plans

The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Gratuity obligation is unfunded. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Standalone Statement of Profit and Loss. Re-measurement gains or losses arising from changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurement gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

## Compensated absences

The employees of the Company are entitled to compensated absences. Accumulated compensated absences, which are expected to be encashed beyond twelve months from the end of the year, are treated as long-term employee benefits. Liability for such benefit is provided on the basis of actual leave balance as at the Balance Sheet date. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.

## 2.13. Income Taxes

### Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income Tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of 15 succeeding assessment years.

## 2.14. GST Input Credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services.

## 2.15. Provisions, Contingent Liabilities and Contingent Assets

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursements.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note 40).

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

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

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 2.16. Leases – Company as a Lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognized at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the inception date, lease liability is recognized at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease if the rate can be determined.

The Company has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value.

## 2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.18. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and makes strategic decisions.

## 2.19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer	Right to use asset (3.1)	Total
<b>Balance as at 1 April 2022</b>	425.14	1,543.31	100.64	68.85	12.88	67.41	222.16	2,440.39
Additions	8.35	241.75	10.82	–	0.18	2.11	44.41	307.62
Disposals/ Deletions	–	(4.94)	–	(0.36)	–	–	(75.45)	(80.75)
Adjustment #	(3.06)	(47.69)	(0.03)	–	(0.07)	(0.48)	–	(51.33)
<b>Balance as at 31 March 2023</b>	<b>430.43</b>	<b>1,732.43</b>	<b>111.43</b>	<b>68.49</b>	<b>12.99</b>	<b>69.04</b>	<b>191.12</b>	<b>2,615.93</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at 1 April 2022</b>	139.73	677.49	45.10	54.44	10.08	61.29	133.65	1,121.78
Depreciation	11.54	79.54	10.34	6.45	1.12	2.33	56.11	167.43
Disposals/ Deletions	–	(4.17)	–	(0.34)	–	–	(71.60)	(76.11)
Adjustment #	(0.14)	(5.52)	(0.01)	–	(0.02)	(0.29)	–	(5.98)
<b>Balance as at 31 March 2023</b>	<b>151.13</b>	<b>747.34</b>	<b>55.43</b>	<b>60.55</b>	<b>11.18</b>	<b>63.33</b>	<b>118.16</b>	<b>1,207.12</b>
<b>Carrying Value</b>								
<b>Balance as at 31 March 2023</b>	<b>279.30</b>	<b>985.09</b>	<b>56.00</b>	<b>7.94</b>	<b>1.81</b>	<b>5.71</b>	<b>72.96</b>	<b>1,408.81</b>

# Upon review and consultation with tax experts, the Company has adjusted and transferred GST input credit capitalised to GST receivables under other non current assets.

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer	Right to use asset (3.1)	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>210.54</b>	<b>2,199.49</b>
Additions	25.19	188.82	12.18	0.41	0.38	2.30	11.62	240.90
<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>222.16</b>	<b>2,440.39</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at 1 April 2021</b>	128.73	600.69	37.02	46.55	8.91	58.79	70.38	951.07
Depreciation	11.00	76.80	8.08	7.89	1.17	2.50	63.27	170.71
<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>133.65</b>	<b>1,121.78</b>
<b>Carrying Value</b>								
<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>88.51</b>	<b>1,318.61</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3.1 : RIGHT TO USE ASSET

The Company has lease contracts for land, building and various items of plant and equipment used in its operations. Below are the carrying amounts of right to use assets recognised and the movements during the year:

Particulars	Land	Building	Plant and Equipment	Total
<b>Balance as at 1 April 2022</b>	9.67	80.16	132.33	222.16
Additions	–	38.90	5.51	44.41
Deletions	–	(10.66)	(64.79)	(75.45)
<b>Balance as at 31 March 2023</b>	<b>9.67</b>	<b>108.40</b>	<b>73.05</b>	<b>191.12</b>
<b>Accumulated Depreciation</b>				
<b>Balance as at 1 April 2022</b>	0.50	44.82	88.33	133.65
Depreciation	0.25	17.72	38.14	56.11
Deletions	–	(6.81)	(64.79)	(71.60)
<b>Balance as at 31 March 2023</b>	<b>0.75</b>	<b>55.73</b>	<b>61.68</b>	<b>118.16</b>
<b>Carrying Value</b>				
<b>Balance as at 31 March 2023</b>	<b>8.92</b>	<b>52.67</b>	<b>11.37</b>	<b>72.96</b>

Particulars	Land	Building	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>
Additions	–	7.54	4.08	11.62
<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	0.25	18.74	44.28	63.27
<b>Balance as at 31 March 2022</b>	<b>0.50</b>	<b>44.82</b>	<b>88.33</b>	<b>133.65</b>
<b>Carrying Value</b>				
<b>Balance as at 31 March 2022</b>	<b>9.17</b>	<b>35.34</b>	<b>44.00</b>	<b>88.51</b>

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	51.80	35.46
Current	25.08	57.59
	<b>76.88</b>	<b>93.05</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3.1 : RIGHT TO USE ASSET (Contd..)

The following is the movement in lease liabilities for the year ended

Particulars	As at 31 March 2023	As at 31 March 2022
Balance recognised at the beginning of the year	93.05	143.73
Additions	43.90	11.99
Deletions	(4.46)	—
Finance cost accrued	9.11	13.98
Payment of lease liabilities	(64.72)	(76.65)
<b>Balance recognised at the end of the year</b>	<b>76.88</b>	<b>93.05</b>

Incremental borrowing rate applied to lease liabilities is 10.78%.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	33.68	57.59
1 year to 5 years	47.30	35.46
More than 5 years	76.41	—

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in the statement of profit and loss:

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right of use assets	56.11	63.27
Interest expense on lease liabilities	9.11	13.98
	<b>65.22</b>	<b>77.25</b>

The Company had total cash outflows for leases of ₹ 57.40 Million during the year ended 31 March 2023 (31 March 2022: ₹ 62.67 Million)

Short term lease recognised as an expense for the year ended 31 March 2023 is aggregating to ₹ 17.63 Million (31 March 2022: ₹ 11.48 Million)

## NOTE 3.2 : ADDITION TO PROPERTY, PLANT AND EQUIPMENT include capital expenditure as per given below:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>R &amp; D Expenditure</b>		
Capital Expenditure	9.92	3.63

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3.3 :

Charge created on property, plant and equipment. Refer note 45 - Assets pledged as security.

## NOTE 4 : CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Work-in-progress (CWIP)	39.05	—

Ageing of Capital Work in Progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	39.05	—	—	—	39.05

Ageing of Capital Work in Progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	—	—	—	—	—

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

## NOTE 5 : INTANGIBLE ASSETS

Particulars	Product related intangibles *
Balance as at 1 April 2022	573.01
Balance as at 31 March 2023	573.01
Accumulated Amortisation	
Balance as at 1 April 2022	536.50
Amortisation for the year	5.92
Balance as at 31 March 2023	542.42
Carrying Value	
Balance as at 31 March 2023	30.59

Particulars	Product related intangibles *
Balance as at 1 April 2021	573.01
Balance as at 31 March 2022	573.01
Accumulated Amortisation	
Balance as at 1 April 2021	530.58
Amortisation for the year	5.92
Balance as at 31 March 2022	536.50
Carrying Value	
Balance as at 31 March 2022	36.51

\*Product related Intangibles consists of intangible assets which comprise both; 'acquired' and 'internally generated' intangible assets.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 6 : INVESTMENTS (NON-CURRENT)

### Equity instruments of subsidiaries (fully paid)

#### Investment carried at cost (unquoted)

Particulars	Extent of holding	Face Value	As at 31 March 2023		As at 31 March 2022	
			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
Access Healthcare for Medical Products LLC*	100%	AED 1000	324	296.79	—	—
<b>Equity shares outstanding at the end of the year</b>				<b>2,657.53</b>		<b>2,360.74</b>
Aggregate amount of quoted investment				—		—
Aggregate amount of market value of quoted investments				—		—
Aggregate amount of unquoted investment				2,657.53		2,360.74
Aggregate amount of impairment in the value of investments				—		—

\*On 01 June 2022, the Company has acquired 100% share capital of Access Healthcare for Medical Products LLC, a company based in Dubai for a consideration of ₹ 275.41 Million (AED 13 Million) having marketing authorization approved by UAE regulatory authorities for various products. It is engaged in the business of marketing and promoting medicines in the United Arab Emirates and neighbouring countries. Post acquisition, the Company has made additional investment of ₹ 21.38 Million (AED 1 Million).

## NOTE 7 : OTHER FINANCIAL ASSETS (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	14.05	26.08
	<b>14.05</b>	<b>26.08</b>

## NOTE 8 : OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances #	66.10	15.54
GST receivables	86.13	—
	<b>152.23</b>	<b>15.54</b>

# Capital advances includes amount due to related party ₹ 6.57 Million and Nil as on 31 March 2023 and 31 March 2022, refer note 40 - Related party disclosures.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 9 : NON CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2023	As at 31 March 2022
Non current tax assets	8.70	–
(Net of provision for tax ₹ 94.84 million (31 March 2022 Nil))	–	–
	<b>8.70</b>	<b>–</b>

## NOTE 10 : INVENTORIES

Particulars	As at 31 March 2023	As at 31 March 2022
a. Raw materials and packing materials	1,071.19	900.28
b. Work-in-progress	190.59	89.86
c. Finished Goods	32.91	29.93
d. Stock-in-Trade	14.83	16.68
	<b>1,309.52</b>	<b>1,036.75</b>

Mode of valuation of inventories is stated in Note 2.8.

Write-downs of inventories to net realisable value amounted to NIL (31 March 2022 – NIL).

## NOTE 11 : INVESTMENTS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit or loss		
Liquid mutual funds	5.40	4.35
	<b>5.40</b>	<b>4.35</b>
Aggregate amount of quoted investment	–	–
Aggregate amount of market value of quoted investments	5.40	4.35
Aggregate amount of unquoted investment	–	–
Aggregate amount of impairment in the value of investments	–	–

## NOTE 12 : TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables from contract with customers	473.20	252.98
Trade receivables from contract with customers - related parties (Refer note 40 - Related party disclosures)	2,586.22	2,214.85
	<b>3,059.42</b>	<b>2,467.83</b>
Breakup of security details		
Trade receivables considered good - secured	–	–
Trade receivables considered good - unsecured	3,059.42	2,467.83
Trade receivables considered good which have significant increase in credit risk	–	–
Trade receivables - Credit impaired	–	–
	<b>3,059.42</b>	<b>2,467.83</b>
Less:- Loss allowance	(4.50)	–
	<b>3,054.92</b>	<b>2,467.83</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 12 : TRADE RECEIVABLES (Contd..)

### Ageing of Trade receivable as on 31 March 2023

Particulars	Outstanding for following period from the due date of payments					Total
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>						
Considered good	3,050.84	3.95	3.71	0.92	–	3,059.42
Which have significant increase in credit risk	–	–	–	–	–	–
Less: Loss allowance	–	–	(3.58)	(0.92)	–	(4.50)
<b>Disputed Trade Receivables</b>						
Considered good	–	–	–	–	–	–
Which have significant increase in credit risk	–	–	–	–	–	–
Credit Impaired	–	–	–	–	–	–
	<b>3,050.84</b>	<b>3.95</b>	<b>0.13</b>	<b>–</b>	<b>–</b>	<b>3,054.92</b>

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

Particulars	Outstanding for following period from the due date of payments					Total
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>						
Considered good	2,254.57	204.60	7.91	0.75	–	2,467.83
Which have significant increase in credit risk	–	–	–	–	–	–
Less: Loss allowance	–	–	–	–	–	–
<b>Disputed Trade Receivables</b>						
Considered good	–	–	–	–	–	–
Which have significant increase in credit risk	–	–	–	–	–	–
Credit Impaired	–	–	–	–	–	–
	<b>2,254.57</b>	<b>204.60</b>	<b>7.91</b>	<b>0.75</b>	<b>–</b>	<b>2,467.83</b>

## NOTE 13A : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
<b>Balances with bank</b>		
In current accounts	447.94	288.93
In Exchange Earners' Foreign Currency account (EEFC)	2.99	25.64
Fixed deposit with original maturity less than 3 months	1,032.12	497.20
Cash in hand	0.08	0.12
	<b>1,483.13</b>	<b>811.89</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 13B : BANK BALANCES OTHER THAN ABOVE

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks *	2.60	2.30
Balances with bank in margin money accounts #	1.58	27.77
Term deposits with original maturity of more than three months but less than twelve months	2,915.31	1,398.52
	<b>2,919.49</b>	<b>1,428.59</b>

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 represents money given against bank guarantees.

## NOTE 14 : OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Derivative financial assets - forward contracts	—	70.61
Interest accrued on fixed deposits	29.34	13.15
	<b>29.34</b>	<b>83.76</b>

## NOTE 15 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Advance to vendors	32.43	23.44
Prepaid expenses	42.40	36.82
GST receivables	253.54	—
Other advances	7.47	5.17
	<b>335.84</b>	<b>65.43</b>

## NOTE 16 : SHARE CAPITAL

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
<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>	<b>551,400,000</b>	<b>690.00</b>	<b>551,400,000</b>	<b>690.00</b>
<b>Issued, subscribed &amp; fully paid up</b>				
Equity shares of ₹ 1/- each	453,163,746	453.16	409,313,698	409.31
	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 16 : SHARE CAPITAL (Contd..)

### a. Reconciliation of the equity shares outstanding is set out below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year	409,313,698	409.31	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants	50,324,324	50.32	–	–
Less: Buy back of equity shares during the year	6,474,276	6.47	–	–
<b>Equity shares outstanding at the end of the year</b>	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>

### b. 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. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. 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.

### c. Terms/rights attached to Preference Shares

The Company's 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. 7% redeemable preference shares issued by the Company have been classified as a financial liability.

d. The Company has redeemed all 7% Redeemable cumulative preference shares of ₹ 100/- each at par on various dates.

e. The Company has issued on 20 January 2023, 50,324,324 Equity Shares of ₹ 1/- each face value pursuant to conversion of Convertible Warrants on preferential issue basis. The Company has issued and allotted, 1,000,000 Equity Shares to Mr. Mark Saldanha and 49,324,324 Equity Shares to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74.00 per Equity Share pursuant to conversion of convertible warrants issued on preferential basis on receipt of the balance 75% of the issue price. The Company had received 25% of the issue price at the time of issue of convertible warrants. The Company has raised ₹ 3,724 Million from the above preferential issue.

f. The Company has not issued bonus shares during the period of five years immediately preceding the reporting date.

g. The Board of Directors at its meeting held on 08 July, 2022 had approved the proposal to buy back its own fully paid up Equity Shares of face value ₹ 1/- each up to a maximum price of ₹ 60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding ₹ 600 Millions ("Maximum Offer Size") through the Open Market route on the Stock Exchanges from the equity shareholders / beneficial owners of the Equity Shares of the Company (other than those who are promoters, members of the promoter group and persons in control of the Company).

During the year, the Company bought back and accounted buy back of 6,474,276 equity shares which were extinguished on or before 18 January 2023 and completed the aforesaid buyback offer.

Aforesaid buyback offer resulted in a cash outflow of ₹ 401.66 Million (including transaction costs of ₹ 7.22 Million and tax on buyback of ₹ 73.30 Million). The volume weighted average buyback price is ₹ 49.60 per equity share comprising 1.58% of the pre buyback paid up equity share capital of the Company.

The Company funded the buy back from its free reserves, including securities premium, as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of ₹ 6.47 Million equal to the nominal value of the shares bought back as an appropriation from Retained earnings.

The Company has not bought back equity shares for consideration other than cash during the period of five years immediately preceding the reporting date.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 16 : SHARE CAPITAL (Contd..)

### h. Details of equity shares held by promoters

Name of Shareholder	As at 31 March 2023		As at 31 March 2022		% changed during the year
	No. of shares held at the end of the year	% of total shares	No. of shares held at the end of the year	% of total shares	
<b>Equity shares of ₹1/- each fully paid</b>					
Mr. Mark Saldanha	198,491,553	43.80	197,491,553	48.25	(4.45)
Mrs. Sandra Saldhana	220,180	0.05	180.00	—	0.05

The percentage shareholding above has been computed considering the outstanding number of shares of 453,163,746 and 409,313,698 as at 31 March 2023 and 31 March 2022, respectively.

### i. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2023		As at 31 March 2022		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	198,491,553	43.80	197,491,553	48.25	1,000,000
OrbiMed Asia IV Mauritius FVCI Limited	49,324,324	10.88	—	—	49,324,324

j. The Company has not issued any shares for consideration other than cash in current and previous year.

## NOTE 17 : OTHER EQUITY

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Capital Reserves</b>		
Opening balance	0.12	0.12
<b>Closing balance</b>	<b>0.12</b>	<b>0.12</b>
<b>b. Capital redemption reserve</b>		
Opening Balance	85.00	85.00
(+) Transferred from profit and loss		
On redemption of preference share (Refer footnote 2 of standalone statement of changes in equity)	50.00	—
On buyback of equity shares (Refer footnote 2 of standalone statement of changes in equity)	6.47	—
<b>Closing balance</b>	<b>141.47</b>	<b>85.00</b>
<b>c. Securities Premium Account</b>		
Opening balance	1,731.87	1,751.32
(+) Conversion of share warrant, net of expenses (Refer footnote 3 of standalone statement of changes in Equity)	3,627.77	—
(-) Expenses on issue of convertible share warrants	—	(19.45)
(-) Buy Back of shares (Refer footnote 3 of standalone statement of Changes in equity)	(314.66)	—
<b>Closing balance</b>	<b>5,044.98</b>	<b>1,731.87</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>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 17 : OTHER EQUITY (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>e. Retained earnings</b>		
Opening balance	1,552.06	614.05
(+) Net Profit for the current year	1,028.66	1,039.88
(-) Transfer to capital redemption reserve(Refer footnote 2 of standalone statement of changes in equity)	(56.47)	–
(-) Buyback expenses (Refer note 16 - share capital)	(80.52)	–
(-) Dividend paid on equity share*	(101.71)	(102.33)
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)	(5.91)	0.46
<b>Closing balance</b>	<b>2,336.11</b>	<b>1,552.06</b>
<b>f. Convertible Warrants</b>		
Opening balance	931.00	–
(+) Issue of convertible share warrants	–	931.00
(-) Conversion of share warrants to equity shares (Refer note 16 - Share capital)	(931.00)	–
<b>Closing balance</b>	<b>–</b>	<b>931.00</b>
	<b>10,660.05</b>	<b>7,437.42</b>

\* Dividend paid during the year is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend per share (in absolute ₹)	0.25	0.25
<b>Dividend paid during the year</b>	<b>101.71</b>	<b>102.33</b>

The Board of Directors, in the meeting held on 30 May 2023, has declared payment of interim dividend of ₹ 0.50 per equity share of ₹ 1/- each (50%) for the financial year 2022-23.

## NOTE 18 : LEASE LIABILITIES (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer Note 3.1 - Right to use assets)	51.80	35.46
	<b>51.80</b>	<b>35.46</b>

## NOTE 19 : PROVISIONS (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 36 - Employee post- retirement benefits)	22.51	15.73
Provision for compensated absences	9.30	2.83
	<b>31.81</b>	<b>18.56</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 20 : DEFERRED TAX LIABILITIES (NET)

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Deferred tax liabilities</b>		
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	105.05	98.98
<b>Total Deferred tax liabilities</b>	<b>105.05</b>	<b>98.98</b>
<b>Deferred tax assets</b>		
Tax effect of items resulting in deductible temporary differences		
Employee benefit obligations	13.33	6.65
Deferred tax on account of IND AS 116	0.98	1.14
Allowance for doubtful debts	1.13	—
Change in fair valuation of financial assets	1.24	1.26
<b>Total Deferred tax assets</b>	<b>16.68</b>	<b>9.05</b>
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	(1.99)	0.15
<b>Deferred tax liabilities (net)</b>	<b>86.38</b>	<b>90.08</b>

## NOTE 20.1 : CURRENT TAX:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Amounts recognised in profit or loss</b>		
<b>Current tax :</b>		
Current year	303.54	300.08
Tax adjustments of prior periods	(10.14)	0.08
<b>Current income tax</b>	<b>293.40</b>	<b>300.16</b>
<b>Deferred tax :</b>		
Current year origination and reversal of temporary differences	(1.71)	5.04
<b>Deferred tax expense</b>	<b>(1.71)</b>	<b>5.04</b>
<b>Total income tax recognised in profit or loss</b>	<b>291.69</b>	<b>305.20</b>
<b>Amounts recognised in other comprehensive income</b>		
Remeasurements of the defined benefit plans	1.99	(0.15)
<b>Total income tax recognised in other comprehensive income</b>	<b>1.99</b>	<b>(0.15)</b>

Reconciliation of effective tax rate	For Year Ended 31 March 2023	For Year Ended 31 March 2022
<b>Profit before tax</b>	1,320.35	1,345.08
Enacted tax rate in India	25.17%	25.17%
Expected income tax expenses	332.31	338.53
<b>Tax effect of:</b>		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(3.28)	(8.54)
Corporate social responsibility expenditure disallowed	5.12	3.87
Effect of concessions	(30.61)	(25.84)
Tax adjustments of prior periods	(10.14)	0.08
Others	(1.71)	(2.90)
<b>Tax expenses as per statement of profit and loss</b>	<b>291.69</b>	<b>305.20</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 21 : BORROWINGS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
7% Redeemable Cumulative Preference shares of ₹ 100/- each #	—	50.00
	<b>—</b>	<b>50.00</b>

# On 05 September 2022, the Company has redeemed at par entire 500,000 7% Redeemable cumulative preference shares aggregating to ₹ 50 Million and there are no outstanding preference shares as on 31 March 2023.

## NOTE 22 : LEASE LIABILITIES (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer Note 3.1 - Right to use assets)	25.08	57.59
	<b>25.08</b>	<b>57.59</b>

## NOTE 23 : TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
a) Total outstanding dues to micro, small & medium enterprises *	155.77	67.48
b) Total outstanding dues to other than micro, small & medium enterprises #	960.00	677.06
	<b>1,115.77</b>	<b>744.54</b>

\* The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information information available with the Company.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Amount remaining unpaid:</b>		
Principal	155.77	67.48
Interest	—	—
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	—	—
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	—	—
Interest accrued and remaining unpaid at the end of the year	—	—
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	—	—

# Trade payables includes amount due to related party ₹ 0.16 Million and ₹ 0.05 Million as on 31 March 2023 and 31 March 2022, refer note 40 - Related party disclosures.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 23 : TRADE PAYABLES (Contd..)

### Ageing of Trade payable as on 31 March 2023

Particulars	Outstanding for following period from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	155.77	—	—	—	155.77
Undisputed - Others	953.87	1.81	1.80	2.52	960.00
Disputed - MSME	—	—	—	—	—
Disputed -Others	—	—	—	—	—
	<b>1,109.64</b>	<b>1.81</b>	<b>1.80</b>	<b>2.52</b>	<b>1,115.77</b>

### Ageing of Trade payable as on 31 March 2022

Particulars	Outstanding for following period from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	67.48	—	—	—	67.48
Undisputed - 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>

## NOTE 24 : OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Payables for employee benefits	77.40	78.28
Unclaimed dividend *	2.60	2.30
Security deposits received	1.01	1.01
Derivative financial liabilities - forward contract	37.47	—
Other	7.42	81.52
	<b>125.90</b>	<b>163.11</b>

\* There are no amount due and outstanding to be credited to investor education and protection fund.

## NOTE 25 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers - others	9.09	17.40
Advance from customers - related parties	796.22	537.33
Statutory dues payable	20.19	14.07
	<b>825.50</b>	<b>568.80</b>

## NOTE NO.26 : PROVISIONS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 36 - Employee post- retirement benefits)	8.43	5.91
Provision for compensated absences	4.83	1.33
	<b>13.26</b>	<b>7.24</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 27 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for Income tax (net)	59.89	73.97
(Net of advance tax ₹ 243.65 Million (31 March 2022 ₹ 238.65 Million))		
	<b>59.89</b>	<b>73.97</b>

## NOTE 28 : REVENUE FROM OPERATIONS

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Revenue from contracts with customers		
Sale of products	6,526.84	6,475.74
Other operating revenues :-		
Scrap sales	17.56	14.24
Export incentives	7.64	92.91
	<b>6,552.04</b>	<b>6,582.89</b>

Reconciliation of revenue recognised in the standalone statement of profit and loss with the contracted price :

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Revenue as per contracted price	6,956.02	6,653.02
Less : Trade discounts	346.42	70.13
Less : Sales returns	57.56	—
<b>Revenue from operations</b>	<b>6,552.04</b>	<b>6,582.89</b>

Analysis of revenues by geography:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
US & North America	3,200.70	3,227.60
Europe and UK	1,732.20	1,897.80
Australia and New Zealand	833.50	788.90
India	33.50	113.79
Rest of World	752.14	554.80
	<b>6,552.04</b>	<b>6,582.89</b>

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	3,054.92	2,467.83

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 28 : REVENUE FROM OPERATIONS (Contd..)

### Contract Liabilities from contracts with customers :

The Company records a contract liability when cash payments are received in advance of its performance.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities from contracts with customers	805.31	554.73

## NOTE 29 : OTHER INCOME

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Interest Income on bank deposits at amortised costs	102.94	59.32
Insurance claim received	—	1.16
Fair value gain on financial instruments measured at fair value through profit or loss	0.06	56.23
Exchange gain in foreign currency translation & transaction	391.28	205.38
Dividend from equity investments in subsidiaries	108.33	98.86
Miscellaneous income	2.21	1.56
	<b>604.82</b>	<b>422.51</b>

## NOTE 30 : COST OF MATERIALS CONSUMED

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Raw materials and packing materials		
Opening Inventory	900.28	761.45
Add: Purchases	3,555.81	3,418.74
Less: Closing Inventory	(1,071.19)	(900.28)
	<b>3,384.90</b>	<b>3,279.91</b>

## NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Opening Inventory</b>		
Work-in-progress	89.86	116.63
Finished goods	29.93	33.59
Stock-in-trade	16.68	25.19
	<b>136.47</b>	<b>175.41</b>
Less: Closing Inventory		
Work-in-progress	190.59	89.86
Finished goods	32.91	29.93
Stock-in-trade	14.83	16.68
	<b>238.33</b>	<b>136.47</b>
	<b>(101.86)</b>	<b>38.94</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 32 : EMPLOYEE BENEFITS EXPENSE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Salaries and wages including bonus	504.57	573.47
Contribution to provident and other funds	47.09	22.42
Gratuity expenses (Refer note 36 - Employee post- retirement benefits)	4.45	3.98
Staff welfare expenses	4.77	4.73
	<b>560.88</b>	<b>604.60</b>

## NOTE 33 : FINANCE COSTS

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Interest expense for financial liabilities measured at amortised cost	0.04	0.01
Interest on lease liabilities	9.11	13.98
Other borrowing cost	23.48	20.46
Dividend on redeemable preference shares	3.50	3.50
	<b>36.13</b>	<b>37.95</b>

## NOTE 34 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Depreciation on property, plant and equipment	161.45	170.71
Amortization of intangible assets	5.92	5.92
	<b>167.37</b>	<b>176.63</b>

## NOTE 35 : OTHER EXPENSES

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Water, power & fuel	142.43	114.90
Repairs & maintenance - plant and equipments	40.48	44.16
Repairs & maintenance - building	1.92	8.33
Rent	15.52	11.44
Rates & taxes	2.06	1.67
Travelling expenses	47.63	40.37
Communication expenses	2.52	2.47
Courier & postage expenses	3.08	2.19
Printing & stationery	6.38	3.25
Auditors remuneration (Refer note 35.1)	6.88	3.86
Legal & professional fees	23.81	16.75
Fair value loss on financial instruments measured at fair value through profit or loss	108.08	—
Corporate social responsibility expenses (Refer note 44)	20.36	15.36
Loss on sale of fixed assets	0.61	—

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 35 : OTHER EXPENSES (Contd..)

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Food and drug administration fees	103.66	83.79
Freight outward & export clearing expenses	539.74	593.66
Bad debts (including loss allowance on doubtful debts)	13.84	10.01
Miscellaneous expenses	48.64	113.02
	<b>1,127.64</b>	<b>1,065.23</b>

## NOTE 35.1 : DETAILS OF PAYMENTS TO THE AUDITORS

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Audit fees	5.90	2.11
Other services	0.90	1.75
Reimbursement of out of pocket expenses	0.08	—
	<b>6.88</b>	<b>3.86</b>

## NOTE 36 : EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company

### i Defined Contribution Plan

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company's contribution to Provident Fund ₹ 31.63 Million (31 March 2022: ₹ 25.76 Million) has been recognised in Profit or Loss under the head Employee Benefits Expense.

### ii Gratuity (Defined benefit plan)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

#### a Expense recognised in the statement of profit and loss for the year:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Current Service Cost	3.44	3.20
Past Cost / (Gain)	—	—
Interest cost on benefit obligation (net)	1.01	0.78
<b>Total expenses included in Employee benefits expense</b>	<b>4.45</b>	<b>3.98</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 36 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

### b Expense / (Income) Recognised in Other Comprehensive Income (OCI):

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Actuarial changes arising from changes in financial assumptions		
Change in the Discount Rate	(2.09)	(0.62)
Change in Demographic Assumption	—	—
Change in the Mortality Rate Assumption	—	—
Change in the Attrition Rate Assumption	—	—
Actuarial changes arising from changes in experience adjustments	9.99	0.01
<b>OCI for the year</b>	<b>7.90</b>	<b>(0.61)</b>

### c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status:

Particulars	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligations (DBO)	30.93	21.64
Fair Value of Plan Assets	—	—
<b>Net (Assets) / Liabilities</b>	<b>30.93</b>	<b>21.64</b>

### d Break-up of the defined benefit plan related balance sheet amounts is shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
Current Liability	8.43	5.91
Non-Current Liability	22.51	15.73
	<b>30.94</b>	<b>21.64</b>

### e The movements in the net Defined Benefit Obligations (DBO) recognised within the balance sheet are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
DBO at the beginning of the year	21.64	19.62
Current Service Cost	3.44	3.20
Past Service (Cost) / Gain	—	—
Interest cost on benefit obligation (net)	1.01	0.78
Benefits paid	(3.05)	(1.35)
Remeasurements due to Actuarial (Loss) /Gain	7.90	(0.61)
<b>DBO at the end of the year</b>	<b>30.94</b>	<b>21.64</b>

### f Change in Fair Value of Assets for the period ending as at 31 March 2023 and 31 March 2022:

The Company has not invested in any plan assets.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 36 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

### g Actuarial Assumptions

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Discount Rate (per annum)	7.30%	5.41%
Rate of Salary Increase	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
<b>Withdrawal Rate</b>		
Upto 35 years	45.00%	45.00%
36 years to 45 years	40.00%	40.00%
46 years to 55 years	10.00%	10.00%
56 years and above	0.00%	0.00%

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.
- The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.

### h Retirement Age

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Retirement Age	58 Years	58 Years

### i Sensitivity Analysis

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Amount	Amount	%	%
Base Scenario	30.94	21.64		
Discount Rate: Increase by 1%	29.94	20.89	-3.21%	-3.47%
Discount Rate: Decrease by 1%	32.00	22.45	3.45%	3.76%
Salary Escalation Rate: Increase by 1%	31.81	22.42	2.82%	3.63%
Salary Escalation Rate: Decrease by 1%	30.11	20.90	-2.68%	-3.42%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 36 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

### j Maturity Profile

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	As at 31 March 2023	As at 31 March 2022
1 Year (within next 12 Months)	8.43	5.91
2 to 10 Years	28.34	17.41
Above 10 Years	4.27	3.7

### k Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Changes in bond yields: A decrease in bond yields will increase plan liabilities.
2. Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
3. Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability."

#### iii Other long term employee benefits:

Compensated Absences: (included as a part of salaries and wages in Note 32 - Employee benefits expense) All eligible employees can carry forward and avail / encash leave as per Company's policies.

### 36.1 Employee Stock Option Plan

The Shareholders of the Company at the 30th Annual General Meeting held on 29 August 2022, approved Marksans Employees Stock Option Scheme 2022. Under the said scheme, the Company can grant a total of 8,186,273 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 37 : 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 manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings except through leasing. The Company is not subject to any externally imposed capital requirements. Net debt and equity is given in the table below:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Total shareholders'equity as reported in balance sheet (A)</b>	11,113.21	7,846.73
Net Debt		
Lease liability (including current lease liability)	76.88	93.05
Current Financial liabilities (borrowings)	—	50.00
<b>Gross Debt</b>	<b>76.88</b>	<b>143.05</b>
Less: Cash & cash equivalents	1,483.13	811.89
<b>Net Debt (B)</b>	<b>(1,406.25)</b>	<b>(668.84)</b>
<b>Total Capital deployed (A-B)</b>	<b>12,519.46</b>	<b>8,515.57</b>
<b>Net debt to equity ratio (B/A)</b>	<b>(0.13)</b>	<b>(0.09)</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : 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:**

Fair value of cash and bank balances, trade receivables and other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022.

During the reporting period ending March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

#### 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.

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 2023			As at 31 March 2023		
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Other Non-current financial assets	–	–	14.05	–	–	–
Investment-Current #	5.40	–	–	5.40	–	–
Trade receivables	–	–	3,054.92	–	–	–
Cash and cash equivalents	–	–	1,483.13	–	–	–
Bank balances other than above	–	–	2,919.49	–	–	–
Others current financial assets	–	–	29.34	–	–	–
	<b>5.40</b>	<b>–</b>	<b>7,500.93</b>	<b>5.40</b>	<b>–</b>	<b>–</b>
<b>Financial Liabilities</b>						
Current and Non current lease liabilities *	–	–	76.88	–	–	76.88
Trade payables	–	–	1,115.77	–	–	–
Derivative financial liabilities - forward contract @	37.47	–	–	–	37.47	–
Other current financial liabilities	–	–	88.43	–	–	–
	<b>37.47</b>	<b>–</b>	<b>1,281.08</b>	<b>–</b>	<b>37.47</b>	<b>76.88</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Particulars	As at 31 March 2022			As at 31 March 2022		
	Carrying amount			Fair Value		
	FVPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<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	–	–	811.89	–	–	–
Bank balances other than above	–	–	1,428.59	–	–	–
Derivative financial assets - forward contracts @	70.61	–	–	–	70.61	–
Others current financial assets	–	–	13.15	–	–	–
	<b>74.96</b>	<b>–</b>	<b>4,747.54</b>	<b>4.35</b>	<b>70.61</b>	<b>–</b>
<b>Financial Liabilities</b>						
Short term borrowings	–	–	50.00	–	–	–
Current and Non current lease liabilities *	–	–	93.05	–	–	93.05
Trade payables	–	–	744.54	–	–	–
Other current financial liabilities	–	–	163.11	–	–	–
	<b>–</b>	<b>–</b>	<b>1,050.70</b>	<b>–</b>	<b>–</b>	<b>93.05</b>

# Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

\* Lease liabilities are valued using discounted cashflow method using incremental borrowing rate. A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

@ The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

### B. Financial Risk Management Framework

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

#### (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.

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. Outstanding customer receivables other than group companies are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The Company establishes an allowances for credit losses and impairment that represents its estimates of Expected Credit Loss (ECL).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

### Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹ 4,402.62 Million at 31 March, 2023 (31 March, 2022: ₹ 2,240.48 Million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

### Trade and other receivables

As at the year ending 31 March 2023 and 31 March 2022, two customer is exceeding 10% of the Company's total trade receivables.

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 company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at 31 March 2023 are as follows :

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payables	1,115.77	–	–
Lease liabilities	33.68	47.30	76.41
Other current financial liabilities	125.90	–	–
	<b>1,275.35</b>	<b>47.30</b>	<b>76.41</b>

The details of the contractual maturities of significant liabilities as at 31 March 2022 are as follows :

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowing	50.00	–	–
Trade payables	744.54	–	–
Lease liabilities	57.59	35.46	–
Other current financial liabilities	163.11	–	–
	<b>1,015.24</b>	<b>35.46</b>	<b>–</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

### (iii) Market Risk Analysis

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks)

#### (a) Foreign Currency risk

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement 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 Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD, GBP & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges its trade receivables based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales.

#### Exposure to currency risk

The Company's exposure to foreign currency risk is as follows :

Particulars	As at 31 March 2023					As at 31 March 2022		
	USD	GBP	AED	JPY	EUR	USD	GBP	EUR
<b>Financial assets</b>								
Other current assets	12.54	–	–	0.18	0.37	2.27	–	–
Other non-current assets	48.36	–	–	–	–	–	–	1.16
Trade receivables	3,044.55	–	1.59	–	–	2,452.27	–	–
	<b>3,105.45</b>	<b>–</b>	<b>1.59</b>	<b>0.18</b>	<b>0.37</b>	<b>2,454.54</b>	<b>–</b>	<b>1.16</b>
<b>Financial liabilities</b>								
Other Current liabilities	8.97	796.22	–	–	–	17.23	537.34	–
Trade payables	107.02	0.11	–	0.92	29.38	55.45	–	27.77
	<b>115.99</b>	<b>796.33</b>	<b>–</b>	<b>0.92</b>	<b>29.38</b>	<b>72.68</b>	<b>537.34</b>	<b>27.77</b>
<b>Total</b>	<b>2,989.46</b>	<b>(796.33)</b>	<b>1.59</b>	<b>(0.74)</b>	<b>(29.01)</b>	<b>2,381.86</b>	<b>(537.34)</b>	<b>(26.61)</b>

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	As at 31 March 2023					As at 31 March 2022		
	USD	GBP	AED	JPY	EUR	USD	GBP	EUR
Strengthening	298.95	(79.63)	0.16	(0.07)	(2.90)	238.19	(53.73)	(2.66)
Weakening	(298.95)	79.63	(0.16)	0.07	2.90	(238.19)	53.73	2.66

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have any interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

### (c) Other Price Risk:

The Company's equity exposure in Subsidiaries, are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect.

The company's current investments which are fair valued through profit and loss and are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

### 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. The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

## NOTE 39 : 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	As at 31 March 2023	As at 31 March 2022
<b>Earning Per Share (EPS)</b>		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	1,028.66	1,039.88
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of ₹ 1/- each	415.40	409.31
b) For Diluted Earning Per Share of ₹ 1/- each		
No. of Share for Basic EPS as per 2(a)	415.40	409.31
Add: weighted average outstanding	–	–
No. of share for diluted Earnings Per Share of ₹ 1/- each	415.40	409.31
3) Earning Per Share (Weighted Average)		
<b>Basic</b>	<b>2.48</b>	<b>2.54</b>
<b>Diluted</b>	<b>2.48</b>	<b>2.54</b>

## NOTE 40 : 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)

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 40 : RELATED PARTY DISCLOSURES (Contd..)

- 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) Marise Ann Inc. (Step-down subsidiary) w.e.f. 8 November 2022
- 10) Nova Pharmaceuticals Australasia Pty Ltd
- 11) Nova Pharmaceuticals Ltd.(Step-down subsidiary)
- 12) Access Healthcare for Medical Products LLC. w.e.f. 1 June 2022
- 13) Marksans Pharma GmbH (under liquidation)

### (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	: Non-executive Director

### (c) List of related parties with whom transactions have taken place during the year are as follows:

Name of Transactions	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Sale of goods</b>	<b>5,443.73</b>	<b>5,719.57</b>
Nova Pharmaceuticals Australasia Pty Ltd	659.30	672.23
Bell, Sons and Co. (Druggists) Limited	643.68	569.29
Relonchem Limited	1,073.35	1,313.19
Time-Cap Laboratories Inc.	3,067.40	3,164.86
<b>Dividend received</b>	<b>108.33</b>	<b>98.86</b>
Marksans Pharma (UK) Limited	108.33	98.86
<b>Purchases</b>	<b>0.38</b>	<b>—</b>
Bell, Sons and Co. (Druggists) Limited	0.05	—
Relonchem Limited	0.33	—

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 40 : RELATED PARTY DISCLOSURES (Contd..)

Name of Transactions	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Investment in Subsidiary</b>	<b>296.79</b>	<b>—</b>
Access Healthcare for Medical Products LLC.	296.79	—
<b>Rent paid</b>	<b>10.65</b>	<b>10.65</b>
Mr. Mark Saldanha	10.65	10.65
<b>Equity shares issued (including securities premium) during the year pursuant to conversion of warrants (Refer note 16 - Share capital)</b>	<b>74.00</b>	<b>—</b>
Mr. Mark Saldanha	74.00	—
<b>Managerial remuneration *</b>	<b>107.66</b>	<b>82.35</b>
Mr. Mark Saldanha	68.40	38.25
Mrs. Sandra Saldanha	7.07	7.03
Mr. Varddhman Vikramaditya Jain	15.25	18.95
Mr. Jitendra Sharma	14.01	15.30
Mr. Harshavardhan Panigrahi	2.61	2.53
Mr. Abhinna Sundar Mohanty	0.04	0.03
Mr. Seetharama Raju Bhuddharaju	0.04	0.03
Mr. Digant Mahesh Parikh	0.20	0.20
Dr.Meena Rani Surana	0.04	0.03

\* Provision made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

## (d) Balances outstanding at the end of the year

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Trade receivable</b>	<b>2,586.22</b>	<b>2,214.85</b>
Nova Pharmaceuticals Australasia Pty Ltd	435.12	295.44
Time-Cap Laboratories Inc.	2,151.10	1,919.41
<b>Advance from customer</b>	<b>796.22</b>	<b>537.33</b>
Bell, Sons and Co. (Druggists) Limited	98.83	171.82
Relonchem Limited	697.39	365.51
<b>Capital Advance</b>	<b>6.57</b>	<b>—</b>
Time-Cap Laboratories Inc.	6.57	—
<b>Trade payable</b>	<b>0.16</b>	<b>0.05</b>
Bell, Sons and Co. (Druggists) Limited	0.05	—
Relonchem Limited	0.06	—
Time-Cap Laboratories Inc.	0.05	0.05
<b>Managerial remuneration</b>	<b>3.08</b>	<b>3.65</b>
Mr. Mark Saldanha	1.27	1.90
Mrs. Sandra Saldanha	0.39	0.38
Mr. Varddhman Vikramaditya Jain	0.70	0.67
Mr. Jitendra Sharma	0.55	0.54
Mr. Harshavardhan Panigrahi	0.17	0.16
<b>Outstanding guarantee given on behalf of</b>	<b>1,036.67</b>	<b>973.44</b>
Bell, Sons and Co. (Druggists) Limited	304.32	294.75
Relonchem Limited	157.23	152.29
Time-Cap Laboratories Inc.	575.12	526.40

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

## NOTE 41 : SEGMENT INFORMATION

### A. Operating Segments

The Company operates in one reportable business segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.

### B. Geographical Information:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Analysis of revenues by geography:</b>		
US & North America	3,200.70	3,227.60
Europe and UK	1,732.20	1,897.80
Australia and New Zealand	833.50	788.90
India	33.50	113.79
Rest of World	752.14	554.80
	<b>6,552.04</b>	<b>6,582.89</b>
<b>Analysis of non current assets by geography:</b>		
US & North America	6.57	—
India	4,262.60	3,756.32
Rest of World	41.79	1.16
	<b>4,310.96</b>	<b>3,757.48</b>

### C. Information about major customers

During the years ended 31 March 2023 and 31 March 2022, revenues from transactions with a single customer amount to 10% or more of the Company's revenues from customers includes 3 customers amounting to ₹ 5,443.73 Million and ₹ 5,719.57 Million respectively.

## NOTE 42 : CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

### Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax on account of disallowances / additions	14.47	14.47

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the proceedings as it is determinable only on receipt of judgments / decisions pending with the forums / authorities.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with direct tax authorities. The Company has reviewed its proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## Contingent assets

The Company neither had any contingent assets as on 31 March 2023 nor on 31 March 2022.

## Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	78.67	18.10

## NOTE 43 : RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>a) Break-up of research and development expenses included in statement of profit and loss under below heads:</b>		
<b>Material Cost</b>	37.14	46.35
<b>Employee benefits expense</b>		
Salaries, Wages and Bonus	36.66	32.44
Contribution to Provident and other funds	3.71	3.11
	<b>40.37</b>	<b>35.55</b>
<b>Other expenses</b>		
Power and Fuel	3.27	1.83
Laboratory goods and testing expenses	8.81	8.27
Clinical research expense	22.84	48.77
General charges	36.54	48.10
	<b>71.46</b>	<b>106.97</b>
<b>b) Capital Expenditure</b>	9.92	3.63
<b>Total</b>	<b>158.89</b>	<b>192.50</b>

## NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are community healthcare, free food, sanitation & hygiene, environmental sustainability and education. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
a) Gross amount required to be spent by the Company during the year	20.28	15.42
b) Amount approved by the Board to be spent during the year	20.28	15.42
c) Amount spent during the year on :		
(i) Construction / acquisition of any asset	—	—
(ii) On purposes other than (i) above	20.35	15.36
d) Shortfall at the end of the year	—	—
e) Total of previous year shortfall	—	—
f) Reason for shortfall	NA	NA

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
g) Excess spent of previous year brought forward to current year	0.01	0.07
h) Excess spent of current year carried forward to next year	0.08	0.01
i) Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure	NA	NA
j) Nature of CSR activities:	Community healthcare, free food, sanitation & hygiene, environmental sustainability and education.	

The Company does not have any ongoing CSR projects for both the years.

No expenditure has been paid to a related party, in relation to CSR Expenditure.

There are no short falls at the end of the year.

## NOTE 45 : ASSETS PLEDGED AS SECURITY

The Company does not have any outstanding loans or borrowings (except redeemable preference shares) and repayment to lenders during the current and previous year. The Company has been sanctioned working capital limits from a bank through collateral security of equitable / registered mortgage on first pari-passu charge basis of whole of the movable fixed assets including without limitation movable plant and machinery, capital work in process, machinery spares, tools and accessories and other movables, present and future. Land bearing plot number L-82 & L-83, Phase II - E admeasuring 23,900 sq. mtrs. of the property known as Verna Industrial Estate situated in Goa together with all buildings and structures, machinery etc. on the said properties and hypothecation and first pari-passu charge over the Company's entire current assets both present and future with other consortium member banks.

## NOTE 46 : SUBSEQUENT EVENTS

- The Board of Directors, in the meeting held on 30 May 2023, has declared payment of interim dividend of ₹ 0.50 per equity share of ₹ 1/- each (50%) for the financial year 2022-23.
- On 11 October 2022, the Company had entered in to a Business Transfer Agreement with Tevapharm India Private Limited to acquire its manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa as a going concern on a slump sale basis. Manufacturing site is spread across 47,597 square meters. This manufacturing facility has approvals to manufacture products from EU, Health Canada and Japanese Health Authority. The transaction is in cash consideration. Subsequent to 31 March, 2023, the Company has completed the said acquisition for a consideration of ₹ 779.47 Million (excluding other acquisition cost) from Tevapharm India Private Limited. No impact for the said acquisition has been given in these standalone financial statements as this is a non adjusting event.

## NOTE 47 : RATIO ANALYSIS

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance in%	Foot- notes
a. Current ratio	Current assets	Current liabilities	4.22	3.54	19.13	
b. Debt equity ratio	Lease liabilities + Preference shares	Total equity	0.01	0.02	(62.05)	1
c. Debt service coverage ratio	Profit/(loss) after tax + finance costs + depreciation and amortisation+Loss on sale of fixed assets	Interest + lease payments + principal repayment of preference Shares	8.17	10.95	(25.34)	1

# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 47 : RATIO ANALYSIS (CONTD..)

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance in%	Foot- notes
d. Return on equity ratio (%)	Net profit/(loss) after tax	Average shareholder's equity	10.85%	15.02%	(27.77)	2
e. Inventory turnover ratio	Cost of goods sold	Average inventory	3.36	3.83	(12.13)	
f. Trade receivables turnover ratio	Revenue from operation	Average trade receivables	2.37	3.17	(25.08)	3
g. Trade payable turnover ratio	Purchases	Average trade payables	4.53	5.59	(18.93)	
h. Net capital turnover ratio	Revenue from operation	Working capital	0.94	1.56	(39.57)	4
i. Net profit ratio (%)	Net profit/(loss) after tax	Revenue from operation	15.70%	15.80%	(0.61)	
j. Return on capital employed (%)	Profit/(loss) before tax + finance costs	Tangible net worth + total debt + deferred tax liability	12.06%	17.19%	(29.85)	2
k. Return on investment (%)	Profit/(loss) before tax + finance costs	Average Total Assets	11.74%	16.21%	(27.57)	5

- During the year the Company has redeemed at par entire 500,000 7% Redeemable cumulative preference shares aggregating to ₹ 50 Million.
- Due to the increase in the shareholder's equity on account of conversion of warrants (Refer note 16 share capital)
- Due to the increase in the trade receivables.
- Due to the increase in the current assets mainly on account of increase in the cash and cash equivalents and other bank balances.
- Due to increase in current assets on account of higher working capital levels.

## NOTE 48 : OTHER STATUTORY INFORMATION

### a. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### b. Borrowing secured against current assets

The Company has been sanctioned working capital limits in excess of ₹ 50 Million in aggregate from a Bank on the basis of security of current assets. Quarterly returns are filed with such Bank which are in agreement with the books of account.

### c. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### d. Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### e. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## f. Compliance with approved schemes of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

## g. Utilisation of borrowed funds and share premium

1. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
2. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

## h. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

## i. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

## j. Valuation of PP&E and intangible asset

The Company has not revalued its property, plant and equipment (including right to use assets) or intangible assets or both during the current or previous year.

## k. Title deeds of Immovable Properties

Title deeds of all immovable properties are held in the name of the Company.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Bhavik L. Shah**  
Partner  
Membership No.: 122071

**For and on behalf of the Board of Directors**  
**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

**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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023

# 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 accompanying consolidated financial statements of Marksans Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including 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, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and

other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. 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.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Accounting for Business Combination</p> <p>Refer Note 49 to the Consolidated Financial Statements on Acquisition accounting for the acquisition of business of Access Healthcare</p> <p>During the year, the Group acquired the business of Access Healthcare for Medical Products LLC, a company based in Dubai for a consideration of ₹ 275.41 million (AED 13 Million) having marketing authorization approved by UAE regulatory authorities for various products.</p> <p>Accordingly, the purchase price was allocated to the assets acquired (including identifiable intangible assets) and liabilities assumed based on their fair values on the acquisition date.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Inspected the agreement and other documents underlying the acquisition to gain an understanding of the contractual terms and conditions to assess the consideration and the acquired identifiable assets and liabilities.</li> <li>- Understood the process followed by the Group for assessment and determination of the method of accounting, including the identification of assets and liabilities and determination of their fair values and also evaluation of work of management experts.</li> <li>- Obtained an understanding from the management, evaluated and tested the design and operating effectiveness of the Company's controls over the recognition and measurement of purchase price allocation.</li> <li>- Examined the terms and conditions to challenge the Company's assessment of whether the acquisition comprises a business in accordance with Ind AS 103.</li> </ul>

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>The determination of such fair value for the purpose of purchase price allocation involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future cash flow forecasts.</p> <p>Further significant management judgement is involved in aligning the accounting policies and estimates of the acquirees with the Group's accounting policies and estimates.</p> <p>In consideration of above, we have determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Tested the completeness of the identified assets and liabilities acquired by comparison to the Share Purchase Agreement, through discussions with the Company.</li> <li>- Assessed the Company's determination of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: <ul style="list-style-type: none"> <li>- Obtaining the valuation report prepared by the appointed external valuation specialist.</li> <li>- Evaluating the competence and objectivity of the valuation specialist engaged by the management.</li> <li>- Involving our internal valuation experts in assessing the appropriateness of the methods used to identify intangible and to determine the fair values of the assets and liabilities including assumptions such as the discount rates applied.</li> </ul> </li> <li>- Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements in accordance with requirements of IND AS 103 including disclosure of significant assumptions and judgements.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the 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 and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective 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 for preventing and detecting frauds and other irregularities; the 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 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective 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 intends to liquidate the company 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 Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### Other Matters

- a. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹ 12,756.49 million as at March 31, 2023, total revenues of ₹ 15,492.50 million and net cash inflows amounting to ₹ 1,606.04 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with 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 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 the management of the Holding Company and audited by us.

Our opinion and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter.

- b. We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of ₹ 931.90 million as at March 31, 2023, total revenues of ₹ 1,926.86 million and net cash outflows amounting to ₹ 111.22 million for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion and our report on Other Legal and Regulatory Requirements below is not modified with respect to the financial information certified by the Management.

- c. The consolidated financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those statements.

Our opinion and our report on Other Legal and Regulatory Requirements below is not modified with respect to the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 and the reports of the other auditors.
- 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 Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 46 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 27 to the consolidated financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. (1) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their 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 Holding Company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. On the basis of our verification, we report that:
  - (i) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

- (ii) The Board of Directors of the Holding Company have declared interim dividend for the year after the closure of financial year ended March 31, 2023. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 20 on Other Equity to the consolidated financial statements).
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no qualifications/adverse remarks.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Bhavik L. Shah**

Partner

Membership No. 122071

UDIN: 23122071BGXNRO2632

Place: Mumbai

Date: May 30, 2023

# Annexure A to the Independent Auditor's Report

On Even Date on the Consolidated Financial Statements of Marksans Pharma Limited

## Auditor's Responsibilities for the Audit of the 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 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 has adequate internal financial controls with reference to consolidated financial statements 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 or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such 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 for the year ended March 31, 2023 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
UDIN: 23122071BGXNRO2632

Place: Mumbai  
Date: May 30, 2023



# Annexure B to the Independent Auditor's Report

On Even Date on the Consolidated Financial Statements of Marksans Pharma Limited

**[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Marksans Pharma Limited on the consolidated Financial Statements for the year ended March 31, 2023]**

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

## Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Marksans Pharma Limited (hereinafter referred to as "the Holding Company") Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to its subsidiaries as they are incorporated outside India.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding 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").

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 with reference to consolidated financial statements of the Holding Company, which is a company incorporated in India, 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 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 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 with reference to consolidated financial statements of the Holding Company, which is a company incorporated in India.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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



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

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Bhavik L. Shah**

Partner

Membership No. 122071

UDIN: 23122071BGXNRO2632

Place: Mumbai

Date: May 30, 2023

# Consolidated Balance Sheet

as at 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,796.43	3,415.92
Capital work-in-progress	4	72.46	6.95
Goodwill	5	384.89	300.25
Intangible assets	6	681.73	566.92
Intangible assets under development	7	26.24	18.77
<b>Financial assets</b>			
(i) Other financial assets	8	34.77	26.08
Deferred tax assets (net)	9	—	38.57
Other non-current assets	10	145.66	15.54
Non current tax assets (net)	11	8.70	—
<b>Total non-current assets</b>		<b>5,150.88</b>	<b>4,389.00</b>
<b>Current assets</b>			
Inventories	12	4,847.39	4,244.42
<b>Financial Assets</b>			
(i) Investments	13	5.40	4.35
(ii) Trade receivables	14	4,168.46	3,947.78
(iii) Cash and cash equivalents	15a	3,824.37	2,064.06
(iv) Bank balances other than (iii) above	15b	3,325.25	1,428.59
(iv) Other financial assets	16	36.55	83.76
Other current assets	17	526.43	208.49
Current tax assets (net)	18	19.16	30.55
<b>Total current assets</b>		<b>16,753.01</b>	<b>12,012.00</b>
<b>TOTAL ASSETS</b>		<b>21,903.89</b>	<b>16,401.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	453.16	409.31
Other Equity	20	16,998.46	11,613.39
<b>Equity attributable to owners of the Company</b>		<b>17,451.62</b>	<b>12,022.70</b>
Non-Controlling interest		199.10	207.01
<b>Total equity</b>		<b>17,650.72</b>	<b>12,229.71</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	21	656.89	414.34
Provisions	22	32.52	18.56
Deferred tax liabilities (net)	23	153.86	176.21
<b>Total non current liabilities</b>		<b>843.27</b>	<b>609.11</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	24	415.88	412.92
(ii) Lease liabilities	25	156.68	280.52
(iii) Trade payables	26		
a) Total outstanding dues of micro enterprises and small enterprises		155.77	67.48
b) Total outstanding dues of other than micro enterprises and small enterprises		2,150.24	1,933.31
(iv) Other financial liabilities	27	152.91	655.98
Other current liabilities	28	112.38	31.46
Provisions	29	13.26	7.24
Current tax liabilities (net)	30	252.78	173.27
<b>Total current liabilities</b>		<b>3,409.90</b>	<b>3,562.18</b>
<b>Total liabilities</b>		<b>4,253.17</b>	<b>4,171.29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,903.89</b>	<b>16,401.00</b>

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Bhavik L. Shah**  
Partner  
Membership No.: 122071

**For and on behalf of the Board of Directors**  
**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

**MARK SALDANHA**  
Chairman & Managing Director  
DIN: 00020983

**HARSHAVARDHAN PANIGRAHI**  
Company Secretary & Legal Manager

Place : Mumbai  
Date : 30 May 2023

**SANDRA SALDANHA**  
Whole - time Director  
DIN: 00021023

**JITENDRA SHARMA**  
Chief Financial Officer

Place : Mumbai  
Date : 30 May 2023

# Consolidated Statement of Profit and Loss

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>INCOME</b>			
Revenue from operations	31	18,521.39	14,908.39
Other income	32	593.13	418.53
<b>Total Income</b>		<b>19,114.52</b>	<b>15,326.92</b>
<b>EXPENSES</b>			
Cost of materials consumed	33	6,129.70	5,406.69
Purchases of stock-in-trade		3,147.82	1,632.53
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	(63.94)	128.95
Employee benefits expense	35	2,393.71	2,203.02
Finance costs	36	91.28	84.46
Depreciation and amortization expense	37	518.53	447.76
Other expenses	38	3,520.89	2,948.40
<b>Total expenses</b>		<b>15,737.99</b>	<b>12,851.81</b>
<b>Profit before tax</b>		<b>3,376.53</b>	<b>2,475.11</b>
<b>Tax expense:</b>			
(1) Current Tax		715.67	571.02
(2) Tax adjustments for earlier years		(3.33)	0.08
(3) Deferred tax		10.98	35.87
<b>Total tax expenses</b>		<b>723.32</b>	<b>606.97</b>
<b>Profit for the year</b>		<b>2,653.21</b>	<b>1,868.14</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
- Remeasurement (losses)/ gains of defined benefit plan		(7.90)	0.61
- Income tax relating to above		1.99	(0.15)
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of a foreign operation		528.02	502.37
<b>Other Comprehensive Income for the year, net of tax</b>		<b>522.11</b>	<b>502.83</b>
<b>Total Comprehensive income for the year</b>		<b>3,175.32</b>	<b>2,370.97</b>
Net Profit attributable to:-			
Owners of the Company		2,663.08	1,845.69
Non-Controlling interests		(9.87)	22.45
Other Comprehensive Income attributable to:-			
Owners of the Company		520.15	506.84
Non-Controlling interests		1.96	(4.01)
<b>Total Comprehensive Income attributable to:-</b>			
<b>Owners of the Company</b>		<b>3,183.23</b>	<b>2,352.53</b>
<b>Non-Controlling interests</b>		<b>(7.91)</b>	<b>18.44</b>
<b>Earnings per equity share of ₹ 1 each</b>			
(1) Basic (in ₹)		6.41	4.51
(2) Diluted (in ₹)		6.41	4.51

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

**Bhavik L. Shah**  
Partner  
Membership No.: 122071

**For and on behalf of the Board of Directors**  
**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

**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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023

# Consolidated Statement of Changes in Equity

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## A Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year	409,313,698	409.31	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note 19 - share capital)	50,324,324	50.32	–	–
Less: Buy back of equity shares during the year (Refer note 19 - Share capital)	6,474,276	6.47	–	–
<b>Equity shares outstanding at the end of the year</b>	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>

## B Other equity

Particulars	Reserves and surplus			Convertible warrants	Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings			
Balance as at 1 April 2022	0.12	85.00	1,731.87	3,137.37	5,093.09	931.00	207.01	11,820.40
Profit for the year	–	–	–	–	2,663.08	–	(9.87)	2,653.21
Other comprehensive income / (loss)	–	–	–	–	(5.91)	–	–	(5.91)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,657.17</b>	<b>–</b>	<b>(9.87)</b>	<b>2,647.30</b>
Exchange difference on translation of foreign operation	–	–	–	–	–	528.02	1.96	529.98
Reclassification (Refer footnote 6)	–	–	–	–	264.47	(264.47)	–	–
On redemption of preference share	–	50.00	–	–	(50.00)	–	–	–
On buyback of equity shares (Refer note 19 - Share capital)	–	6.47	–	–	(6.47)	–	–	–
Buyback of equity shares, net of expenses and tax on buyback (Refer note 19 - Share capital)	–	–	(314.66)	–	(80.52)	–	–	(395.18)
Dividend paid on equity share	–	–	–	–	(101.71)	–	–	(101.71)
Conversion of share warrant, net of expenses (Refer note 19 - Share capital)	–	–	3,627.77	–	–	(931.00)	–	2,696.77
<b>Balance as at 31 March 2023</b>	<b>0.12</b>	<b>141.47</b>	<b>5,044.98</b>	<b>3,137.37</b>	<b>7,776.03</b>	<b>–</b>	<b>199.10</b>	<b>17,197.56</b>

# Consolidated Statement of Changes in Equity

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Reserves and surplus				Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Convertible warrants		
Balance as at 1 April 2021	0.12	85.00	1,751.32	3,137.37	3,349.27	-	188.57	8,644.21
Profit for the year	-	-	-	-	1,845.69	-	22.45	1,868.14
Other comprehensive income / (loss)	-	-	-	-	0.46	-	-	0.46
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>1,846.15</b>	-	<b>22.45</b>	<b>1,868.60</b>
Exchange difference on translation of foreign operation	-	-	-	-	-	-	(4.01)	498.37
Dividend paid on equity share	-	-	-	-	(102.33)	-	-	(102.33)
Issue of convertible share warrants, net of expenses	-	-	(19.45)	-	-	931.00	-	911.55
<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>931.00</b>	<b>207.01</b>	<b>11,820.40</b>

## C Nature and purpose of reserves:

### 1 Capital Reserve

The Capital Reserve was created as per the requirements 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 1,350,000 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. ₹135 million (including ₹50 million pertaining to current year), out of the profits, been transferred to Capital redemption reserve, as and when Preference Shares were redeemed.

During the current year, the Company bought back and accounted buy back of 6,474,276 equity shares. As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Accordingly, ₹6.47 million has been transferred from Retained Earnings to Capital Redemption Reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013."

### 3 Securities Premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

# Consolidated Statement of Changes in Equity

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 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 earned till date, less any transfers to other reserves and dividends distributed.

## 6 Foreign currency translation reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to holding company's functional currency. During the year, the Company has identified certain reclassifications between FCTR and Retained Earnings pertaining to the earlier years.

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

**For and on behalf of the Board of Directors**

**MARKSANS PHARMA LIMITED**

CIN: L24110MH1992PLC066364

**MARK SALDANHA**

Chairman & Managing Director

DIN: 00020983

**HARSHAVARDHAN PANIGRAHI**

Company Secretary & Legal Manager

Place : Mumbai

Date : 30 May 2023

**SANDRA SALDANHA**

Whole - time Director

DIN: 00021023

**JITENDRA SHARMA**

Chief Financial Officer

Place : Mumbai

Date : 30 May 2023

# Consolidated Cash Flow Statement

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	3,376.53	2,475.11
Adjustments to reconcile profit before tax to net cash provided by operating activities		
– Depreciation and amortisation	518.53	447.76
– Exchange differences on translation of assets and liabilities, net	(1.98)	(89.51)
– Loss on sale / disposal of property, plant and equipment, net	2.64	–
– Finance costs	91.28	84.46
– Interest income	(120.37)	(59.73)
– Loss / (gain) arising on financial instruments measured at FVTPL, net	108.02	(56.23)
– Loss on lease modification	0.65	–
– Allowance for credit losses on trade receivables (Including bad debts)	143.61	26.32
<b>Operating profit before working capital changes</b>	<b>4,118.91</b>	<b>2,828.18</b>
<b>Movements in working capital:</b>		
Increase in Inventories	(448.50)	(178.49)
Increase in Trade receivables	(275.18)	(1,039.34)
Increase in Non-current/current financial and other assets	(223.17)	(74.09)
Increase in Trade Payable	224.23	284.79
Increase in Non-current/current financial and other liabilities/provisions	(392.03)	(99.89)
<b>Cash generated from operations</b>	<b>3,004.26</b>	<b>1,721.16</b>
Income tax paid (net)	(630.14)	(728.59)
<b>Net cash generated from operating activities (A)</b>	<b>2,374.12</b>	<b>992.57</b>
<b>B. Cash flow from investing activities:</b>		
Payments to acquire property, plant and equipment and intangible assets	(536.31)	(463.30)
Proceeds from sale of property, plant and equipment	3.77	0.34
Investment in deposits (net) and other bank balances	(1,896.66)	(427.05)
Purchase of Investments	(1.00)	(1.50)
Escrow and other deposit pertaining to buy back of equity shares	150.00	–
Redemption of escrow and other deposit pertaining to buy back of equity shares	(150.00)	–
Payment for acquisition of a subsidiary (net of cash acquired)	(266.10)	–
Interest received	104.18	47.60
<b>Net cash used in investing activities (B)</b>	<b>(2,592.12)</b>	<b>(843.91)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of share warrants (net of issue expenses)	2,747.09	911.55
Buy back of equity shares (including transaction cost ₹7.22 million and tax on buy back ₹73.30 million)	(401.66)	–
Payment of dividend	(101.71)	(105.83)
Redemption of 7% redeemable cumulative preference shares	(50.00)	–
Proceeds from borrowings, net	52.96	225.52
Repayment of principal portion of lease liabilities	(177.11)	(155.17)
Repayment of interest portion of lease liabilities	(30.62)	(38.73)
Interest paid	(60.66)	(42.23)
<b>Net cash generated from financing activities (C)</b>	<b>1,978.29</b>	<b>795.11</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,760.29</b>	<b>943.77</b>
Cash and cash equivalents at the beginning of the year	2,064.06	1,120.29
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.02	–
<b>Cash and cash equivalents at the end of the year</b>	<b>3,824.37</b>	<b>2,064.06</b>

# Consolidated Cash Flow Statement

for the Year ended 31 March, 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes under Para 44A as set out in Ind AS 7 "Statement of Cash flows" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under.

## Net debt reconciliation:

31 March 2023	Borrowings	Lease liabilities (including interest)
Opening Balance	412.92	694.86
Cash Flows	2.96	(207.73)
Non - cash movement	—	326.44
<b>Closing Balance</b>	<b>415.88</b>	<b>813.57</b>

31 March 2022	Borrowings	Lease liabilities (including interest)
Opening Balance	187.40	153.63
Cash Flows	225.52	(193.90)
Non - cash movement	—	735.13
<b>Closing Balance</b>	<b>412.92</b>	<b>694.86</b>

## Notes :

- The above Cash Flow Statement is prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- Amounts in bracket represent cash outflow.

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date

### For M S K A & Associates

Chartered Accountants  
Firm Registration No.: 105047W

### Bhavik L. Shah

Partner  
Membership No.: 122071

### For and on behalf of the Board of Directors

**MARKSANS PHARMA LIMITED**  
CIN: L24110MH1992PLC066364

### 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

Place : Mumbai  
Date : 30 May 2023

Place : Mumbai  
Date : 30 May 2023



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 1. Group information

Marksans Pharma Limited, ("Parent Company" or "Company" or "holding company") is a public limited company incorporated and domiciled in India with a focus on regulated markets, specializing in research, manufacturing and marketing of generic pharmaceutical formulations. The address of its registered office 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 Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in India.

The consolidated financial statements comprise the financial statements of the Parent Company Marksans Pharma Limited (MPL) and the following subsidiaries/ step-down subsidiaries (together referred to as "Group"):

Particulars	Year End Date	Country of Incorporation	Ownership held by	% ownership held either directly or through subsidiaries as at 31 March, 2023	% ownership held either directly or through subsidiaries as at 31 March, 2022
Marksans Pharma Inc.	31 March 2023	USA	Marksans Pharma Limited	100%	100%
a) Time-Cap Laboratories Inc.	31 March 2023	USA	Marksans Pharma Inc.	100%	100%
- Custom Coating Inc.	31 March 2023	USA	Time-Cap Laboratories Inc.	100%	100%
- Marksans Realty LLC	31 March 2023	USA	Time-Cap Laboratories Inc.	100%	100%
b) Marise Ann Inc. (w.e.f. November 08, 2022)	31 March 2023	USA	Marksans Pharma Inc.	100%	-
Nova Pharmaceuticals Australasia Pty Ltd	31 March 2023	Australia	Marksans Pharma Limited	60%	60%
Nova Pharmaceuticals Limited	31 March 2023	Australia	Nova Pharmaceuticals Australasia Pty Ltd	100%	100%
Marksans Pharma (UK) Limited	31 March 2023	UK	Marksans Pharma Limited	100%	100%
a) Relonchem Limited	31 March 2023	UK	Marksans Pharma (UK) Limited	100%	100%
b) Marksans Holdings Limited	31 March 2023	UK	Marksans Pharma (UK) Limited	100%	100%
- Bell, Sons and Co. (Druggists) Limited	31 March 2023	UK	Marksans Holdings Limited	100%	100%
Access Healthcare for Medical Products L.L.C (w.e.f. June 01, 2022)	31 March 2023	UAE	Marksans Pharma Limited	100%	-
Marksans Pharma GmbH (under liquidation)	31 March 2023	Germany	Marksans Pharma Limited	100%	100%

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 2. Significant accounting policies

### 2.1.

#### (i) Statement of compliance and basis of preparation and presentation

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. These consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments) and;
- Defined employee benefit plans.

These consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on 30 May 2023.

The consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations for the foreseeable future.

#### (ii) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupee (₹) which is the functional currency of the parent company. All amounts are rounded to two decimal places to the nearest Million, unless otherwise stated.

#### (iii) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity where 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 to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

#### Group companies with foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### (iv) Current versus non-current classification

The Company presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## (v) New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

## 2.2. Fair value measurements and hierarchy

The Group measures financial instruments, such as investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on its nature, characteristics, and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 2.3. 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 recognized in the period in which the estimate is revised and future periods affected.

Estimates and judgments involved in applying accounting policies, is in respect of:

- Useful lives of property, plant and equipment and intangible assets
- Useful lives of intangible assets
- Employee benefits
- Provisions & contingent liabilities
- Valuation of assets acquired as part of business combination

## 2.4. Standards issues but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) Ind AS 1 - Presentation of Financial Statements
- b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- c) Ind AS 12 - Income Taxes

The above amendments are not likely to have any material impact on the consolidated financial statements of the Group for the current or future reporting period.

## 2.5. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the

Group and the cost of the item can be measured reliably.

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 if the recognition criteria is met up to 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

An item of property, plant and equipment is de-recognized 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 recognized in the Consolidated 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 as under:

Asset Category	Useful Life
Buildings-Freehold	30 - 60 years
Plant and Equipment	5 - 15 years
Furniture and Fixtures	5 - 15 years
Vehicles	5 & 10 years
Office equipment	5 - 15 years
Computer	3 - 6 years

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## 2.6. Business combinations and goodwill

### 2.6.1. Business Combination

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net identifiable assets and contingent liabilities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

### 2.6.2. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified

assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## 2.7. Intangible assets

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

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

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

Asset Category	Useful Life
Product Licences	5-20 years
OTC Product Licences	5-20 years
Product related intangibles	10 years & Indefinite
Registration Rights and Customer Contracts	3 years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

## 2.8. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset or cash-generating unit's (CGUs) fair value, less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

## 2.9. Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Cost is determined on weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labor and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. The cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

## 2.10. Foreign exchange transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Consolidated Statement of Profit and Loss.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

## 2.11. Financial instruments

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

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

### Financial assets:

#### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial recognition and measurement

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Consolidated Statement of Profit and Loss.

## Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost

## Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognized if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

## Income recognition

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

## Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

## Investments

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group measures investment in subsidiaries at cost less provision for impairment, if any.

## Trade receivables

Trade receivables are amounts due from customers for the sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at their transaction price, which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

## Financial liabilities:

### Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/ origination of the financial liability.

### Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

and foreign exchange gains and losses are recognized in the Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Consolidated Statement of Profit and Loss.

## Classification as debt or equity

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. The repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

## Compound financial instruments

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Derecognition of financial liabilities

Financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using an effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

## Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

## Derivative financial instruments:

The Group uses derivative financial instruments, such as foreign exchange forward contracts, to manage its exposure to interest rates and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e., hedge accounting is not followed. Such contracts are accounted for at FVTPL.

## Offsetting financial instruments:

Financial assets and liabilities are off-set and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## 2.12. Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Group expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognized using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

## Sale of goods:

The Group derives revenue principally from sales of pharma products. Revenue from the sale of products is recognized when the Group satisfies a performance obligation in accordance with the provisions of the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax.

## Export incentives:

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

## Interest income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Consolidated Statement of Profit and Loss.

## 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 recognized 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

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

### Defined benefit plans

The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Gratuity obligation is unfunded. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses arising from changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurement gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

### Compensated absences

The employees of the Group are entitled to compensated absences. Accumulated compensated absences, which are expected to be encashed beyond twelve months from the end of the year, are treated as long-term employee benefits. Liability for such benefit is provided on the basis of actual leave balance as at the Consolidated Balance Sheet date. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

## 2.14. Income Taxes

### Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.15. GST Input Credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services.

## 2.16. Provisions, Contingent Liabilities and Contingent Assets

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

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

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

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## 2.17. Leases – Group as a Lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether contract involves the use of an identified asset, the Group has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Group has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognized at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Group has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Consolidated statement of profit and loss.

At the inception date, lease liability is recognized at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease if the rate can be determined.

The Group has elected not to apply the requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value.

## 2.18. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.19. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and makes strategic decisions.

## 2.20. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Group's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land-Freehold	Buildings-Freehold	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer	Right to use asset (3.1)	Total
<b>Balance as at 1 April 2022</b>	4.67	1,510.64	2,728.36	106.38	92.85	43.48	67.41	906.26	5,460.05
Acquisition through business combination (Refer note 49)	—	—	—	0.31	—	—	0.12	—	0.43
Additions	—	40.76	348.87	10.82	5.04	6.68	2.16	283.99	698.32
Disposals/ Deletions	—	—	(82.70)	(0.33)	(3.32)	—	—	(75.45)	(161.80)
Adjustment #	—	(3.26)	(88.56)	40.77	—	(0.07)	(0.48)	—	(51.60)
Translation adjustment	0.43	84.95	73.81	0.55	0.82	2.47	0.01	50.88	213.92
<b>Balance as at 31 March 2023</b>	<b>5.10</b>	<b>1,633.09</b>	<b>2,979.78</b>	<b>158.50</b>	<b>95.39</b>	<b>52.56</b>	<b>69.22</b>	<b>1,165.68</b>	<b>6,159.32</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1 April 2022</b>	—	317.98	1,260.45	49.67	69.30	30.81	61.29	254.63	2,044.13
Depreciation	—	39.24	155.21	18.33	8.02	4.07	2.36	192.44	419.67
Disposals/ Deletions	—	—	(76.32)	(0.32)	(3.29)	—	—	(71.60)	(151.53)
Adjustment	—	(0.14)	(29.40)	23.87	—	(0.02)	(0.29)	—	(5.98)
Translation adjustment	—	12.91	26.35	0.77	0.49	1.63	—	14.45	56.60
<b>Balance as at 31 March 2023</b>	<b>—</b>	<b>369.99</b>	<b>1,336.29</b>	<b>92.32</b>	<b>74.52</b>	<b>36.49</b>	<b>63.36</b>	<b>389.92</b>	<b>2,362.89</b>
<b>Carrying value</b>									
<b>Balance as at 31 March 2023</b>	<b>5.10</b>	<b>1,263.10</b>	<b>1,643.49</b>	<b>66.18</b>	<b>20.87</b>	<b>16.07</b>	<b>5.86</b>	<b>775.76</b>	<b>3,796.43</b>

# Upon review and consultation with tax experts, the holding company has adjusted and transferred GST input credit capitalised to GST receivables under other non current assets.

Further it includes reclassification from Property, plant & equipment to furniture & fixtures

Particulars	Land-Freehold	Buildings-Freehold	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer	Right to use asset (3.1)	Total
<b>Balance as at 1 April 2021</b>	<b>4.14</b>	<b>1,318.19</b>	<b>2,224.74</b>	<b>93.63</b>	<b>92.15</b>	<b>39.77</b>	<b>65.11</b>	<b>210.54</b>	<b>4,048.27</b>
Additions	—	58.59	402.89	12.18	0.41	0.76	2.30	695.72	1,172.85
Disposals/ Deletions	—	—	(9.53)	—	—	—	—	—	(9.53)
Translation adjustment	0.53	133.86	110.26	0.57	0.29	2.95	—	—	248.46
<b>Balance as at 31 March 2022</b>	<b>4.67</b>	<b>1,510.64</b>	<b>2,728.36</b>	<b>106.38</b>	<b>92.85</b>	<b>43.48</b>	<b>67.41</b>	<b>906.26</b>	<b>5,460.05</b>
<b>Accumulated Depreciation</b>									
Balance as at 1 April 2021	—	260.67	1,048.47	40.54	59.97	25.24	58.79	70.38	1,564.06
Depreciation	—	45.40	153.10	8.82	8.97	3.79	2.50	184.30	406.88
Disposals/ Deletions	—	—	(9.87)	—	—	—	—	—	(9.87)
Translation adjustment	—	11.91	68.75	0.31	0.36	1.78	—	(0.05)	83.06
<b>Balance as at 31 March 2022</b>	<b>—</b>	<b>317.98</b>	<b>1,260.45</b>	<b>49.67</b>	<b>69.30</b>	<b>30.81</b>	<b>61.29</b>	<b>254.63</b>	<b>2,044.13</b>
<b>Carrying Value</b>									
<b>Balance as at 31 March 2022</b>	<b>4.67</b>	<b>1,192.66</b>	<b>1,467.91</b>	<b>56.71</b>	<b>23.55</b>	<b>12.67</b>	<b>6.12</b>	<b>651.63</b>	<b>3,415.92</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3.1 : RIGHT TO USE ASSET

The Group has lease contracts for land, building, vehicles and various items of plant and equipment used in its operations. Below are the carrying amounts of right-to-use assets recognised and the movements during the year:

Particulars	Land	Building	Plant and Equipment	Vehicles	Total
<b>Balance as at 1 April 2022</b>	9.67	746.76	142.30	7.53	906.26
Additions	–	276.41	7.54	0.04	283.99
Deletions	–	(10.66)	(64.79)	0	(75.45)
Translation adjustment	–	50.32	0.32	0.24	50.88
<b>Balance as at 31 March 2023</b>	<b>9.67</b>	<b>1,062.83</b>	<b>85.37</b>	<b>7.81</b>	<b>1,165.68</b>
<b>Accumulated Depreciation</b>					
<b>Balance as at 1 April 2022</b>	0.50	162.52	90.42	1.19	254.63
Depreciation	0.25	149.68	40.63	1.88	192.44
Deletions	–	(6.81)	(64.79)	–	(71.60)
Translation adjustment	–	14.13	0.19	0.13	14.45
<b>Balance as at 31 March 2023</b>	<b>0.75</b>	<b>319.52</b>	<b>66.45</b>	<b>3.20</b>	<b>389.92</b>
<b>Carrying value</b>					
<b>Balance as at 31 March 2023</b>	<b>8.92</b>	<b>743.31</b>	<b>18.92</b>	<b>4.61</b>	<b>775.76</b>

Particulars	Land	Building	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>210.54</b>
Additions	–	674.14	14.05	7.53	695.72
<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>
<b>Accumulated Depreciation</b>					
Balance as at 1 April 2021	<b>0.25</b>	<b>26.08</b>	<b>44.05</b>	–	<b>70.38</b>
Depreciation	0.25	136.36	46.45	1.24	184.30
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>
<b>Carrying value</b>					
<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>

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	656.89	414.34
Current	156.68	280.52
	<b>813.57</b>	<b>694.86</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 3.1 : RIGHT TO USE ASSET (Contd..)

The following is the movement in lease liabilities for the year ended

Particulars	As at 31 March 2023	As at 31 March 2022
Balance recognised at the beginning of the year	694.86	153.63
Additions	252.19	698.06
Deletions	(4.46)	—
Finance cost accrued	30.62	38.73
Payment of lease liabilities	(207.73)	(193.90)
Translation adjustment	48.09	(1.66)
<b>Balance recognised at the end of the year</b>	<b>813.57</b>	<b>694.86</b>

Incremental borrowing rate applied to lease liabilities is in the range of 2% to 10.78%.

The below table provides details regarding the contractual maturities of lease liabilities in an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	183.95	280.52
1 year to 5 years	533.06	414.34
More than 5 years	230.51	—

The Company had total cash outflows for leases of ₹207.73 million during the year ended 31 March 2023 (31 March 2022: ₹193.90 million)

Short term Lease recognised as an expense for the year ended 31 March 2023 is aggregating to ₹129.15 million (31 March 2022: ₹47.44 million)

## NOTE.3.2 : ADDITION TO PROPERTY, PLANT AND EQUIPMENT include capital expenditure as per given below:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>R &amp; D Expenditure</b>		
Capital Expenditure	9.92	3.63

## NOTE 3.3 :

Charge created on property, plant and equipment. Refer note 24 - Borrowings.

## NOTE 4 : CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Work-in-progress (CWIP)	72.46	6.95

Ageing of Capital Work in Progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	72.46	—	—	—	72.46

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 4 : CAPITAL WORK-IN-PROGRESS (Contd..)

Ageing of Capital Work in Progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	6.95	–	–	–	6.95

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

## NOTE NO.5 : GOODWILL

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April 2022	300.25	195.86
Goodwill arising on business combination (Refer note 49)	66.83	–
Effect of translation adjustments	17.81	104.39
<b>Balance as at 31 March 2023</b>	<b>384.89</b>	<b>300.25</b>

Goodwill acquired in business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to the cash generating units as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Marksans Pharma Inc.	98.56	90.03
Marksans Pharma (UK) Ltd	199.59	194.32
Nova Pharmaceuticals Australasia Pty Ltd	15.90	15.90
Access Healthcare for Medical Products LLC	70.84	–
	<b>384.89</b>	<b>300.25</b>

Goodwill is tested for impairment annually or more frequently if indicators of impairment exist. During the current year, the Holding Company has carried out Impairment testing of Goodwill allocated to CGUs. Based on the impairment testing, the recoverable amount of the CGU's exceeds its carrying amount including goodwill. Therefore, no impairment loss was recognized during the year ended March 31, 2023. Sensitivity analysis with 1% change in growth rate and weighted average cost of capital also indicates that no impairment required on carrying amount of goodwill.

## NOTE NO.6 : INTANGIBLE ASSETS

Particulars	Product Licences	OTC Product Licences	Product related intangibles*	Registration Rights and Customer Contracts	Total
<b>Balance as at 1 April 2022</b>	675.56	6.77	820.02	–	1,502.35
Acquisition through business combination (Refer note 49)	–	–	–	186.37	186.37
Translation adjustment	21.93	0.22	16.56	10.94	49.65
<b>Balance as at 31 March 2023</b>	<b>697.49</b>	<b>6.99</b>	<b>836.58</b>	<b>197.31</b>	<b>1,738.37</b>
<b>Accumulated Amortisation</b>					
<b>Balance as at 1 April 2022</b>	393.53	5.40	536.50	–	935.43

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE NO.6 : INTANGIBLE ASSETS (Contd..)

Particulars	Product Licences	OTC Product Licences	Product related intangibles*	Registration Rights and Customer Contracts	Total
Amortisation	44.97	0.37	5.92	53.58	104.84
Translation adjustment	14.94	0.20	–	1.23	16.37
<b>Balance as at 31 March 2023</b>	<b>453.44</b>	<b>5.97</b>	<b>542.42</b>	<b>54.81</b>	<b>1,056.64</b>
<b>Carrying value</b>					
<b>Balance as at 31 March 2023</b>	<b>244.05</b>	<b>1.02</b>	<b>294.16</b>	<b>142.50</b>	<b>681.73</b>

Particulars	Product Licences	OTC Product Licences	Product related intangibles*	Total
<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>
Additions	–	–	75.94	75.94
Translation adjustment	127.99	1.05	22.25	151.29
<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>
Accumulated Amortisation				
Balance as at 1 April 2021	325.96	5.02	530.58	861.56
Amortisation for the year	34.96	–	5.92	40.88
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>Carrying Value</b>				
<b>Balance as at 31 March 2022</b>	<b>282.03</b>	<b>1.37</b>	<b>283.52</b>	<b>566.92</b>

\* Product related intangibles includes assets amounting to ₹186.91 million (31 March 2022: ₹171.08 million) which has an indefinite useful life on the basis of renewal and the management's intention to keep it perpetually. At the end of each reporting period, the Management reviews s carrying amount of indefinite life product related intangibles to determine whether it has suffered any impairment loss. Recoverable amount is arrived basis projected cashflows. As on 31 March 2023 and 31 March 2022, the recoverable amount exceeds the carrying amount. Further, there are no external indications of impairment. As a result, no impairment loss is required to be recognised.

## NOTE 7 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	26.24	18.77

Ageing of intangible assets under development is as follows:-

Intangible assets under development	Amount in intangible assets under development for a period of 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	26.24	–	–	–	26.24

Ageing of intangible assets under development is as follows:-



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Intangible assets under development	Amount in intangible assets under development for a period of 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	18.77	–	–	–	18.77

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

## NOTE 8 : OTHER FINANCIAL ASSETS (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	34.77	26.08
	<b>34.77</b>	<b>26.08</b>

## NOTE 9 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items resulting in deductible temporary differences		
On carry forward losses	–	7.46
Accruals and provisions allowed on payment basis	–	4.97
Capitalised inventory disallowed	–	15.77
Allowance for bad debts	–	7.21
Others	–	3.16
	<b>–</b>	<b>38.57</b>

As at 31 March 2023, there exists Deferred tax liabilities (net). Refer Note 23 - Deferred tax liabilities (net).

## NOTE 10 : OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	59.53	15.54
GST receivables	86.13	–
	<b>145.66</b>	<b>15.54</b>

## NOTE 11 : NON CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2023	As at 31 March 2022
Non current tax assests (net)	8.70	–
(Net of provision for tax ₹94.84 million (31 March 2022: Nil))	–	–
	<b>8.70</b>	<b>–</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 12 : INVENTORIES

Particulars	As at 31 March 2023	As at 31 March 2022
a. Raw materials and packing materials	2,029.45	1,509.35
b. Work-in-progress	204.54	106.97
c. Finished Goods	1,347.12	1,343.58
d. Stock-in-Trade	1,266.28	1,284.52
	<b>4,847.39</b>	<b>4,244.42</b>

Refer Note 24 for hypothecation of above inventories.

Mode of Valuation of inventories is stated in note 2.9

Write-downs of inventories to net realisable value amounted to NIL (31 March 2022 – NIL).

## NOTE 13 : INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit or loss		
Liquid mutual funds	5.40	4.35
	<b>5.40</b>	<b>4.35</b>
Aggregate amount of quoted investment	–	–
Aggregate amount of market value of quoted investments	5.40	4.35
Aggregate amount of unquoted investment	–	–
Aggregate amount of impairment in the value of investments	–	–

## NOTE 14 : TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables from contract with Customers	4,205.58	3,974.75
Breakup of security details		
Trade receivables considered good - secured	–	–
Trade receivables considered good - unsecured	4,162.96	3,947.78
Trade receivables considered good Which have significant increase in credit risk #	5.50	–
Trade receivables - Credit impaired	37.12	26.97
	<b>4,205.58</b>	<b>3,974.75</b>
Less:- Loss allowance	(37.12)	(26.97)
	<b>4,168.46</b>	<b>3,947.78</b>

#The Group has assessed credit risk on an individual basis.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 14 : TRADE RECEIVABLES (Contd..)

### Ageing of Trade receivable as on March 31 2023

Particulars	Outstanding for following period from the due date of payments					Total
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>						
Considered good	4,101.97	55.97	4.10	0.92	–	4,162.96
Which have significant increase in credit risk	–	–	–	–	–	–
Less: Loss allowance	(32.62)	–	(3.58)	(0.92)	–	(37.12)
<b>Disputed Trade Receivables</b>						
Considered good	–	–	–	–	–	–
Which have significant increase in credit risk	5.50	–	–	–	–	5.50
Credit Impaired	32.62	–	3.58	0.92	–	37.12
	<b>4,107.47</b>	<b>55.97</b>	<b>4.10</b>	<b>0.92</b>	<b>–</b>	<b>4,168.46</b>

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

Particulars	Outstanding for following period from the due date of payments					Total
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>						
Considered good	3,734.52	204.60	7.91	0.75	–	3,947.78
Which have significant increase in credit risk	–	–	–	–	–	–
Less: Loss allowance	–	(26.97)	–	–	–	(26.97)
<b>Disputed Trade Receivables</b>						
Considered good	–	–	–	–	–	–
Which have significant increase in credit risk	–	–	–	–	–	–
Credit Impaired	–	26.97	–	–	–	26.97
	<b>3,734.52</b>	<b>204.60</b>	<b>7.91</b>	<b>0.75</b>	<b>–</b>	<b>3,947.78</b>

## NOTE 15A : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Balances with bank</b>		
In current accounts	872.02	1,540.96
In Exchange Earners' Foreign Currency account (EEFC)	2.99	25.64
Fixed deposit with original maturity less than 3 months	2,949.14	497.20
Cash in hand	0.22	0.26
	<b>3,824.37</b>	<b>2,064.06</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 15B : BANK BALANCES OTHER THAN ABOVE

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks *	2.60	2.30
Balances with bank in margin money accounts #	1.58	27.77
Term deposits with original maturity of more than three months but less than twelve months	3,321.07	1,398.52
	<b>3,325.25</b>	<b>1,428.59</b>

\* 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 represents money given against bank guarantees.

## NOTE 16 : OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Derivative financial assets - forward contracts	—	70.61
Deposit	7.21	—
Interest accrued on fixed deposits	29.34	13.15
	<b>36.55</b>	<b>83.76</b>

## NOTE 17 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Advance to vendors	70.96	23.44
Prepaid Expenses	198.04	159.83
Balances with statutory/government authorities *	253.56	—
Other advances	3.87	25.22
	<b>526.43</b>	<b>208.49</b>

\* Balances with statutory/government authorities consist of amounts recoverable towards the goods and service tax ("GST") and value added tax.

## NOTE 18 : CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)	19.16	30.55
	<b>19.16</b>	<b>30.55</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 19 : SHARE CAPITAL

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
<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>551,400,000</b>	<b>690.00</b>	<b>551,400,000</b>	<b>690.00</b>
<b>Issued, subscribed &amp; fully paid up</b>				
Equity shares of ₹ 1/- each	453,163,746	453.16	409,313,698	409.31
	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>

### a. Reconciliation of the equity shares outstanding is set out below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year	409,313,698	409.31	4,093,13,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants	50,324,324	50.32	–	–
Less: Buy back of equity shares during the year	(6,474,276)	(6.47)	–	–
<b>Equity shares outstanding at the end of the year</b>	<b>453,163,746</b>	<b>453.16</b>	<b>409,313,698</b>	<b>409.31</b>

### b. 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. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. 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.

### c. Terms/rights attached to Preference Shares

The Company's 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. 7% redeemable preference shares issued by the Company have been classified as a financial liability.

- The Company has redeemed all 7% Redeemable cumulative preference shares of ₹100/- each at par on various dates.
- The Company has issued on 20 January 2023, 50,324,324 Equity Shares of ₹1/- each face value pursuant to conversion of Convertible Warrants on preferential issue basis. The Company has issued and allotted, 1,000,000 Equity Shares to Mr. Mark Saldanha and 49,324,324 Equity Shares to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹74.00 per Equity Share pursuant to conversion of convertible warrants issued on preferential basis on receipt of the balance 75% of the issue price. The Company had received 25% of the issue price at the time of issue of convertible warrants. The Company has raised ₹3,724 million from the above preferential issue.
- The Company has not issued bonus shares during the period of five years immediately preceding the reporting date.
- The Board of Directors at its meeting held on 08 July 2022 had approved the proposal to buy back its own fully paid up Equity Shares of face value ₹1/- each up to a maximum price of ₹60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding ₹600 million ("Maximum Offer Size") through the open market route on the

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 19 : SHARE CAPITAL (Contd..)

stock exchanges from the equity shareholders / beneficial owners of the Equity Shares of the Company (other than those who are promoters, members of the promoter group and persons in control of the Company).

During the year, the Company bought back and accounted buy back of 6,474,276 equity shares which were extinguished on or before 18 January 2023 and completed the aforesaid buyback offer.

Aforesaid buyback offer resulted in a cash outflow of ₹401.66 million (including transaction costs of ₹7.22 million and tax on buyback of ₹73.30 million). The volume weighted average buyback price is ₹49.60 per equity share comprising 1.58% of the pre buyback paid up equity share capital of the Company.

The Company funded the buy back from its free reserves, including securities premium, as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of ₹6.47 million equal to the nominal value of the shares bought back as an appropriation from retained earnings.

The Company has not bought back equity shares for consideration other than cash during the period of five years immediately preceding the reporting date.

### h. Details of equity shares held by promoters

Name of Shareholder	As at 31 March 2023		As at 31 March 2022		% changed during the year
	No. of shares held at the end of the year	% of total shares	No. of shares held at the end of the year	% of total shares	
<b>Equity shares of ₹1/- each fully paid</b>					
Mr. Mark Saldanha	198,491,553	43.80	197,491,553	48.25	(4.45)
Mrs. Sandra Saldhana	220,180	0.05	180.00	—	0.05

The percentage shareholding above has been computed considering the outstanding number of shares of 453,163,746 and 409,313,698 as at 31 March 2023 and 31 March 2022, respectively.

### i. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2023		As at 31 March 2022		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	198,491,553	43.80	197,491,553	48.25	1,000,000
OrbiMed Asia IV Mauritius FVCI Limited	49,324,324	10.88	—	—	49,324,324

### j. The Company has not issued any shares for consideration other than cash in current and previous year.

## NOTE 20 : OTHER EQUITY

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Capital Reserves</b>		
Opening balance	0.12	0.12
<b>Closing balance</b>	<b>0.12</b>	<b>0.12</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 20 : OTHER EQUITY (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>b. Capital redemption reserve</b>		
Opening balance	85.00	85.00
(+) Transferred from Profit and Loss	–	–
On redemption of preference share (Refer footnote 2 of consolidated statement of changes in equity)	50.00	–
On buyback of equity shares (Refer footnote 2 of consolidated statement of changes in equity)	6.47	–
<b>Closing balance</b>	<b>141.47</b>	<b>85.00</b>
<b>c. Securities Premium Account</b>		
Opening balance	1,731.87	1,751.32
(+) Conversion of share warrant, net of expenses (Refer footnote 3 of consolidated statement of changes in equity)	3,627.77	(19.45)
(-) Buy Back of shares (Refer footnote 3 of consolidated statement of changes in equity)	(314.66)	–
<b>Closing balance</b>	<b>5,044.98</b>	<b>1,731.87</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	5,093.09	3,349.27
(+) Net Profit for the current year	2,663.08	1,845.69
(+) Impact of reclassification from FCTR	264.47	–
(-) Transfer to capital redemption reserve (Refer footnote 2 of consolidated statement of changes in equity)	(56.47)	–
(-) Buyback Expenses (Refer note 19 - share capital)	(80.52)	–
(-) Dividend for the year *	(101.71)	(102.33)
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)	(5.91)	0.46
<b>Closing Balance</b>	<b>7,776.03</b>	<b>5,093.09</b>
<b>f. Convertible Warrants</b>		
Opening balance	931.00	–
(+) Issue of convertible share warrants	–	931.00
(-) Conversion of share warrants to equity shares (Refer note 19 - Share capital)	(931.00)	–
<b>Closing balance</b>	<b>–</b>	<b>931.00</b>
<b>g. Foreign currency translation reserve</b>		
Opening Balance	634.94	132.56
(+) For the period	526.06	498.37
(-) Impact of reclassification to retained earnings	(264.47)	–
(+) Non controlling share of translating reserve	1.96	4.01
<b>Closing Balance</b>	<b>898.49</b>	<b>634.94</b>
	<b>16,998.46</b>	<b>11,613.39</b>

\* Dividend paid during the year is as follows:

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend per share (in absolute ₹)	0.25	0.25
Dividend paid during the year	101.71	102.33

The Board of Directors, in the meeting held on 30 May 2023, has declared payment of interim dividend of ₹0.50 per equity share of ₹1/- each (50%) for the Financial Year 2022-23.

## NOTE 21 : LEASE LIABILITIES (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer Note 3.1 - Right to use assets)	656.89	414.34
	<b>656.89</b>	<b>414.34</b>

## NOTE 22 : PROVISIONS (NON CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note note 39 - Employee post- retirement benefits)	23.22	15.73
Provision for compensated absences	9.30	2.83
	<b>32.52</b>	<b>18.56</b>

## NOTE 23 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	256.09	229.13
Others	16.01	(2.17)
<b>Total Deferred tax liability</b>	<b>272.10</b>	<b>226.96</b>
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefit	13.33	6.65
Deferred tax on account of IND AS 116	0.98	—
Allowance for doubtful debts	8.75	—
Change in fair valuation of financial assets	1.24	—
Unrealised profit in inventory	46.38	41.85
Others	45.57	—
<b>Total Deferred tax assets</b>	<b>116.25</b>	<b>50.90</b>
Net Deferred tax Liability	155.85	176.06
Deferred Tax on OCI (Liabilities) / Assets	(1.99)	0.15
<b>Net Deferred tax Liability</b>	<b>153.86</b>	<b>176.21</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 23.1 : CURRENT TAX:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Amounts recognised in profit or loss</b>		
<b>Current tax :</b>		
Current year	715.67	571.02
Prior years	(3.33)	0.08
<b>Current income tax</b>	<b>712.34</b>	<b>571.10</b>
<b>Deferred tax :</b>		
Current year origination and reversal of temporary differences	10.98	35.87
<b>Deferred tax expense</b>	<b>10.98</b>	<b>35.87</b>
<b>Total income tax recognised in profit or loss</b>	<b>723.32</b>	<b>606.97</b>
<b>Amounts recognised in other comprehensive income</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Remeasurements of the defined benefit plans	1.99	(0.15)
<b>Total income tax recognised in other comprehensive income</b>	<b>1.99</b>	<b>(0.15)</b>

Reconciliation of effective tax rate	As at 31 March 2023	As at 31 March 2022
<b>Profit before tax</b>	3,376.53	2,475.11
Tax using the Company's domestic tax rate	25.17%	25.17%
Expected income tax expenses	849.81	622.94
<b>Tax effect of:</b>		
Effect of expenses that are not deductible in determining taxable profit (net of allowed as taxable)	24.73	(8.57)
Effect of different tax rates in local and foreign tax jurisdictions	(150.14)	(63.89)
Corporate social responsibility expenditure disallowed	5.12	3.87
Effect of concessions	(30.61)	(25.84)
Tax adjustments of prior periods	(3.33)	0.08
Others	27.74	78.38
<b>Tax expenses as per statement of profit and loss</b>	<b>723.32</b>	<b>606.97</b>

## NOTE 24 : BORROWINGS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured	—	—
Working capital facilities from Bank	—	—
Borrowings *	415.88	362.92
7% Redeemable Cumulative Preference shares of ₹100/- each #	—	50.00
	<b>415.88</b>	<b>412.92</b>

\* Short term Borrowings from banks are in nature of working capital facilities which are secured by hypothecation of inventories and book debts.

First charge over all free hold property owned by the company, all fixtures, fittings, fixed plant & machinery, other equipment's, 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.

# On 05 September 2022, the Company has redeemed at par entire 500,000 7% Redeemable cumulative preference shares aggregating to ₹50 million and there are no outstanding preference shares as on 31 March 2023.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 25 : LEASE LIABILITIES (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer Note 3.1 - Right to use assets)	156.68	280.52
	<b>156.68</b>	<b>280.52</b>

## NOTE 26 : TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
a) Total outstanding dues to micro, small & medium enterprises	155.77	67.48
b) Total outstanding dues to other than micro, small & medium enterprises	2,150.24	1,933.31
	<b>2,306.01</b>	<b>2,000.79</b>

### Ageing of Trade payable as on 31 March 2023

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
Undisputed - MSME	155.77	—	—	—	155.77
Undisputed - Others	2,144.04	1.88	1.80	2.52	2,150.24
Disputed - MSME	—	—	—	—	—
Disputed -Others	—	—	—	—	—
<b>Total</b>	<b>2,299.81</b>	<b>1.88</b>	<b>1.80</b>	<b>2.52</b>	<b>2,306.01</b>

### Ageing of Trade payable as on 31 March 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
Undisputed - MSME	67.48	—	—	—	67.48
Undisputed - 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>

## NOTE 27 : OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Payables for employee benefits	104.41	109.70
Unclaimed Dividend *	2.60	2.30
Security Deposits received	1.01	1.01
Derivative financial liabilities - forward contract	37.47	—
Others	7.42	542.97
	<b>152.91</b>	<b>655.98</b>

\* There are no amount due and outstanding to be credited to investor education and protection fund.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 28 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	9.09	17.39
Statutory dues payable	103.29	14.07
	<b>112.38</b>	<b>31.46</b>

## NOTE NO.29 : PROVISIONS (CURRENT)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note note 39 - Employee post- retirement benefits)	8.43	5.91
Provision for compensated absences	4.83	1.33
	<b>13.26</b>	<b>7.24</b>

## NOTE 30 : CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for Income tax (net)	252.78	173.27
(Net of advance tax ₹243.65 million (31 March 2022 ₹238.65 million))		
	<b>252.78</b>	<b>173.27</b>

## NOTE 31 : REVENUE FROM OPERATIONS

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Revenue from contracts with customers		
Sale of products	18,496.19	14,801.24
Other operating revenues :-		
Scrap sales	17.56	14.24
Export incentives	7.64	92.91
	<b>18,521.39</b>	<b>14,908.39</b>

Reconciliation of revenue recognised in the consolidated statement of profit and loss with the contracted price :

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Revenue as per contracted price	20,395.23	15,488.81
Less : Trade discounts	1,833.02	556.46
Less : Sales returns	40.82	23.96
<b>Revenue from operations</b>	<b>18,521.39</b>	<b>14,908.39</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## Analysis of revenues by geography:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
US & North America	7,746.30	6,350.70
Europe and UK	7,676.10	6,091.20
Australia and New Zealand	2,094.80	1,797.90
India	33.50	113.79
Rest of World	970.69	554.80
	<b>18,521.39</b>	<b>14,908.39</b>

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	4,168.46	3,947.78

## Contract Liabilities from contracts with customers :

The Company records a contract liability when cash payments are received in advance of it's performance.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities from contracts with customers	9.09	17.39

## NOTE 32 : OTHER INCOME

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Interest Income on bank deposits at amortised costs	120.37	59.73
Insurance claim received	—	1.16
Fair value gain on financial instruments measured at fair value through profit or loss	0.06	56.23
Exchange gain in foreign currency translation & transaction	397.77	205.79
Miscellaneous income	74.93	95.62
	<b>593.13</b>	<b>418.53</b>

## NOTE 33 : COST OF MATERIALS CONSUMED

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Raw materials and packing materials		
Opening Inventory	1,509.35	1,179.18
Add: Purchases	6,649.80	5,736.86
Less: Closing Inventory	(2,029.45)	(1,509.35)
	<b>6,129.70</b>	<b>5,406.69</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 34 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Opening Inventory</b>		
Work-in-progress	106.97	147.62
Finished goods	1,343.58	1,759.62
Stock-in-trade	1,284.52	956.78
Add: Finished goods acquired on business combination (Refer note 49)	18.93	—
	<b>2,754.00</b>	<b>2,864.02</b>
<b>Less: Closing Inventory</b>		
Work-in-progress	204.54	106.97
Finished goods	1,347.12	1,343.58
Stock-in-trade	1,266.28	1,284.52
	<b>2,817.94</b>	<b>2,735.07</b>
	<b>(63.94)</b>	<b>128.95</b>

## NOTE 35 : EMPLOYEE BENEFITS EXPENSE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Salaries and wages including bonus	2,233.78	2,036.43
Contribution to provident and other funds	147.03	155.79
Gratuity expenses (Refer note note 39 - Employee post- retirement benefits)	5.17	3.98
Staff welfare expenses	7.73	6.82
	<b>2,393.71</b>	<b>2,203.02</b>

## NOTE 36 : FINANCE COSTS

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Interest expense for financial liabilities measured at amortised cost	26.84	15.17
Interest on lease liabilities	30.62	38.73
Other borrowing cost	30.32	27.06
Dividend on redeemable preference share	3.50	3.50
	<b>91.28</b>	<b>84.46</b>

## NOTE 37 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Depreciation on property, plant and equipment	413.69	406.88
Amortization of intangible assets	104.84	40.88
	<b>518.53</b>	<b>447.76</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 38 : OTHER EXPENSES

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Water, power & fuel	244.98	185.91
Repairs & maintenance - plant and equipments	175.86	80.39
Repairs & maintenance - building	11.49	46.93
Rent	127.04	47.44
Rates & taxes	24.65	24.40
Travelling expenses	90.50	61.21
Communication expenses	17.03	14.58
Courier & postage expenses	3.93	3.13
Printing & stationery	13.36	9.05
Auditors remuneration	8.69	6.34
Legal & professional fees	136.90	127.45
Fair value loss on financial instruments measured at fair value through profit or loss	108.08	—
Corporate social responsibility expenses (Refer note 48)	20.36	15.36
Loss on sale of fixed assets	2.64	—
Food and drug administration fees	103.66	83.79
Freight outward & export clearing expenses	1,025.34	1,190.46
Bad debts (including loss allowance on doubtful debts)	143.61	26.32
Miscellaneous expenses	1,262.77	1,025.64
	<b>3,520.89</b>	<b>2,948.40</b>

## NOTE 39 : EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the holding company

### i Defined Contribution Plan

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company's contribution to Provident Fund ₹31.63 million (31 March 2022: ₹25.76 million) has been recognised in Profit or Loss under the head Employee Benefits Expense.

### ii Gratuity (Defined benefit plan)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

#### a Expense recognised in the statement of profit and loss for the year:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Current Service Cost	4.16	3.20
Past Cost / (Gain)	—	—
Interest cost on benefit obligation (net)	1.01	0.78
<b>Total expenses included in Employee benefits expense</b>	<b>5.17</b>	<b>3.98</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 39 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

### b Expense / (Income) Recognised in Other Comprehensive Income (OCI):

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Actuarial changes arising from changes in financial assumptions		
Change in the Discount Rate	(2.09)	(0.62)
Change in Demographic Assumption	—	—
Change in the Mortality Rate Assumption	—	—
Change in the Attrition Rate Assumption	—	—
Actuarial changes arising from changes in experience adjustments	9.99	0.01
<b>OCI for the year</b>	<b>7.90</b>	<b>(0.61)</b>

### c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status:

Particulars	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligations (DBO)	31.65	21.64
Fair Value of Plan Assets	—	—
<b>Net (Assets) / Liabilities</b>	<b>31.65</b>	<b>21.64</b>

### d Break-up of the defined benefit plan related balance sheet amounts is shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
Current Liability	8.43	5.91
Non-Current Liability	23.22	15.73
	<b>31.65</b>	<b>21.64</b>

### e The movements in the net Defined Benefit Obligations (DBO) recognised within the balance sheet are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
DBO at the beginning of the year	21.64	19.62
Current Service Cost	4.16	3.20
Past Service (Cost) / Gain	—	—
Interest cost on benefit obligation (net)	1.01	0.78
Benefits paid	(3.06)	(1.35)
Remeasurements due to Actuarial (Loss) /Gain	7.90	(0.61)
<b>DBO at the end of the year</b>	<b>31.65</b>	<b>21.64</b>

### f Change in Fair Value of Assets for the period ending as at 31 March 2023 and 31 March 2022:

The Company has not invested in any plan assets.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 39 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

### g Actuarial Assumptions

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Discount Rate (per annum)	7.30%	5.41%
Rate of Salary Increase	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
<b>Withdrawal Rate</b>		
Upto 35 years	45.00%	45.00%
36 years to 45 years	40.00%	40.00%
46 years to 55 years	10.00%	10.00%
56 years and above	0.00%	0.00%

- The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

### h Retirement Age

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
Retirement Age	58 Years	58 Years

### i Sensitivity Analysis

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
	Amount	Amount	%	%
Base Scenario	31.65	21.64		
Discount Rate: Increase by 1%	29.94	20.89	-3.21%	-3.47%
Discount Rate: Decrease by 1%	32.00	22.45	3.45%	3.76%
Salary Escalation Rate: Increase by 1%	31.81	22.42	2.82%	3.63%
Salary Escalation Rate: Decrease by 1%	30.11	20.90	-2.68%	-3.42%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### j Maturity Profile

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	As at 31 March 2023	As at 31 March 2022
1 Year (within next 12 Months)	8.43	5.91
2 to 10 Years	28.34	17.41
Above 10 Years	4.27	3.70



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 39 : EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

**k Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:**

1. Changes in bond yields: A decrease in bond yields will increase plan liabilities.
2. Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
3. Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

### iii Other long term employee benefits:

Compensated Absences: (included as a part of salaries and wages in Note 32 - Employee benefits expense) All eligible employees can carry forward and avail / encash leave as per Company's policies.

### iv Other contribution plans for foreign entities:

In the United Kingdom, certain social security benefits (such as pension and social security) are funded by employers and employees through mandatory National Insurance contributions. The contribution amounts are determined based upon the employee's salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed ₹81.45 million and ₹50.94 million to the National Insurance during the years ended 31 March 2023 and 31 March 2022, respectively.

In the United States, medicare and social security benefits are funded by employers and employees. The contribution amounts are determined based upon the employee's salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed ₹59.48 million and ₹51.23 million during the years ended 31 March 2023 and 31 March 2022, respectively.

### 39.1 Employee Stock Option Plan

The Shareholders of the Company at the 30th Annual General Meeting held on 29 August 2022, approved Marksans Employees Stock Option Scheme 2022. Under the said scheme, the Company can grant a total of 8,186,273 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 40 : 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 manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Group consists of net debt (borrowings as detailed in note 24 and lease liabilities in note 3.1 offset by cash and cash equivalents balance in note 15a) and total equity of the Group. The Group is not subject to any externally imposed capital requirements. Net debt and equity is given in the table below:

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 40 : CAPITAL MANAGEMENT (Contd..)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Shareholders' Equity as reported in Balance Sheet (A)	17,650.72	12,229.71
Net Debt		
Lease liability (including current lease liability)	813.57	694.86
Current Financial liabilities (Borrowings)	415.88	412.92
<b>Gross Debt</b>	<b>1,229.45</b>	<b>1,107.78</b>
Less: Cash & cash equivalents	3,824.37	2,064.06
<b>Net Debt (B)</b>	<b>(2,594.92)</b>	<b>(956.28)</b>
<b>Total Capital deployed (A-B)</b>	<b>20,245.64</b>	<b>13,185.99</b>
<b>Net debt to equity ratio (B/A)</b>	<b>(0.15)</b>	<b>(0.08)</b>

## NOTE 41 : 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:**

Fair value of cash and bank balances, trade receivables and other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022.

During the reporting period ending March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

### 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 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 41 : 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 2023			As at 31 March 2023		
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Other Non-current financial assets	–	–	34.77	–	–	–
Trade receivables	–	–	4,168.46	–	–	–
Investment-Current #	5.40	–	–	5.40	–	–
Cash and cash equivalents	–	–	3,824.37	–	–	–
Bank balances other than above	–	–	3,325.25	–	–	–
Others current financial assets	–	–	36.55	–	–	–
<b>Total</b>	<b>5.40</b>	<b>–</b>	<b>11,389.40</b>	<b>5.40</b>	<b>–</b>	<b>–</b>
<b>Financial Liabilities</b>						
Short term borrowings	–	–	415.88	–	–	–
Current and Non current lease liabilities *	–	–	813.57	–	–	813.57
Trade payables	–	–	2,306.01	–	–	–
Derivative financial liabilities - forward contract @	37.47	–	–	–	37.47	–
Other current financial liabilities	–	–	115.44	–	–	–
<b>Total</b>	<b>37.47</b>	<b>–</b>	<b>3,650.90</b>	<b>–</b>	<b>37.47</b>	<b>813.57</b>

Particulars	As at 31 March 2022			As at 31 March 2022		
	Carrying amount			Fair Value		
	FVPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
<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	–	–	2,064.06	–	–	–
Bank balances other than above	–	–	1,428.59	–	–	–
Derivative financial assets - forward contracts @	70.61	–	–	–	70.61	–
Others current financial assets	–	–	13.15	–	–	–
<b>Total</b>	<b>74.96</b>	<b>–</b>	<b>7,479.66</b>	<b>4.35</b>	<b>70.61</b>	<b>–</b>
<b>Financial Liabilities</b>						
Other Non-current financial liabilities	–	–	–	–	–	–
Short term borrowings	–	–	412.92	–	–	–
Current and Non current lease liabilities *	–	–	694.86	–	–	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>694.86</b>

# Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

\* Lease liabilities are valued using discounted cashflow method using incremental borrowing rate. A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

@ The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 41 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

### B. Financial Risk Management Framework

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Group's principal financial liabilities comprise of trade and other payables.

The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows :

#### (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 from customers and investment securities. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

#### Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of ₹7,149.62 million at 31 March 2023 (31 March 2022: ₹3,492.65 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

#### Trade and other receivables

As at the year ending 31 March 2023 and 31 March 2022, no customer is exceeding 10% of the Group's total trade receivables.

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 14.

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 Group will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at 31 March 2023 are as follows :

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	415.88	—	—
Trade payables	2,306.01	—	—
Lease liabilities	183.95	533.06	230.51
Other current financial liabilities	152.91	—	—
	<b>3,058.75</b>	<b>533.06</b>	<b>230.51</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 41 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

The details of the contractual maturities of significant liabilities as at 31 March 2022 are as follows :

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	412.92	–	–
Trade payables	2,000.79	–	–
Lease liabilities	280.52	414.34	–
Other current financial liabilities	655.98	–	–
	<b>3,350.21</b>	<b>414.34</b>	<b>–</b>

### (iii) Market Risk Analysis

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks)

#### (a) Foreign Currency risk

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement 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 Group.

Since a major part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Group is denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Group hedges its trade receivables based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales.

#### Exposure to currency risk

The Group's exposure to foreign currency risk is as follows :

Particulars	As at 31 March 2023				As at 31 March 2022	
	USD	AED	JPY	EUR	USD	EUR
<b>Financial assets</b>						
Other current assets	12.54	–	0.18	0.37	2.27	–
Other non-current assets	41.79	–	–	–	–	1.16
Trade receivables	458.33	1.59	–	–	237.43	–
	<b>512.66</b>	<b>1.59</b>	<b>0.18</b>	<b>0.37</b>	<b>239.70</b>	<b>1.16</b>
<b>Financial liabilities</b>						
Other Current liability	8.97	–	–	–	17.23	–
Trade payables	106.97	–	0.92	29.38	55.40	27.77
	<b>115.94</b>	<b>–</b>	<b>0.92</b>	<b>29.38</b>	<b>72.63</b>	<b>27.77</b>
	<b>396.72</b>	<b>1.59</b>	<b>(0.74)</b>	<b>(29.01)</b>	<b>167.07</b>	<b>(26.61)</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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 41 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Particulars	As at 31 March 2023				As at 31 March 2022	
	USD	AED	JPY	EUR	USD	EUR
Strengthening	39.67	0.16	(0.07)	(2.90)	16.71	(2.66)
Weakening	(39.67)	(0.16)	0.07	2.90	(16.71)	2.66

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

#### Exposure to interest rate risk

The borrowings profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

Particulars	Currency	As at	As at
		31 March 2023	31 March 2022
Short term borrowings	USD	415.88	362.92
		<b>415.88</b>	<b>362.92</b>

#### Cash flow risk in respect of variable rate instruments:

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit by ₹4.16 million. This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

## NOTE 42 : 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	As at	As at
	31 March 2023	31 March 2022
<b>Earning Per Share (EPS)</b>		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	2,663.08	1,845.69
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of ₹1/- each	415.40	409.31
b) For Diluted Earning Per Share of ₹1/- each		
No. of Share for Basic EPS as per 2(a)	415.40	409.31
Add: weighted average outstanding	—	—
No. of share for diluted Earnings Per Share of ₹1/- each	415.40	409.31
3) Earning Per Share (Weighted Average)		
<b>Basic</b>	<b>6.41</b>	<b>4.51</b>
<b>Diluted</b>	<b>6.41</b>	<b>4.51</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## Note 43 :

The Group's subsidiaries at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group (%)		Ownership interest held by the Non Controlling Interest (%)		Principal activities
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	
Marksans Pharma (UK) Limited (Wholly owned subsidiary)	UK	100	100	-	-	Investment entity
Marksans Holdings Limited (Step-down subsidiary)	UK	100	100	-	-	Investment entity
Bell, Sons and Co. (Druggists) Limited (Step-down subsidiary)	UK	100	100	-	-	Manufacture of pharmaceutical products
Relonchem Limited ( Step-down subsidiary)	UK	100	100	-	-	Marketing and Distribution of pharmaceutical products
Marksans Pharma Inc. (Wholly owned subsidiary)	US	100	100	-	-	Investment entity
Time-Cap Laboratories Inc. ( Step-down subsidiary)	US	100	100	-	-	Manufacture of pharmaceutical products
Custom Coatings Inc. ( Step-down subsidiary)	US	100	100	-	-	Manufacture of pharmaceutical products
Marksans Realty LLC ( Step-down subsidiary)	US	100	100	-	-	Investment entity
Marise Ann Inc. (Step-down subsidiary) w.e.f. 8 November 2022	US	100	100	-	-	Marketing and promotion of branded OTC products
Nova Pharmaceuticals Australasia Pty Ltd (Wholly owned subsidiary)	Australia	60	60	40	40	Marketing and Distribution of pharmaceutical products
Nova Pharmaceuticals Ltd.( Step-down subsidiary)	Australia	100	100	-	-	Investment entity
Access Healthcare for Medical Products LLC. w.e.f. 1 June 2022 (Wholly owned subsidiary)	UAE	100	100	-	-	Marketing and Distribution of pharmaceutical products
Marksans Pharma GmbH (Wholly owned subsidiary) (Under liquidation)	Germany	100	100	-	-	NA

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 44 : RELATED PARTY DISCLOSURES

### (a) Related parties where control exists

#### (a) 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 Buddhharaju	: Independent Director
Dr. Meena Rani Surana	: Independent Director
Dr. Sunny Sharma	: Non-executive Director

#### (b) List of related parties with whom transactions have taken place during the year are as follows:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>Rent paid</b>	<b>10.65</b>	<b>10.65</b>
Mr. Mark Saldanha	10.65	10.65
<b>Equity shares issued (including securities premium) during the year pursuant to conversion of warrants (Refer note 19 - Share capital)</b>	<b>74.00</b>	<b>-</b>
Mr. Mark Saldanha	74.00	-
<b>Managerial remuneration</b>	<b>119.63</b>	<b>93.08</b>
Mr. Mark Saldanha	79.97	48.98
Mrs. Sandra Saldanha	7.07	7.03
Mr. Varddhman Vikramaditya Jain	15.25	18.95
Mr. Jitendra Sharma	14.01	15.3
Mr. Harshavardhan Panigrahi	2.61	2.53
Mr. Abhinna Sundar Mohanty	0.04	0.03
Mr. Seetharama Raju Bhuddharaju	0.04	0.03
Mr. Digant Mahesh Parikh	0.20	0.2
Dr. Meena Rani Surana	0.04	0.03

Provision made based on actuarial valuation on an overall Group basis are not included in remuneration to key management personnel.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 44 : RELATED PARTY DISCLOSURES (Contd..)

### (c) Balances outstanding at the end of the year

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Managerial remuneration</b>	<b>4.04</b>	<b>4.54</b>
Mr. Mark Saldanha	2.23	2.79
Mrs. Sandra Saldanha	0.39	0.38
Mr. Varddhman Vikramaditya Jain	0.70	0.67
Mr. Jitendra Sharma	0.55	0.54
Mr. Harshavardhan Panigrahi	0.17	0.16

## NOTE 45 : SEGMENT INFORMATION

### A. Operating Segments

The Group operates in one reportable business segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.

### B. Geographical Information:

Analysis of revenues by geography:

The following table shows the distribution of the Group's revenues (excluding other operating income) by country, based on the location of the customers:

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
US & North America	7,746.30	6,350.70
Europe and UK	7,676.10	6,091.20
Australia and New Zealand	2,094.80	1,797.90
India	33.50	113.79
Rest of World	970.69	554.80
	<b>18,521.39</b>	<b>14,908.39</b>

### Analysis of non current assets by geography:

The following table shows the distribution of the Group's non-current assets (other than financial instruments and deferred tax assets) by country, based on the location of assets:

Particulars	As at 31 March 2023	As at 31 March 2022
US & North America	2,058.24	1,831.48
Europe and UK	1,131.25	1,024.49
Australia and New Zealand	100.89	97.72
India	1,605.07	1,395.58
Rest of World	255.42	1.16
	<b>5,150.87</b>	<b>4,350.43</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## C. Information about major customers

During the year ended 31 March 2023, revenues from one customer was ₹1,912.46 million (31 March 2022: ₹1,519.27 million) representing approximately 10% of the Group's total revenues.

## NOTE 46 : PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

### Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax on account of disallowances / additions	14.47	14.47

- (i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the proceedings as it is determinable only on receipt of judgments / decisions pending with the forums / authorities.
- (ii) The Group does not expect any reimbursements in respect of the above contingent liabilities
- (iii) The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with direct tax authorities. The Group has reviewed its proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements

### Contingent assets

The Group neither had any contingent assets as on 31 March 2023 nor on 31 March 2022.

## NOTE 47 : RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
<b>a) Break-up of research and development expenses included in statement of profit and loss under below heads:</b>		
<b>Material Cost</b>	129.10	111.76
<b>Employee benefits expense</b>		
Salaries, Wages and Bonus	80.37	76.05
Contribution to Provident and other funds	3.71	3.11
	<b>84.08</b>	<b>79.16</b>
<b>Other expenses</b>		
Power and Fuel	3.27	1.83
Laboratory goods and testing expenses	8.81	8.27
Clinical research expense	22.84	48.77
General charges	36.54	48.10
	<b>71.46</b>	<b>106.97</b>
<b>b) Capital Expenditure</b>	9.92	3.63
	<b>294.56</b>	<b>301.52</b>

### Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	78.67	18.10

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 48 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are community healthcare, free food, sanitation & hygiene, environmental sustainability and education. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 :

Particulars	For Year Ended 31 March, 2023	For Year Ended 31 March, 2022
a) Gross amount required to be spent by the Company	20.28	15.42
b) Amount approved by the Board to be spent during the year	20.28	15.42
c) Amount spent during the year on		
(i) Construction / acquisition of any asset	—	—
(ii) On purposes other than (i) above	20.35	15.36
d) Shortfall at the end of the year	—	—
e) Total of previous year shortfall	NA	NA
f) Reason for shortfall	NA	NA
g) Excess spent of previous year brought forward to current year	0.01	0.07
h) Excess spent of current year carried forward to next year	0.08	0.01
i) Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure	NA	NA
j) Nature of CSR activities:	Community healthcare, free food, sanitation & hygiene, environmental sustainability and education.	

The Company does not have any ongoing CSR projects for both the years.

No expenditure has been paid to a related party, in relation to CSR expenditure.

There are no short falls at the end of the year.

## NOTE 49 : BUSINESS COMBINATION - ACQUISITION OF ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

On 01 June 2022, the Company has acquired 100% share capital of Access Healthcare for Medical Products LLC, a company based in Dubai for a consideration of ₹275.41 million (AED 13 million) having marketing authorization approved by UAE regulatory authorities for various products. It is engaged in the business of marketing and promoting medicines in the United Arab Emirates and neighbouring countries.

The purchase price allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition is as follows :

Particulars	Amount
Cash consideration	275.41
<b>Total consideration</b>	<b>275.41</b>
Assets acquired	
Registration Rights and Customer Contracts	186.37
Cash & Bank	9.30
Property, plant and equipment	0.43
Net current assets	12.48
<b>Total assets acquired</b>	<b>208.58</b>
<b>Goodwill</b>	<b>66.83</b>

The total goodwill of ₹66.83 million consists largely of the synergies and economies of scale expected from the acquired business in the MENA (Middle East & North Africa) region, together with the value of the workforce acquired. This strategic acquisition empowers Marksans Group to leverage Access Healthcare's front-end sales channels, distributor network to effectively market its own products manufactured in India, UK, and the US.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 50 : 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>								
<b>Marksans Pharma Limited</b>	<b>54.31</b>	<b>11,113.21</b>	<b>37.04</b>	<b>1,028.66</b>	<b>(1.39)</b>	<b>(5.91)</b>	<b>31.94</b>	<b>1,022.75</b>
<b>Subsidiaries</b>								
Marksans Pharma U.K. Limited (Consolidated)	29.74	6,085.52	61.13	1,697.54	48.58	206.58	59.47	1,904.12
Nova Pharmaceuticals Australasia Pty Ltd (Consolidated)	2.43	497.75	(0.89)	(24.67)	1.16	4.91	(0.62)	(19.76)
Marksans Pharma Inc. (Consolidated)	11.67	2,389.15	0.44	12.17	47.46	201.80	6.68	213.97
Access Healthcare for Medical Products LLC	1.85	377.83	2.28	63.20	4.19	17.84	2.53	81.04
Marksans Pharma GmbH	—	—	—	—	—	—	—	—
<b>Sub –Total</b>	<b>100.00</b>	<b>20,463.46</b>	<b>100.00</b>	<b>2,776.90</b>	<b>100.00</b>	<b>425.22</b>	<b>100.00</b>	<b>3,202.12</b>
Less: Effect of intercompany adjustment/ eliminations	—	(3,011.84)	—	(123.69)	—	96.89	—	(26.80)
<b>Grand Total</b>		<b>17,451.62</b>		<b>2,653.21</b>		<b>522.11</b>		<b>3,175.32</b>
<b>Non controlling interest in a subsidiary</b>		<b>199.10</b>		<b>(9.87)</b>		<b>1.96</b>		<b>(7.91)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## Note 51 :

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.

Name of the subsidiary	Principal place of business	Country of incorporation	Held by non-controlling interest	
			As at 31 March 2023	As at 31 March 2022
Nova Pharmaceuticals Australasia Pty Ltd	Australia	Australia	40%	40%

Particulars	As at 31 March 2023	As at 31 March 2022
Current Assets	846.91	861.99
Non Current Assets	84.99	81.82
Current Liabilities	434.15	426.30
Equity Interest Attributable to the owners	298.65	310.51
Non Controlling Interest	199.10	207.01
Revenue	1,927.38	1,693.66
Expenses	1,952.05	1,622.61
Profit/(Loss) for the year	(24.67)	56.13
Profit/(Loss) attributable to the owners of the company	(14.80)	33.68
Profit/(Loss) attributable to the non-controlling interest	(9.87)	22.45
Opening cash & cash equivalents	137.94	95.88
Closing cash & cash equivalents	26.72	137.94
Net Cash inflow/(outflow)	(111.22)	42.06

## Note 52 : Subsequent events

- The Board of Directors (in the meeting held on 30 May, 2023) has declared payment of dividend of ₹0.50 per equity share of ₹1/- each (50%) for the Financial Year 2022-23.
- On 11 October 2022, the Company had entered in to a Business Transfer Agreement with Tevapharm India Private Limited to acquire its manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa as a going concern on a slump sale basis. Manufacturing site is spread across 47,597 square meters. This manufacturing facility has approvals to manufacture products from EU, Health Canada and Japanese Health Authority. The transaction is in cash consideration. Subsequent to 31 March 2023, the Company has completed the said acquisition for a consideration of ₹779.47 million (excluding other acquisition cost) from Tevapharm India Private Limited. No impact for the said acquisition has been given in these consolidated financial statement as this is a non adjusting event.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 53 : OTHER STATUTORY INFORMATION

### a. Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### b. Borrowing secured against current assets

The Group has been sanctioned working capital limits in excess of ₹50 million in aggregate from a Bank on the basis of security of current assets. Quarterly returns are filed with such Bank which are not in agreement with the books of account.

### c. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### d. Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### e. Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

### f. Compliance with approved schemes of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### g. Utilisation of borrowed funds and share premium

1. The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
2. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (All amounts in million of Indian Rupees, unless otherwise stated)

## NOTE 53 : OTHER STATUTORY INFORMATION (Contd..)

### h. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### i. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### j. Valuation of PP&E and intangible asset

The Group has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets or both during the current or previous year.

As per our report of even date

#### For M S K A & Associates

Chartered Accountants  
Firm Registration No.: 105047W

#### Bhavik L. Shah

Partner  
Membership No.: 122071

#### For and on behalf of the Board of Directors

#### MARKSANS PHARMA LIMITED

CIN: L24110MH1992PLC066364

#### 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 2023

Place : Mumbai  
Date : 30 May 2023

**MARKSANS PHARMA LIMITED**

CIN: L24110MH1992PLC066364

**Regd Office:** 11<sup>th</sup> Floor, Grandeur, Veera Desai Extension Road,  
Oshiwara, Andheri (West), Mumbai – 400053**Phone.No.** 022-40012000 Fax No. 022-40012011E-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 Thirty-First (31<sup>st</sup>) Annual General Meeting of the Members of Marksans Pharma Limited will be held on **Monday, 28<sup>th</sup> August, 2023** at 04:30 p.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 31<sup>st</sup> March, 2023 including Audited Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2023, the Reports of the Board of Directors and Auditors thereon.
2. To ratify payment of dividend on equity shares declared by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2023. The Board of Directors declared equity dividend of ₹ 0.50 (50%) per equity share of ₹ 1/- each face value.
3. To appoint a Director in place of Dr. Sunny Sharma (DIN: 02267273) who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS**

4. To approve appointment of Mrs. Shailaja Vardhan (DIN: 10172764) as an Independent Director of the Company 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mrs. Shailaja Vardhan (DIN: 10172764), who was appointed as an Additional Director in the

capacity of an Independent Director with effect from 30<sup>th</sup> May, 2023, who meets the criteria for independence under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, and based on the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years effective from 30<sup>th</sup> May, 2023 till 29<sup>th</sup> May, 2028, and her office shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company and Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as are necessary to give effect to this resolution.”

5. To approve re-appointment of and remuneration to Mrs. Sandra Saldanha (DIN: 00021023) as a Whole-time Director 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 Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act and the rules made thereunder, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), and on the basis of recommendation of Nomination and Remuneration Committee, re-appointment of Mrs. Sandra Saldanha (DIN: 00021023) as a Whole-time Director of the Company be and is hereby approved for a period of Three (3) years with effect from 25<sup>th</sup> September, 2023 on the following remuneration:



Particulars	Amount in ₹ Per Month
Basic	90,000.00
Special Allowance	4,93,547.00
Leave Travel Allowance	1,000.00
Medical Allowance	1,250.00
Bonus	1,000.00
Provident Fund (12%)	10,800.00
Gratuity (4.33%)	3,897.00
<b>Total Remuneration Per Month</b>	<b>6,01,494.00</b>
<b>Total Remuneration Per Annum</b>	<b>72,17,928.00</b>

**“RESOLVED FURTHER THAT** Mrs. Sandra Saldanha shall be provided with Company’s car with driver for use in company’s business.”

**“RESOLVED FURTHER THAT** remuneration payable to Mrs. Sandra Saldanha shall be subject to deduction of tax as per the provisions of the Income Tax Act.”

**“RESOLVED FURTHER THAT** the remuneration payable to Mrs. Sandra Saldanha shall not exceed the limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** in case in any financial year during the currency of the tenure of Mrs. Sandra Saldanha, the Company has no profit or its profits are inadequate, the Company will pay remuneration as specified above as the minimum remuneration, provided that the total remuneration shall not exceed the ceiling as provided in Section II of Part II of Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to increase or revise the remuneration of Mrs. Sandra Saldanha during her tenure within the limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company and Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds and things as may be required to give effect to this resolution.”

6. To approve Alteration in Articles of Association of the Company and in this regard to consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force) approval of the members of the Company be and is hereby accorded, to amend and restate

the Articles of Association of the Company by adopting a new set of Articles of Association, in place and substitution of the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** any of the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, matters, deeds and things as deem necessary, expedient or desirable and to sign and execute all necessary documents, applications and returns along with necessary e-forms with the Registrar of Companies for the purpose of giving effect to the aforesaid resolution and in connection with any matter incidental thereto.”

**“RESOLVED FURTHER THAT** all Directors and the Key Managerial Personnel be and are hereby severally authorised to certify any copy of this resolution as a true copy and furnish the same to whomsoever concerned.”

7. To approve Marksans Employee Stock Option Scheme 2023 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 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 2023”** (hereinafter referred to as “MARKSANS ESOS 2023 / the Scheme”) and the Board to offer, grant and issue, in one or more tranches, from time to time not exceeding 90,63,274 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 ₹ 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 45,31,637 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 2023, 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 2023;
- (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 2023 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 2023 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 2023 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: 1<sup>st</sup> August, 2023

**Harshavardhan Panigrahi**  
Company Secretary

**Registered Office:**  
11<sup>th</sup> Floor, Grandeur,  
Veera Desai Extension Road,  
Oshiwara, Andheri (West),  
Mumbai – 400 053

**NOTES:**

- a) The 31<sup>st</sup> 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 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May, 2020 respectively and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" (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 11<sup>th</sup> 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 2022-23 including the Notice which includes procedure for e-voting and manner of attending the Annual General Meeting through VC/OAVM, is being sent to those Members whose e-mail addresses are registered with the Company / Depositories in view of the e-AGM circulars. The Members may also note that the Notice of the AGM and the Annual Report for 2022-23 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 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 & 2014-15 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 compliance with the provisions of the Rules. However, the concerned shareholders can claim the said shares along with the dividend(s) by making an application in Form IEPF-5 to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in). Subsequently, on receipt of the application along with the required documents as prescribed under the IEPF Rules, the Company will send an online verification report to the IEPF Authority after verifying all the necessary details which is duly certified by the Nodal Officer.
- h) 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 2015-16, which will remain unclaimed for a period of seven years till 3<sup>rd</sup> November, 2023 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 is in the process of sending individual notice to each concerned members requesting them to claim their unpaid dividend and avoid the transfer of shares to IEPF on or before 2<sup>nd</sup> November, 2023 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>.

- i) Members who have not encashed their dividend warrant(s) for the FY 2015-16 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 (₹)	Date of Declaration	Due date of transfer to IEPF
2015-16	0.12	29 <sup>th</sup> September, 2016	3 <sup>rd</sup> November, 2023
2016-17	0.05	26 <sup>th</sup> September, 2017	31 <sup>st</sup> October, 2024
2017-18	0.05	27 <sup>th</sup> September, 2018	2 <sup>nd</sup> November, 2025
2018-19	0.05	26 <sup>th</sup> September, 2019	1 <sup>st</sup> November, 2026
2019-20	0.10	29 <sup>th</sup> September, 2020	1 <sup>st</sup> November, 2027
2020-21	0.25	23 <sup>rd</sup> September, 2021	28 <sup>th</sup> October, 2028
2021-22	0.25	29 <sup>th</sup> August, 2022	3 <sup>rd</sup> October, 2029
2022-23	0.50	30 <sup>th</sup> May, 2023	4 <sup>th</sup> July, 2030

*Note: Shares on which dividend declared for the FY 2015-16 and remaining unclaimed for 7 (Seven) consecutive years, will also be transferred to IEPF.*

- j) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc for shares held in electronic form to their Depository Participants (DPs) and for shares held in physical form to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) the format of which can be downloaded from the website of the Company at <http://marksanspharma.com/forms.html>. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, in the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details have already been sent by the Company.
- k) 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 dematerialized form. Therefore, Members holding shares of the Company in physical form are requested to kindly get their shares dematerialized 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 please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized 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>.
- l) 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 dematerialized 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 their folio no.
- m) 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.
- n) 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 (Listing Obligations and Disclosure Requirements) 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.

- o) In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered **Monday, 21<sup>st</sup> August, 2023** 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.
- p) 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, 25<sup>th</sup> August, 2023 at 09:00 a.m.

Conclusion of remote e-voting: On Sunday, 27<sup>th</sup> August, 2023 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, 28<sup>th</sup> August, 2023.

- q) **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. 21<sup>st</sup> August, 2023 shall follow the same instructions relating to e-voting and attending AGM through VC as given in the accompanying Notice.
- r) 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.

### ITEM NO. 4

The Board of Directors in order to broad base its board composition and on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Shailaja Vardhan (DIN: 10172764) as an Independent Director of the Company for a term of five (5) years effective from May 30, 2023, subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 ('the Act') from a member proposing her candidature for the office of an Independent Director. Mrs. Shailaja Vardhan is not disqualified from being appointed as a Director, in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as an Independent Director of the Company.

Mrs. Shailaja Vardhan has submitted a declaration of independence as provided in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs. She has also submitted declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, stating that she has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such regulatory authority. She has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company

Brief resume of Mrs. Shailaja Vardhan as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and details as required under SS-2 (Secretarial Standard-2 on General Meeting) is given hereinbelow:

<b>Name of the Director</b>	Mrs.Shailaja Vardhan
<b>DIN</b>	10172764
<b>Date of Birth</b>	02/04/1967
<b>Age</b>	56 years
<b>Date of first appointment on the Board</b>	May 30, 2023
<b>Qualifications</b>	Management Program
<b>Brief resume of the Director</b>	Mrs. Shailaja Vardhan has done her management program from IHMCT & AN. She has over 30 years of experience in the field of corporate communications, corporate public communications, building brand architecture, positioning go-to-market strategies, CSR activities, etc. She is also into strategic role in the development of compelling marketing communication. Driven by a passion for Corporate Social Responsibility, she has worked with the Confederation of Indian Industry (CII) to assist Paniyur Periya Kuppam, a Tsunami-affected village in Tamil Nadu with Ford India. Under her leadership at Ogilvy, the team received the prestigious WPP award for the WHO program aimed at eliminating Lymphatic Filariasis from 13 districts in Tamil Nadu. Presently, she is head of corporate communications at Apollo Hospitals group. Before that she has worked with MARG Ltd., Ford India, Ogilvy, etc.
<b>Nature of expertise in specific functional areas</b>	Corporate communications, public communications, building brand architecture, CSR activities.
<b>The skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>	Yes.
<b>Terms and conditions of Appointment</b>	Appointed as an Independent Director for a period of 5 years with effect from May 30, 2023 to May 29, 2028 (both days inclusive)
<b>Details of remuneration last drawn</b>	Not Applicable
<b>No. of Board meetings attended during FY 2022-23</b>	Not Applicable



<b>Directorship held in other companies (excluding foreign &amp; Section 8 companies)</b>	Nil
<b>Listed entities from which the person has resigned in the past three years</b>	Nil
<b>Membership/ Chairmanships of Audit Committee and Stakeholders' Relationship Committee of other public Companies</b>	Nil
<b>Inter-se Relationship between Directors and Key Managerial Personnel of the Company</b>	None
<b>No. of Shares held in the Company (by Director herself, including shareholding as a beneficial owner, singly or jointly as first holder) as on March 31, 2023</b>	Nil
<b>Whether attended last AGM</b>	Not Applicable

The Nomination and Remuneration Committee finalized the desired attributes for selection of Independent Director and based on those attributes, the Committee has recommended to the Board the candidature of Mrs. Shailaja Vardhan. The Board considers that her association with the Company would be of immense benefit to the Company and it is desirable to avail her service as an Independent Director. The Board of Director is of the opinion that she fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Resolution set out at Item No.4 of the accompanying Notice for approval of the Members of the Company.

A copy of the letter of appointment of Mrs. Shailaja Vardhan setting out the terms and conditions of appointment is available on the website of the Company for electronic inspection without any fee by the members.

Except Mrs. Shailaja Vardhan and her relative, none of the other Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said resolution.

## ITEM NO. 5

The tenure of Mrs. Sandra Saldanha as a Whole-time Director of the Company will expire on September 24, 2023. In terms of Section 196 read with Schedule V of the Companies Act, 2013, the Board of Directors of the Company on the recommendation

of the Nomination and Remuneration Committee and subject to approval of Members of the Company at the ensuing Annual General Meeting, re-appointed Mrs. Sandra Saldanha as a Whole-time Director of the Company for a further period of three (3) years with effect from 25<sup>th</sup> September, 2023. The re-appointment of and remuneration to Mrs. Sandra Saldanha has also been approved by the Audit Committee of the Company.

Mrs. Sandra Saldanha has a Master Degree in Arts (Sociology). Mrs. Sandra Saldanha has vast experience in the field of Human Resource Management, Business Development, Projects and Supply Chain Management. The Company will continue to be benefited by her expertise. Mrs. Sandra Saldanha is not disqualified from being re-appointed as a Director, in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director of the Company. She also satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 for being eligible for the re-appointment.

The remuneration to Mrs. Sandra Saldanha has been recommended by the Nomination and Remuneration Committee and is in line with the remuneration package necessary to encourage professionals acquiring such an important position such as that occupied by Mrs. Sandra Saldanha and is in commensurate with the functions and responsibilities that is being discharged by her.

Accordingly, the resolution in item no. 5 of the Notice for approving the re-appointment of and remuneration to Mrs. Sandra Saldanha as a Whole-time Director is being proposed for consideration of the members.

Brief resume of Mrs. Sandra Saldanha as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and details as required under SS-2 (Secretarial Standard-2 on General Meeting) is given hereinbelow:

<b>Name of the Director</b>	Mrs. Sandra Saldanha
<b>DIN</b>	00021023
<b>Date of Birth</b>	11/12/1971
<b>Age</b>	51 years
<b>Date of first appointment on the Board</b>	25/09/2014
<b>Qualification</b>	Master of Arts (Sociology)
<b>Brief resume of the Director</b>	Mrs. Sandra Saldanha has a Master Degree in Arts (Sociology). She has vast experience in the field of Human Resource Management, Business Development, Projects and Supply Chain Management.
<b>Nature of expertise in specific functional areas</b>	Human Resource Management, Business Development, Projects and Supply Chain Management
<b>Terms and conditions of re-appointment</b>	As mentioned in the resolution under Item 5 of the notice
<b>Remuneration last drawn</b>	₹ 70,29,564/-
<b>No. of Board meetings attended during FY 2022-23</b>	8 (Eight)
<b>Directorship held in other companies</b>	<ol style="list-style-type: none"> <li>1. Marksans Pharma (UK) Limited,</li> <li>2. Marksans Holdings Limited,</li> <li>3. Relonchem Limited</li> <li>4. Bell, Sons &amp; Co. (Druggists) Limited</li> <li>5. Time-Cap Laboratories Inc.</li> </ol>
<b>Listed entities from which the person has resigned in the past three years</b>	Nil
<b>Membership/ Chairmanships of Audit Committee and Stakeholders' Relationship Committee of other public Companies</b>	Nil
<b>Inter-se Relationship between Directors and Key Managerial Personnel of the Company</b>	Relative of Mr. Mark Saldanha
<b>No. of Shares held in the Company (by Director herself, including shareholding as a beneficial owner, singly or jointly as first holder) as on March 31, 2023</b>	220,180
<b>Whether attended last AGM</b>	Yes

Mrs. Sandra Saldanha is holding 220,180 equity shares in the Company and accordingly, she may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her re-appointment as a Whole-time Director. Mr. Mark Saldanha who is her relative and the Managing Director of the Company, may be deemed to be concerned or interested in the re-appointment of Mrs. Sandra Saldanha.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

## ITEM NO. 6

In order to strengthen the capital base of the Company and to enhance its long term financial resources, the Company in its Extra-ordinary General Meeting dated July 9, 2021 decided to raise funds from OrbiMed Asia IV Mauritius FVCI Limited (OrbiMed). The Company also in the said meeting had amended its Articles of Association by passing special resolution pursuant to which company inserted the provisions of Warrant Subscription Agreement ("Agreement") which was executed by the Company and OrbiMed on July 2, 2021 to comply with one of the conditions of offer made by OrbiMed.



In view thereof, the Company divided its articles into two parts, Part A and Part B. Part A covers the existing rules and regulations which governs the Company's operations whereas Part B covers the provision of Warrant Subscription Agreement which governs the terms of the issue of convertible warrants on preferential basis. The Company also added sub-clause 3 in clause 1 as given below in the Articles.

**Sub-Clause 3 of Clause 1 of the Articles read as under:**

*"Part B of the Articles includes the relevant provisions of the Warrant Subscription Agreement executed by the Company with OrbiMed Asia IV Mauritius FVCI Limited on July 2, 2021, as amended from time to time ("Warrant Subscription Agreement"). Notwithstanding anything to the contrary in Part A of the Articles but subject to applicable law, in the event of any conflict or inconsistency between the provisions of Part A of the Articles and Part B of the Articles, the provisions of Part B of the Articles shall prevail over the provisions of Part A of the Articles."*

Consequent upon the signing of the warrant subscription agreement, the Company issued 4,93,24,324 Convertible Warrants in terms of the said agreement and received 25% of the total subscription price. Subsequently, on receipt of balance 75% of the subscription price, the Company converted the entire Convertible Warrants and issued fully paid 4,93,24,324 equity shares of ₹ 1/- each face value on 20<sup>th</sup> January, 2023. These equity shares have been listed on NSE and BSE and credited into the demat account of OrbiMed Asia IV Mauritius FVCI Limited. Thereby, all the conditions stipulated in the Warrant Subscription Agreement has been duly complied with. Hence, it is hereby proposed to delete the aforesaid sub-clause 3 of clause 1 from the Articles as well as provisions of Warrant Subscription Agreement dated 2<sup>nd</sup> July, 2021 inserted in Part B of the Articles of Association.

In terms of Section 14 of Companies Act, 2013, consent of Members by way of a Special Resolution is required for altering the Articles of Association and hence Company seeks approval of the Members to amend and restate the Articles of Association of the Company by adopting a new set of Articles of Association, in place and substitution of the existing Articles of Association of the Company. The entire set of proposed amended and restated Articles of Association of the Company incorporating the deletion of aforesaid clause and the provisions of Warrant Subscription Agreement shall be available for inspection by the Members during the Meeting through electronic means.

The Board recommends the Special Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Person (KMP) of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in passing of the resolution set out in Item No. 6.

## 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 30<sup>th</sup> Annual General Meeting held on August 29, 2022, approved Marksans Employees Stock Option Scheme 2022. 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 2023".

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2023 ("Marksans ESOS 2023"). 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 2023 ARE AS UNDER:-

### 1. Brief description of the Scheme:

This Scheme shall be termed **MARKSANS EMPLOYEES STOCK OPTION SCHEME 2023** ("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 31<sup>st</sup> 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 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 90,63,274 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 ₹ 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 2023:

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 90,63,274 equity shares of ₹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 45,31,637 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 2023.

**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 2023 is required to be approved by the Members by way of a Special Resolution.

A copy of the draft Marksans ESOS 2023 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 2023.

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: 1<sup>st</sup> August, 2023

**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 April 8, 2020, April 13, 2020, May 5, 2020, respectively followed by Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs and 'SEBI' Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI, 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 Circulars, 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 latest General Circular No. 10/2022 dated December 28, 2022.

### THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The e-voting period begins on **Friday, 25<sup>th</sup> August, 2023 at 09:00 a.m.** and ends on **Sunday, 27<sup>th</sup> August, 2023 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, 21<sup>st</sup> August, 2023** 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 abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL 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 users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon & New System Myeasi Tab.

Type of shareholders	Login Method
	<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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 i.e. CDSL.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>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 company name Marksans Pharma Limited or e-Voting service provider name – CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-Voting period.</p> <p>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></p> <p>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 hold 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 company name – Marksans Pharma Limited or e-Voting service provider name – CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>1. 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 company name – Marksans Pharma Limited or e-Voting service provider name – CDSL and you will be redirected to CDSL's website for casting your vote during the remote e-Voting period.</p>

**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 <b>CDSL</b>	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 <b>NSDL</b>	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

(iv) Login method for Remote e-Voting 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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.</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN 230724010 for Marksans Pharma Limited
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvi) 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 mandatory 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, 25<sup>th</sup> 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.



# Notes

## Notes





## Marksans Pharma Ltd.

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