Marksans Pharma Ltd.

Strong Foundation for Consistent Growth

Marksans Pharma Limited

Annual Report 2020-21

FY21 in numbers

21.3% Revenue growth over FY20	**Rs. 1376.2 crore** in FY 21
	Rs. 1134.5 crore in FY20
76.6% EBIDTA growth over FY20	**Rs. 339.6 crore** in FY 21
	Rs. 192.6 crore in FY20
97.5% PAT growth over FY20	**Rs. 238.5 crore** in FY 21
	Rs. 120.8 crore in FY20
126.6% Cash profit growth over FY20	**Rs. 212.3 crore** in FY 21
	Rs. 93.7 crore in FY20

For additional information scan the QR Code

Forward Looking Statement

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

The strength of a formidable business rests on its ability to secure a strong foundation.

At Marksans, we have a clear vision to translate our ideas into reality – relying on a bedrock of innovation, distinct capabilities and a focused strategy to give direction to our thoughts. Our relentless efforts to explore new avenues of growth, accomplish cherished objectives and deliver unmatched performance empowers us to lay the foundation for consistent growth.

Over the past year, we have experienced phenomenal performances backed by a solid strategy to further enhance our operational efficiency. We derive the strength of our success from our research, manufacturing and marketing excellence. It enables us to develop end-to-end capabilities, produce advanced formulations and adhere to stringent regulatory standards.

As we stand at an extremely opportune moment in our journey, we are enthusiastic about not just accelerating and widening the growth path, we are tactically aiming to expand our foray in the pharmaceutical space while constantly lending stability to a dynamic organisation.

To see the online version of this report please log on to www.marksanspharma.com

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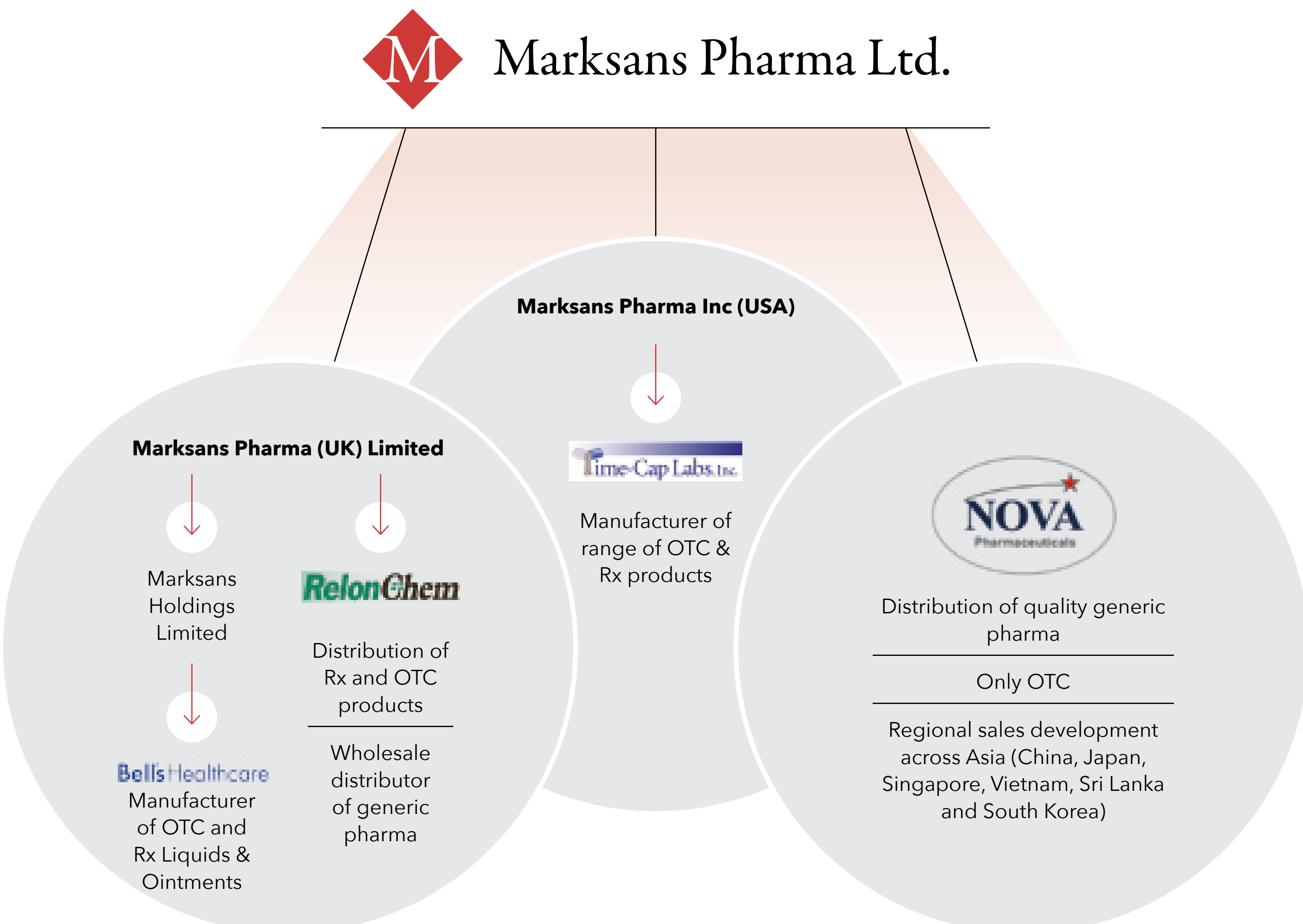
About Marksans Pharma

Driven by our values, we are establishing a strong presence in regulated pharmaceutical market with our integrated business model. Marksans Pharma is today among India's leading pharmaceutical companies, creating value for its stakeholders.

Marksans Pharma (Marksans) is engaged in Research, Manufacturing and Marketing of generic pharmaceutical formulations, with three state-of-the-art facilities in India, UK and the US. Headquartered in Mumbai, Marksans is today delivering solutions through its distinctive capabilities, creating a niche for itself within the pharmaceutical ecosystem it operates.

Our diverse portfolio and focus on specific therapeutic areas has accelerated our growth in highly regulated markets across the globe. Our integrated business model backed by our committed workforce has pushed the Company to sustained business growth with accretive value creation.



Our responsible and sustainable business framework provides access to affordable medicines for patients across the world. In our promise of ensuring 'healthcare in safe hands', we continue to deliver sustained value for societies and communities in the markets we operate.

1138
Employees as on March 31, 2021

15.7%
5-year CAGR in revenues

1.4%
R&D spend of total revenues

95%
Revenues from regulated markets

3
Manufacturing sites

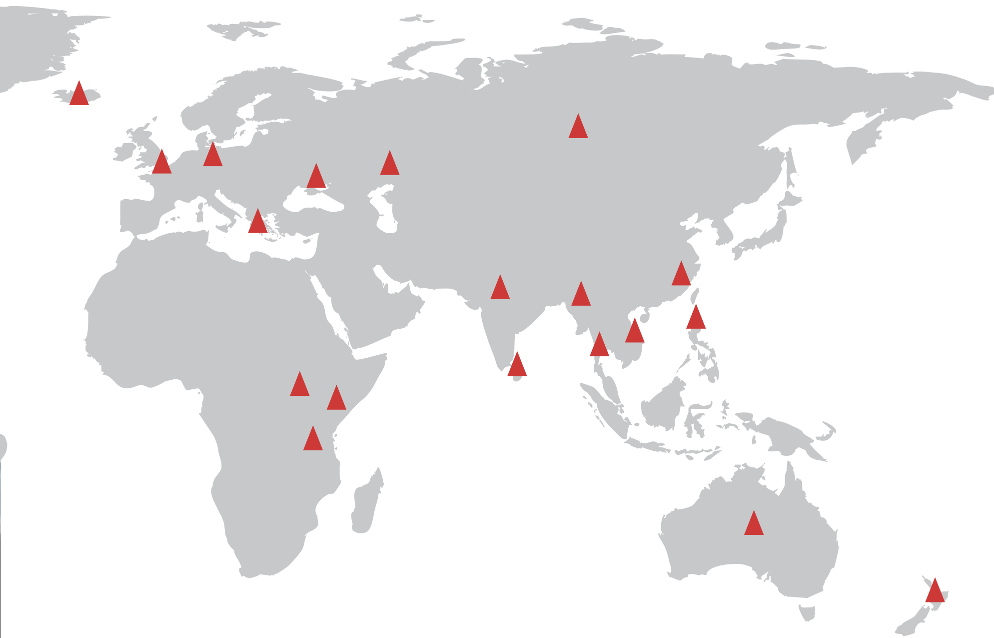
2.02%
Spent on CSR activities

50+
Scientists

4
R&D Centres

Our Global presence

We continuously strive to improve access to healthcare through our product portfolio. With our robust supply chain model and strong global team of skilled individuals, we are widening our footprint across the regulated market as well as pharmemerging markets across the globe.



42.5%
Share of revenue from America

42.3%
Share of revenue from UK & Europe

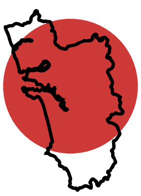
10.6%
Share of revenue from Australia & New Zealand

4.6%
Share of revenue from emerging markets (South East Asia, MENA, Russian Federation & Africa)

Our primary markets

Canada | USA | The Caribbean | Latin America | Iceland | Germany | UK | Iraq | Ukraine | Greece | Uganda | Kenya | Tanzania | Russia | India | Sri Lanka | Myanmar | Combodia | Australia | New Zealand |

Our manufacturing units



Goa, India

One of the biggest manufacturing facilities in Asia that is spread over 18,000 square metres campus manufacturing oral solid tablets, soft gelatin capsules and hard capsules

Accreditations

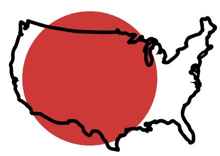
- US FDA
- MHRA
- Australian TGA

Southport, UK

The facility manufactures nonsterile liquids, ointments and powder products and caters to UK, West Africa & Middle East

Accreditations

- MHRA



Farmingdale, USA

The facility is spread across an area of 7000 sq. m and manufactures tablets and capsules.

Accreditations

- US FDA

Our Business model

What drives us

Vision

To Create a Global Pharmaceutical Company

Mission

- Establishing a strong presence in the Regulated pharmaceutical market through organic and inorganic channels.
- Focusing on building Intellectual Property assets especially in niche dosage forms.
- Establish Vertically integrated business module to capture entire value chain.

Values

Achievement

We applaud achievement and strive towards our vision, with perseverance

Respect

We respect all our stakeholders

Knowledge

We value knowledge for it empowers our people to develop innovative solutions and to manage change

Honesty & Integrity

We perform our duties with extreme honesty and integrity

Inputs

Financial Capital

40.93 Cr
Equity

905.35 Cr
Net worth

Manufactured Capital

3
manufacturing plants

618.77 Cr
Gross block

Intellectual Capital

4
R&D centre

18.9 Cr
R&D Spend

50+
Scientists

Human Capital

1138
Employees

197.32 Cr
Employee benefit expenses

Social & Relationship Capital

135271
Number of shareholders

84.25 lacs
CSR spent

Natural Capital

646.48 lacs
Energy consumption

114.89 Lacs
Amount spent on energy saving equipment

Business process

Research and development

Registration

Manufacturing

Supply chain

Sales and Marketing

Diverse delivery forms

- Soft Gels
- Hard Gelatin Capsules
- Tablets
- Bottles - Liquids
- Ontiments
- Powder Sachets

Research & Development

Dedicated R&D team working to introduce new products across the pharma value chain

Registration

A robust filing team ensures faster completion of registrations

Manufacturing

Three manufacturing plants with integrated models to ensure sustained growth

Supply Chain

Effective supply chain distribution with subsidiary companies across Australia, UK, Europe, North America, Canda and RoW

Sales and Marketing

Presence in more than 25 countries with retail chains, pharmacy stores and hospitals being the end consumers in our value-chain

- Sachets
- Extended release
- Liquid
- OTC products
- Ointments

Outputs

Financial Capital

1376.2 Cr
Revenue

339.6 Cr
EBIDTA

238.5 Cr
PAT

10.58 Cr
Dividend

ZERO
long-term debt

Manufactured Capital

India 2.4 bn
softgel and hard gelatin capsules per annum

6 bn
Oral solid tablets per annum

UK 1 bn
tubes per annum

1 bn
sachets per annum

2 bn
bottles per annum

US 6 bn
tablets and hard capsules per annum

Intellectual Capital

350+
Dossiers filed

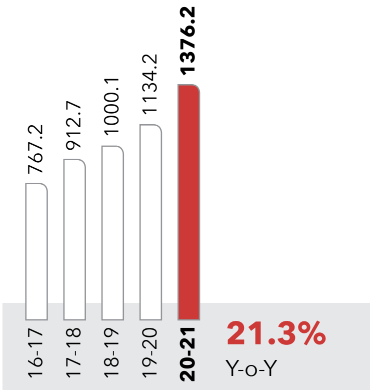
300+
Approved ANDAs / MA's

25+
Filed ANDAs/ MAs

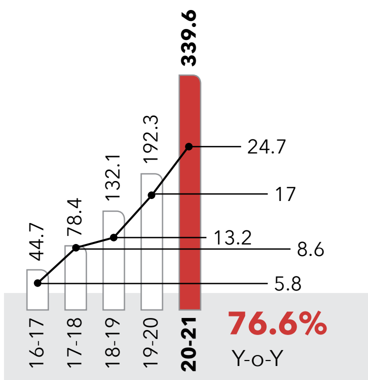
50+
Products in pipeline

Outperforming

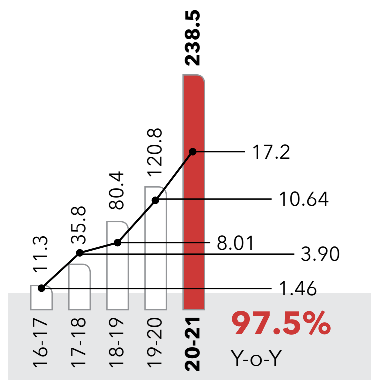
Revenue from operations
(Rs. in crores)



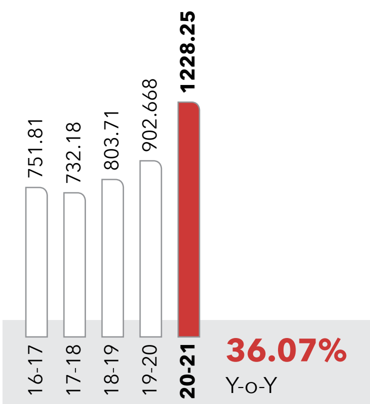
EBIDTA (Rs. in crores)
EBIDTA margin (%)



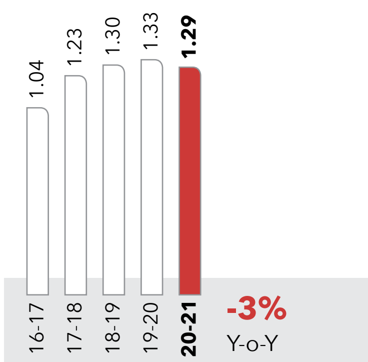
PAT (Rs. in crores)
PAT margin (%)



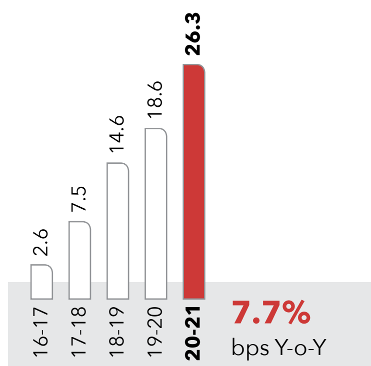
Total Assets
(Rs. in crores)



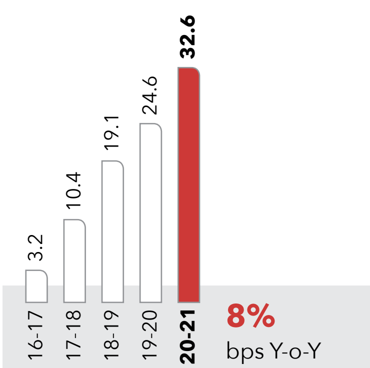
Asset turnover ratio
(in times)



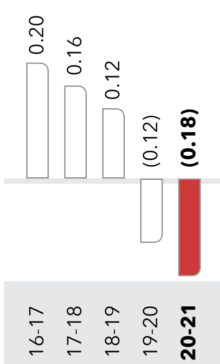
RoE
(%)



RoCE
(%)



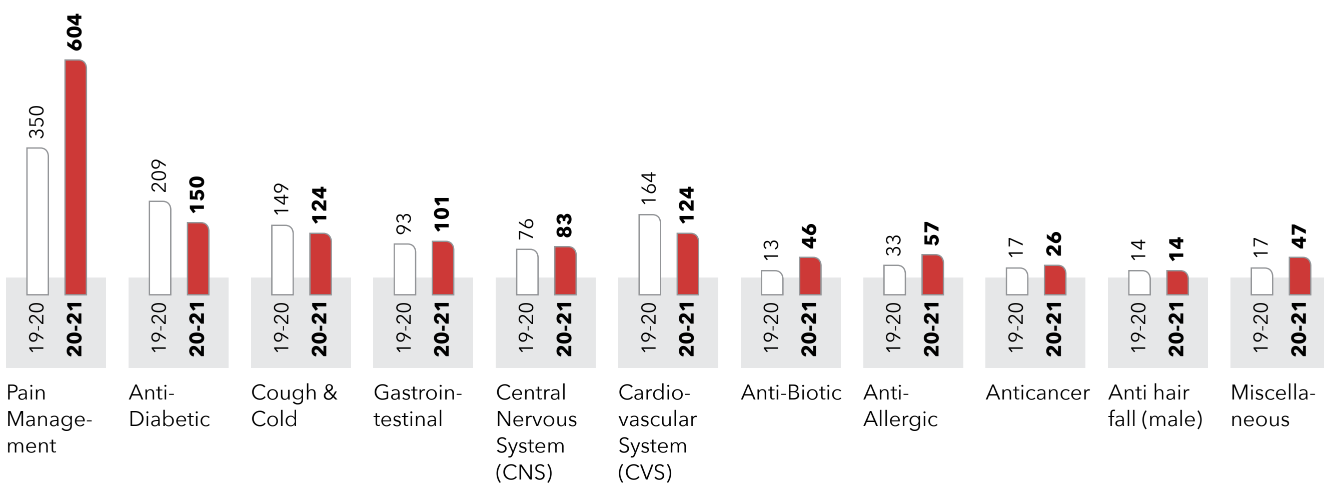
Debt-Equity
(in times)



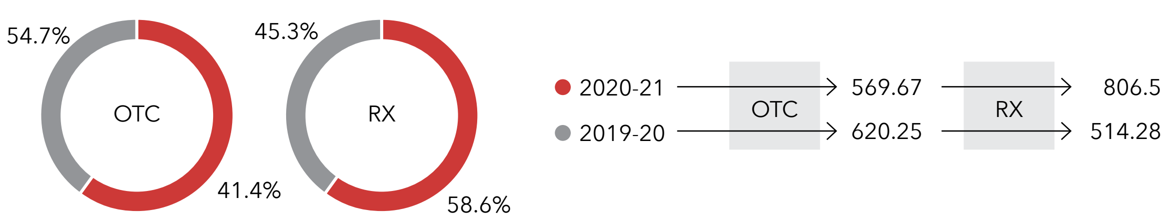
Revenue portfolio

Revenue by geography

Revenue by therapeutic segment



Revenue by delivery segment (in crores)



Chairman's Overview

Dear Stakeholders,

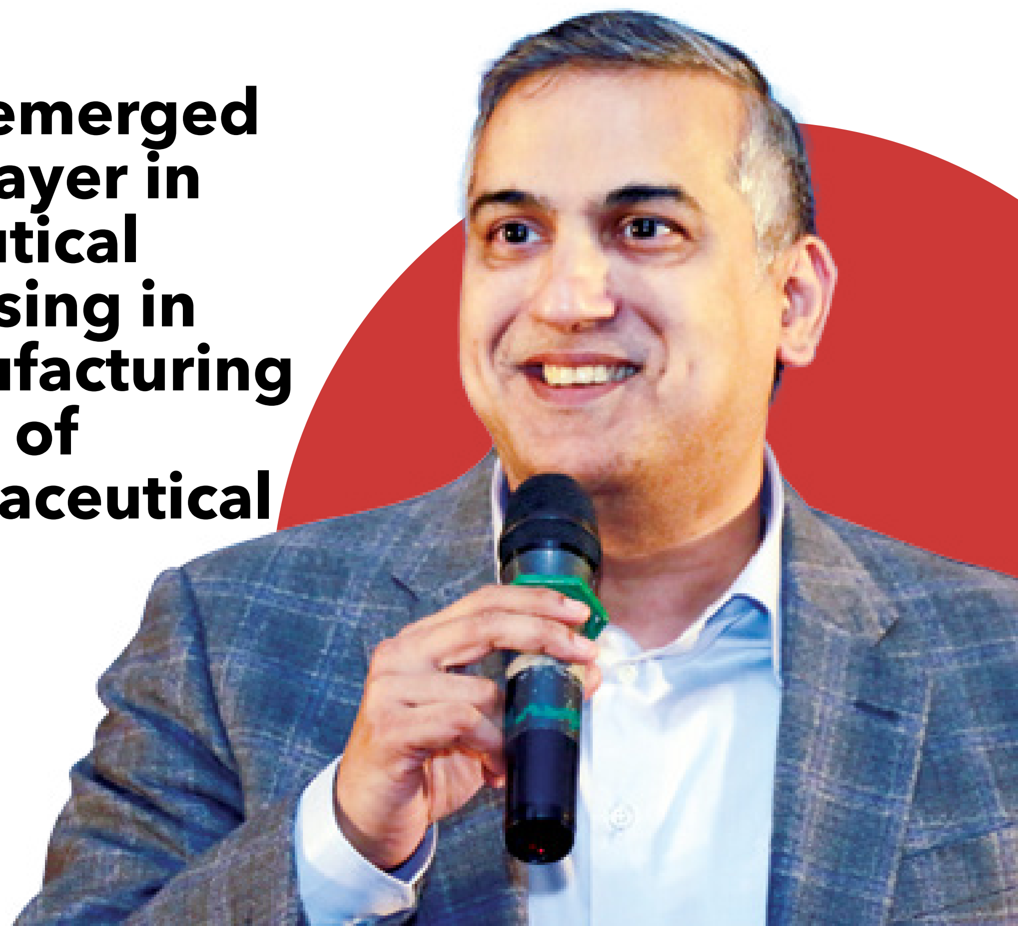
During the previous fiscal, the Covid 19 outbreak introduced the world to a 'new normal'. Lockdowns were imposed across the world, economic activity came to a near standstill and businesses had to curtail operations. To ensure business continuity amidst uncertainty, companies were forced to modify strategies and demonstrate resilience. Marksans too remained resolute and reported remarkable growth in the past fiscal. We are pleased to report that we have once again succeeded in accomplishing outstanding performance and creating exceptional value for our stakeholders.

Over the years, Marksans has emerged as a leading player in the pharmaceutical space, specialising in research, manufacturing and marketing of generic pharmaceutical formulations. Our integrated business model, supported by a robust and diversified product portfolio, has accelerated our growth in highly regulated countries around the world. Our unwavering commitment to discover new growth opportunities and deliver unrivalled performance enables us to set the groundwork for a sustainable future.

During the year under review, we recorded revenues of Rs. 1376.2 crore, registering a year-on-year growth of 21.3%, a significant milestone in our journey. It not only demonstrated our intrinsic strength to deliver against all odds but, also highlighted our ability to thrive in the face of adversity.

Our operational excellence and a diverse product portfolio helped us to record an EBITDA of Rs. 339.6 crore for the year, with an all-time high margin of 24.7 percent, in comparison to Rs. 192.6 crore recorded in the previous

Marksans has emerged as a leading player in the pharmaceutical space, specialising in research, manufacturing and marketing of generic pharmaceutical formulations.



₹1376.2

Revenues (Rs. in Crore)

₹339.6

EBITDA (Rs. in Crore)

fiscal. Profit after tax was Rs.238.5 crore in FY 2020-21, up from Rs 120.8 crore in FY 2019-20, marking a phenomenal 97.5% improvement on a year-on-year basis. Improvement of PAT margins can be attributed to our constant efforts to deleverage the business and remain a debt-free company. It has also led to better return ratios, with ROE of 26.3% and ROCE of 32.6% in FY 21.

At Marksans, we believe in turning our ideas into reality, relying on a foundation of innovation, specialised skills, and a focused strategy to enhance growth. We also emphasise on our operational strategies to enhance stakeholder value and explore emerging opportunities in the pharma space.

As leading OTC product suppliers and private label manufacturers, over 95% of our global revenues are generated from B2C platforms. Forward integration of our operations improves our supply chain, allows us to promote our products and fortify our position in the international markets. With revenues of Rs 585.5 crore, the US and North American business increased by 34.2% YoY. Furthermore, income from Australia and New Zealand stood at 146.3 crore in the last fiscal. We recorded revenue of 62.3 crore from our operations in other countries around the world. The Europe and UK business increased by 14.1% to Rs. 582 crores.

“With revenues of Rs 585.5 crore, the US and North American business increased by 34.2% YoY.”

Our consistent performances in international markets can be attributed to our strong front-end presence, advanced infrastructure and world-class research and manufacturing capabilities. With ongoing investments in R&D of pharmaceutical formulations, we intend to further improve our therapeutic presence. We also strive to deliver products with minimal intermediation costs. It allows us to retain our competitive edge and increase profitability.

Looking ahead, we are confident about capitalising on emerging opportunities in the pharmaceutical space and strategically align our efforts to accomplish growth objectives. We also believe that our success largely depends on the resilience and unwavering dedication of our people. We, therefore, ensure their safety and well-being, focusing on methods to improve employee engagement and professional growth. To encourage skill development, we also organise training programs for employees. It is focused on improving and upgrading skill sets that empower them to focus on better opportunities. During the pandemic, we adhered to safety protocols and prioritised the health and safety of the workforce. All necessary measures were taken at our offices and manufacturing plants to ensure social distancing and the premises were regularly sanitised to prevent the spread of infection.

Marksans today stands at an opportune moment in its journey. We are optimistic about taking the company to newer heights of success and cement our position in the pharmaceutical space. Before, I conclude, I would like to convey my heartfelt appreciation to each and every stakeholder, for their steadfast support and continual encouragement that motivates us to aim for new milestones, year after year.

Thanks and regards,

Mark Saldanha

Q&A with CFO

This has helped us to expand Profit after Tax to Rs. 238.5 crore, translating into 97.5% growth, on y-o-y basis.

Q.

During the year, COVID-19 has interrupted business operations around the world. In terms of financial performance, how would you summarise the year under review?

A. It is not surprising that Covid-19 has had far-reaching consequences on the world economy, disrupting businesses across the world. Even under these circumstances, we have recorded an annual turnover at Rs. 1376.2 crore, registering a y-o-y growth of 21.3%. Our efforts to achieve excellence in operations and changes in product-mix led us to record an EBITDA of Rs 339.6 crore during the year, resulting in an all-time high margin of 24.7 percent. As on March 31, 2021, we have zero long-term debt in the books of accounts, generating a healthy cash reserve for future funding of relevant initiatives. This has helped us to expand Profit after Tax to Rs. 238.5 crore, translating into 97.5% growth, on y-o-y basis. Owing to the strong financial performance round the year, EPS for the year grew to an impressive Rs 5.76 in FY21 as against Rs 2.86 in FY 20.

Q.

What are the primary factors driving the company's steady growth in revenue and profitability?

A. Marksans has established a resilient business model backed by our advanced research facilities and manufacturing expertise. Our strength stems from three main areas: the development of innovative formulations, end-to-end manufacturing capabilities and adherence to stringent regulatory requirements for our manufacturing units. Furthermore, we continue to gain strong foothold in our key markets of the US, UK and Australia. Today, we enjoy the trust of several stakeholders, standing tall as a fast-growing pharmaceutical company with a consistently growing market share in niche product portfolio.

Q.
How robust are the company's finances to withstand the short-term challenges caused by COVID-19?

A. At Marksans, we have implemented a number of measures to reduce costs and increase operational efficiency. The company has established a comprehensive business strategy with a strong value chain that comprises innovation, talented individuals, efficient production and strong distribution network.

On account of the panic-buying that ensued during the first quarter of the year, overall inventory levels were depleted. As we overcame challenges to rebuild our production levels, our working capital cycle also increased in FY21, primarily due to the overall growth in inventory levels.

Our financial prowess is validated by our robust balance sheet that carries no long-term debt. For the fiscal year FY21, free cash flow stood at Rs 132.3 crore, indicating our increased quality and efficiency levels to withstand the short-term constraints caused by Covid-19.

Q.
What is strategy to create consistent value for all stakeholders?

A. In line with our commitment of keeping 'healthcare in safe hands', we continue to create value for all our stakeholders. Our business model and core competencies enable us to preserve the viability of our operations and the integrity of our balance sheet. Our main emphasis remains on growth driven by accretive margin and improved return on equity. Our manufacturing units that are strategically located in proximity to our patients, add value to our overall business model. The strategic investments in building capacities across our manufacturing units in last three years, has allowed us to build a strong portfolio of products covering multiple therapeutic areas. In addition, we are stepping up our commitment towards global ESG principles, strengthening our processes that to co-create value across the ESG ecosystem. The result is sustainable growth trajectory with sustained value creation for all our stakeholders.

Q.
What is your company's near-term prognosis for the next financial year?

A. As we enter FY22, uncertainty looms large due to the second wave of COVID-19 in India. With mounting death tolls and fresh fears of recurrent infections, frequent lockdowns have been imposed in many parts of the country. Despite these hurdles, our outlook for the coming fiscal remains steady as we cautiously maintain our growth momentum. Our sustained investments in R&D give us a leverage to build a strong product portfolio. Going forward, our agility, resilience and capability to weather challenges will remain strong drivers to build a sustainable company in the coming years.

Jitendra Sharma
CFO

Investment proposition

Sustained growth in regulated markets

Our enhanced presence in regulated markets positions us to capitalise on long-term demand growth from the regions. Dedicated manufacturing units in UK and the US facilitate faster distribution, driving sustained revenue growth and consistent profitability.

~96%

Revenues derived from regulated markets

Deep domain expertise

We are market leaders in the niche product segment we operate. Our well recognised brands and diversified range of products have enabled us to capture a large part of OTC and generic markets.

20 years

Of Experience

Strong liquidity

We are well capitalised, with Rs. 845.56 Cr in reserves and surplus and 107.07 Cr cash flow from operations. As on March 31, 2021, we have zero long-term debt in the books of accounts, creating pool of our own funds for future funding and support long-term projects and goals.

2.9x

Growth in cash flow from operations in last three years

Robust integrated business model

Marksans integrated business model provides access to a range of drugs covering multiple therapeutic areas. With an existing forward integration set-up, the Company plans to further enter into backward integration with API manufacturing and strengthen its value chain further. Strong organic expansion and possible inorganic growth opportunity in the near future is underpinned by our robust operating model and strong customer relationships arehelping ensure long-term revenues.

24.7%

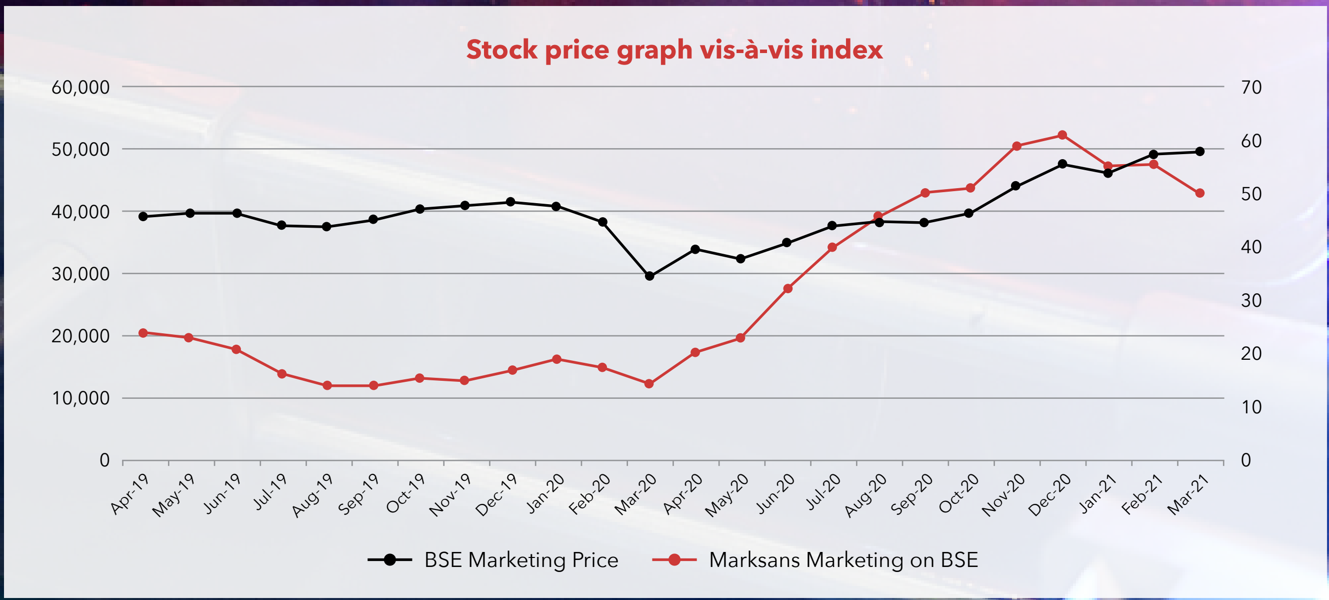
Operating margin for FY21

Sustainable value creation

Stakeholders staying true to us and our values, are among the many drivers of our business to create value. Our modern facilities and quality infrastructure ensure reduced carbon footprint. Through our active programs directed to empower people of lower strata, we are striving to build a ecosystem of stakeholders and create value for long-term.

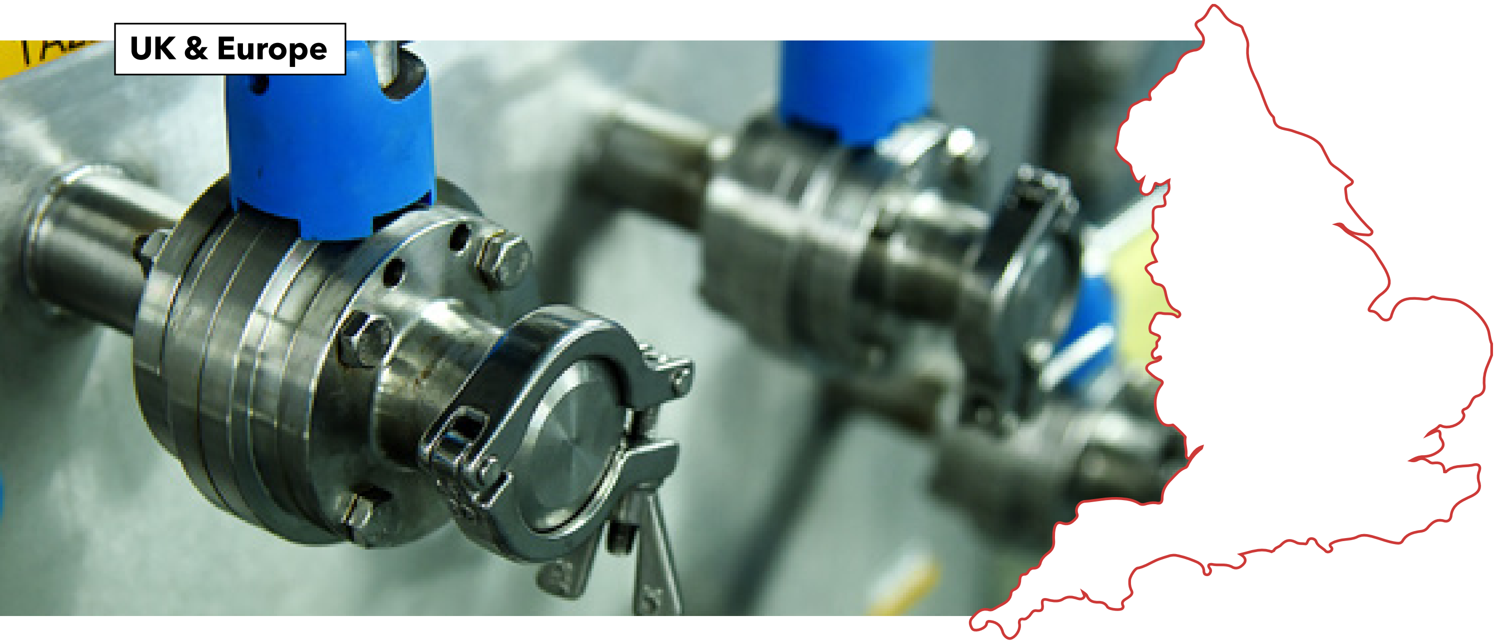
Did you know

Marksans market capitalisation has grown by 259% in last one year alone. The total shareholders as on March 31, 2021 stands at 135271, with share price closing at Rs. 71.90 per share on August 11,2021.

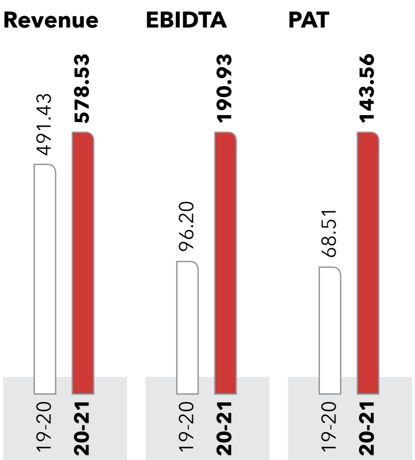


Our markets and performance

UK & Europe



Marksans Pharma UK Ltd



17.73% Y-o-Y Growth

98.48% Y-o-Y Growth

109.55% Y-o-Y Growth

Operating dynamics

The UK & EU pharmaceutical market is estimated to grow from ~USD 468 billion in 2016 to ~USD 585 billion by 2030, at a CAGR of 1.6%, driven primarily by a robust life sciences industry.

FY 2021 highlights

- Wide UK customer base and 100% reach within the distribution channel.
- Broad and diversified range of product portfolio with well recognized brands.
- Captured a large share of OTC and generic markets.
- Working on receiving USFDA approval for Southport facility to commence exports to USA.
- Increase in partnership with major national distributors, pharmacies, retailers and chemist wholesalers.

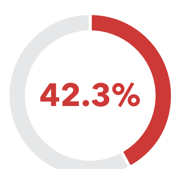
Marksan's positioning

Being one of the top 5 Indian pharma companies in the UK, we are scaling up our products pipeline consistently. We are one of the key OTC product suppliers and private label manufacturers in the region. The existing and new products are expected to address the diverse therapeutic segments within the pharma value chain, backed by our strong brand and trust recall. For rapid expansion into various therapy areas and other markets including UK and Europe, the company plans to acquire product licenses.

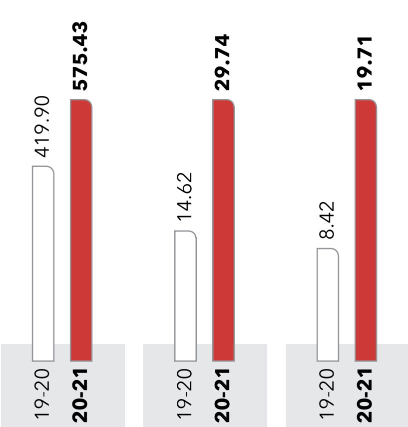
20 MA's

New product development under pipeline

Contribution to total revenue



Marksans Pharma Inc.



37.04% Y-o-Y Growth

103.38% Y-o-Y Growth

134% Y-o-Y Growth

Operating dynamics

The US holds over 30-40% of the global pharmaceutical market. Nominal spend on medicine was USD 511 billion in 2019, and is expected to grow at projected CAGR of 4-5% over near term, due to favorable government programs and policies.

FY 2021 highlights

- Consistently widening product offerings with more than 50+ products across various therapy segments
- Strong distribution channel marketing for both OTC and RX products
- Expanding presence in other North American region
- Increase in ANDA fillings for soft gel dosage
- Partnership with leading retailers
- Exploiting untapped potential of drugs going off patent

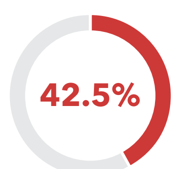
Marksan's positioning

We are among the leading companies amongst the top 20 Indian companies in US with a strong distribution channel for marketing for both OTC and Rx products. The forward integration strengthens our supply chain, enabling us to market our 50+ products and widen our presence in the most regulated markets of the world. We have further identified products with a dedicated focus on softgels and OTC products, with atleast 15 products in the pipeline. We also plan to acquire ANDAs to reduce the product life cycle through inorganic acquisition and grow rapidly in the coming years.

3-4
New product development under pipeline every year

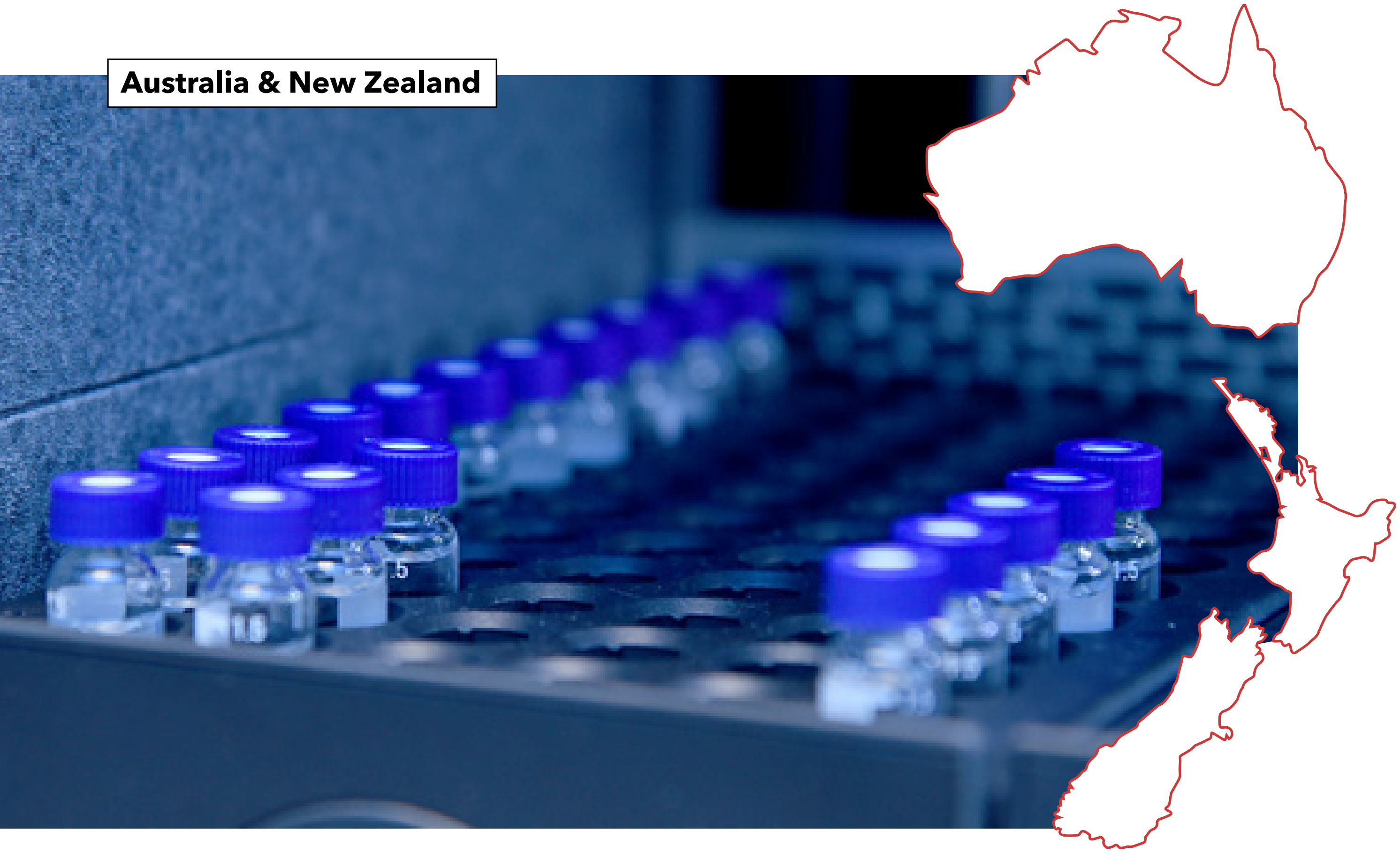
23
ANDAs filed in the region till FY21

Contribution to total revenue

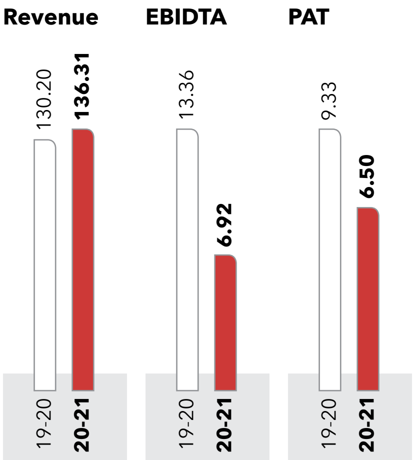


Our markets and performance

Australia & New Zealand



Nova Pharmaceuticals Australasia Pty Ltd.



4.70%
Y-o-Y Growth

-48.20%
Y-o-Y Growth

-30.39%
Y-o-Y Growth

Operating dynamics

Australia's pharmaceutical market is set to rise from $30.5 billion in 2018 to US$ 40.1 billion by 2024 registering a CAGR of 5.1%.

FY 2021 highlights

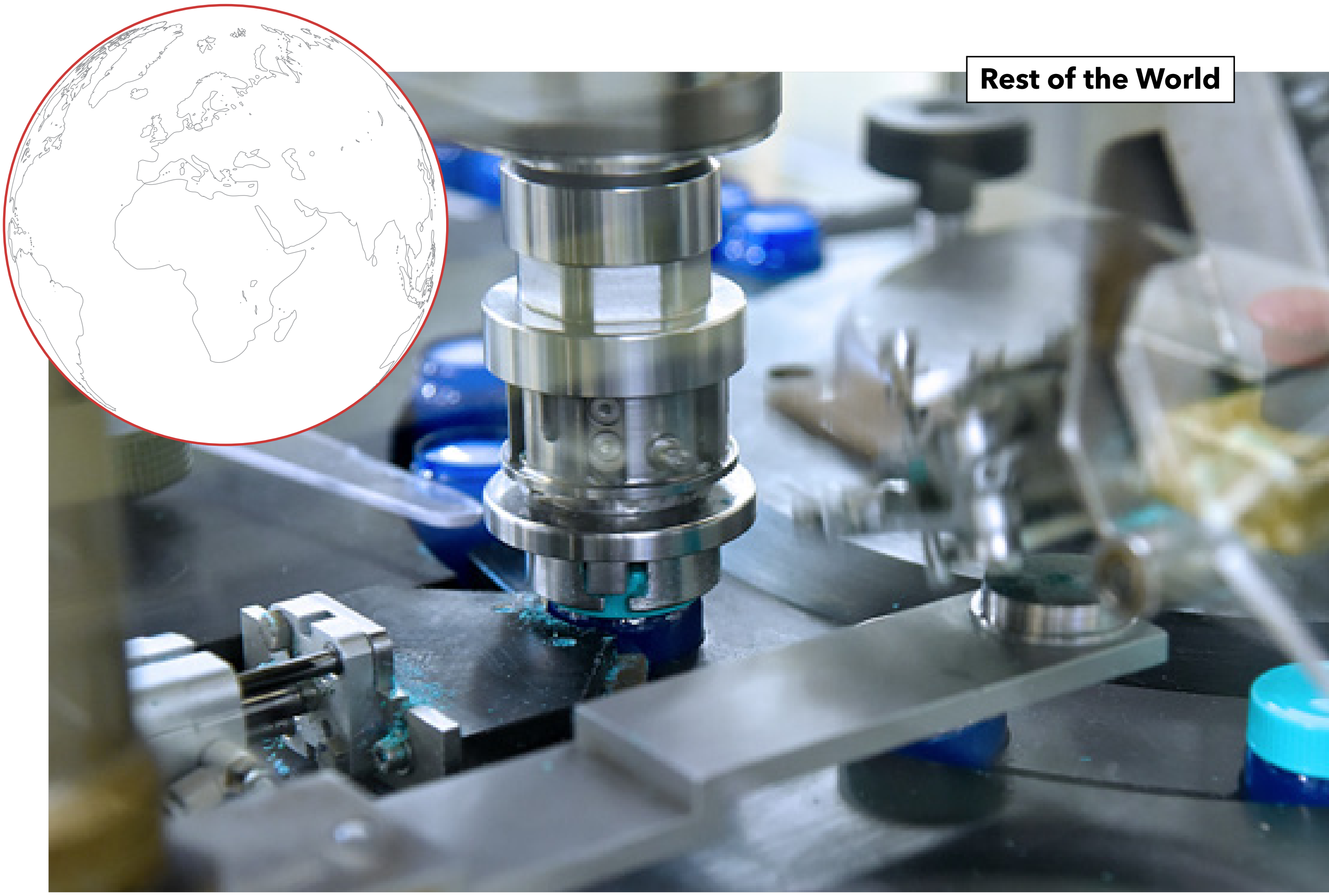
- Strengthen the distribution channel with leading retailers and pharmacies
- Continue to widen our presence with key products focused on therapeutic segments

Marksan's positioning

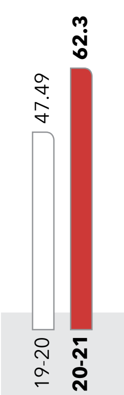
Operating in the region through our subsidiary Nova Pharmaceuticals, we remain optimistic to strengthen our capabilities in private label and generics segment.

Contribution to total revenue

Rest of the World



Revenue



32.4%
Y-o-Y Growth

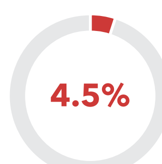
Operating dynamics

After pioneering in the regulated markets, we expanded our presence into emerging countries targeting four major clusters such as South East Asia, Russia and the CIS, Middle East and Africa.

Marksan's positioning

In these pharmerging markets, we are focusing on specific countries like Iraq, Kenya, Ukraine, Sri Lanka and Myanmar. We have already started filing for approvals in these countries.

Contribution to total revenue



Scaling up our efforts towards ESG

Our business strategy and business have sustainability at the heart of it. We aim maximise the value we create for our stakeholders and conduct business in way that it protects rights of all stakeholders.

Environment

- Efficient use of resources to minimize waste generation
- Prioritise energy conservation measures including regular review of energy generation and consumption with effective control on utilization of energy
- Committed to protect environment and ecological balance also maintaining quality of soil, air and water.

Social

Our Human Resource (HR) strategy of "Our People, Our Organisation," defines the aspirations of our workforce. Our policies are curated to address every employee working at Marksans and nurture a conducive environment to attract and retain the finest talents from the industry. We aim to ensure social and economic dignity and freedom regardless of nationality, gender, race, economic status or religion to all its talents at all level.

Diverse and inclusive

We conduct our business in a way that respects each employee based on their skills and expertise, while protecting their human rights. Any form of discrimination is not encouraged or practiced, thereby providing equal opportunities for one and all.

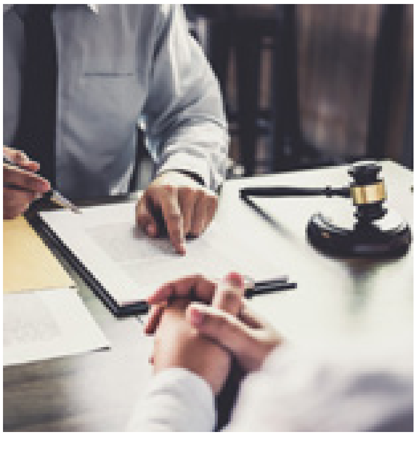
1138

Employees as on March 31, 2021

(India [791]+ US [145]+ UK [176]+ Australia [26])

Community Welfare

Being a responsible citizen, we ensure to uplift the communities in which we operate. Our CSR activities are aimed at empowering women & children and ensuring health & well-being of citizens. During these challenging times, we distributed free food items to the people affected by lockdowns, donated fans for Covid Centres, undertook antibody testing and other medical test for migrant workers, and provided essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers.



Governance

At Marksans, we are driven by a strong governance framework that forms the foundation of our business. Our detailed policies covering various aspects of operations and strategy, help us deliver on our long-term goals. We ensure our operating model is in collaboration with the expectation of all our stakeholders.

- Our various corporate policies
- Code of Conduct for Directors & Employees
- Code of Conduct to Regulate, Monitor and Report Trading in securities
- Policy on Related Party Transactions
- Corporate Social Responsibility (CSR) Policy
- Whistle Blower Policy
- Dividend Distribution Policy
- Nomination & Remuneration Policy

Board of Directors

Mr. Mark Saldanha
(DIN: 00020983)

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

Mrs. Sandra Saldanha
(DIN: 00021023)

Executive, Non-Independent & Promoter

Mr. Varddhman Vikramaditya Jain
(DIN: 08338573)

Executive & Non-Independent

Mr. Seetharama Raju Buddharaju
(DIN: 03630668)

Non-Executive & Independent

Mr. Digant Mahesh Parikh
(DIN: 00212589)

Non-Executive & Independent

Mr. Abhinna Sundar Mohanty
(DIN: 00007995)

Non-Executive & Independent

Dr. (Mrs.) Meena Rani Surana
(DIN: 08863769)

Non-Executive & Independent

Management Discussion and Analysis

Global economy overview

The global economy plunged into one of its deepest recessions following the devastating health and economic crisis caused by COVID-19. Amid the coronavirus pandemic, as the virus continued to spread at a rapid pace, several countries across the world resorted to lockdowns to "flatten the curve" of the infection. Yes, these lockdowns were necessary to stem the spread of the virus, but at the same time, it meant confining millions of citizens to their homes, shutting down businesses, and ceasing almost all economic activity.

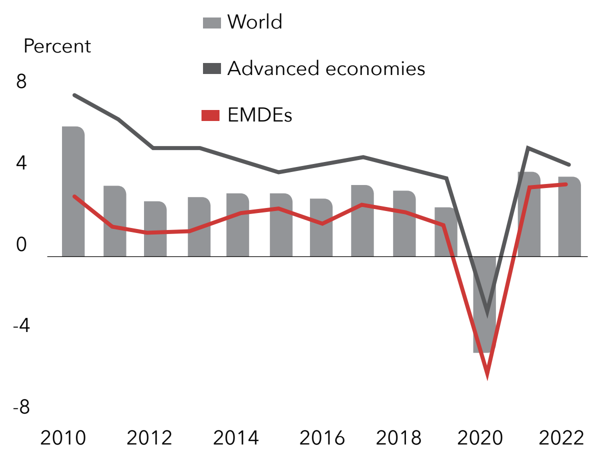
The pandemic had pushed the global economy into a recession, resulting in a contraction of the global economy for most of 2020. According to the International Monetary Fund (IMF), the global economy has contracted by nearly 4.3% in 2020, an outcome 'far worse' than the 2009 global financial crisis. The pandemic has also resulted in a substantial raising of the national debt, creating extra pressure on the economies. The national debt in advanced economies is expected to reach 125% of GDP by the end of 2021 and to rise to about 65% of GDP in emerging markets during the same period.

Many countries witnessed their highest ever fall in manufacturing activity during this period. This reflected a fall in external demand and growing expectations of a fall in domestic demand. The disruptions related to Covid-19 had hit the advanced economies the hardest, and together the advanced economies were expected to grow by -6 percent in 2020. Compared to the advanced economies, the emerging market and developing economies (EMDEs) showcased better resistance and were expected to have contracted by -1% during 2020.

The highly uncertain evolution of the pandemic, influenced in part by the government's actions and reactions, social behaviour, and vaccine-related developments are expected to play a critical role in shaping the global recovery's strength and durability. Slowly the global economic output is recovering from the collapse triggered by COVID-19.

However, according to IMF - after witnessing the worst year since World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to grow by 5.5% in 2021, this likely to happen on the back of the steady spread of the Covid-19 vaccines which is to power a stronger global economic recovery in 2021. The vaccines should contain the spread of the virus and is likely to allow governments around the world to ease lockdowns and encourage a quicker-than-expected return to normal economic activity.

Global economic growth, 2020



(Source: Global Economic Prospects Report, World Bank, January 2021)

United States

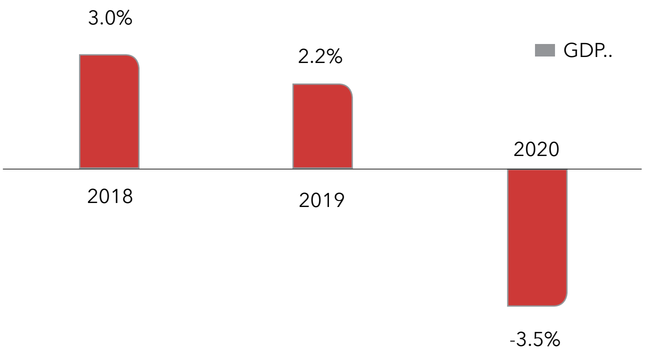
The Covid-19 pandemic has run havoc through the US economy, making the economy contract at its sharpest pace since World War Two. Depressed consumer spending and business investment pushed millions of Americans out of work and into poverty in 2020.

After growing at around 2.2% in 2019, the US GDP contracted by nearly 3.5% in 2020 – the biggest drop since 1946 and the first annual decline in GDP since the 2007-09 Great Recession. Nearly every sector, with the only exception of the housing and government market, witnessed degrowth in 2020 owing to the pandemic.

The steep plunge in some of the critical sectors resulted in the economy going into a recession in the first half of 2020. Consumer spending, which accounts for more than two-thirds of the US economy, plunged 3.9%, the worst performance since 1932. The economy plunged into recession last February. In the fourth quarter, GDP increased at a 4.0% annualized rate as the virus and lack of another spending package curtailed consumer spending, and partially overshadowed robust manufacturing and the housing market.

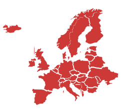
However, the economy started to stage a rebound since the third quarter of 2020, but the growth momentum slowed considerably as the latter half again witnessed a resurgence in coronavirus infections and exhaustion of nearly $3 trillion in relief money from the government. With more than two million Americans now receiving the vaccine each day, Covid-19 cases are decelerating and hospitalizations are also witnessing a downward slope. This has led to states are increasingly reopening their economies, and the impact of loosening restrictions is resulting in a better-than-expected impact on the economy.

US GDP growth



*(Source: https://www.bea.gov/news/glance) [*based on "real" estimates that are calculated using a chain-type Fisher formula]*

Eurozone



The Covid-19 pandemic has run havoc across all the countries and the eurozone was no exception. The Eurozone economy experienced a rough ride formost of 2020. After contracting in the first quarter, the eurozone economy declined by almost 12% when the pandemic has hit its peak in Europe during the second quarter. The third quarter of 2020 witnessed a steady decline in the number of new Covid cases, resulting in a sharp rebound of the economy (+12.4%). The fourth quarter witnessed another contraction of the economy by nearly -0.7% as new restrictions were put in place with the second wave hitting the region. In total, according to provisional estimates, the Eurozone economy shrank by 6.8% in 2020. The blow to the Eurozone economy was much harder than to the US economy.

The economic shock caused to the region by the pandemic is evident by the fact that the aggregate Eurozone public deficit has hit a record level of 10.1% of GDP in 2020, with debt rising above the 100% of the GDP threshold for the first time, to 101.1%. According to the OECD, the Spanish economy was the worst hit in 2020, shrinking by almost 12%. In both France and Italy, GDP fell by 9.1%, while Germany saw a contraction of 5.5%. Nonetheless, some European Union (EU) member states weathered the crisis relatively better – Denmark, Finland, Sweden, Poland, and Ireland contracted between 3% and 4%.However, the impact of the pandemic on the European labour market was fairly limited and rose only 1%, from 7.4% in 2019 to 8.4% in 2020. This rise can be largely attributed to the swift introduction of furlough schemes in many Eurozone countries as well as economic policy measures to help secure corporate liquidity.

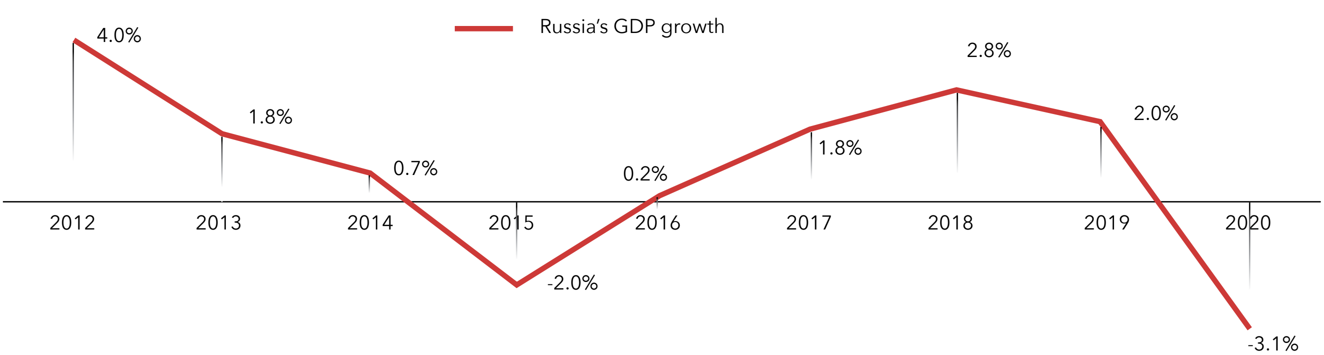
Russia

Compared to some of the major economies, the Russian economy suffered a smaller contraction in 2020. The Russian economy shrank by 3.1% in 2020 amid the novel coronavirus pandemic, its sharpest contraction in more than a decade, but softer than expected by the economists. Russian economy saw deeper economic contractions of 7.8% and 5.3% in 2009 and 1998, respectively.

Most of the economic hit came in the first half of 2020 when the government imposed a strict lockdown and the global oil demand slumped due to travel restrictions.During the latter half of the year, the government opened up the economy despite the rise in the number of virus cases.

All the major opening up their economies coupled with relaxed restrictions has resulted in enhanced oil demand in the last quarter of 2020. The price of oil, Russia's main export earner, has risen by more than 40% since the beginning of November. Backed by the increased demand for oil and rising oil prices, the economy is expected to grow about 3% in 2021.

Russia's GDP growth (on a y-o-y basis)



(Source: https://think.ing.com/snaps/russia-economy-contracts-in-2020-but-challenges-to-recovery-remain)

Emerging market and developing economies (EMDEs)

The impact of the Covid-19 pandemic on the emerging market and developing economies (EMDEs) is quite different from the developed ones. High population count, low per capita income and low per capita healthcare spending in many of the EMDEs make the situation quite tricky and difficult to manage in pandemic situations. Owing to factors like this the economic impact of the Covid-19 pandemic on EMDEs is far more concerning than what it is in the developed ones.

The Covid-19 pandemic has brought numerous challenges for the EMDEs, many of which were beyond their control. The health and economic costs of the pandemic have been severe in numerous countries. Even for those countries that have been successful in stemming the outbreak of the pandemic domestically, exports have weakened due to the fall in global demand. Many of the EMDEs also struggled to stimulate their economies to sustain the growth momentum. Further, governments and central banks have been necessarily cautious when providing fiscal and monetary stimulus to prevent financial disruptions. Despite relatively low fiscal stimulus, most EMDEs also face much higher debt burdens due to the loss of revenue, which further added to the risks.

Despite all these concerns, IMF expects the EMDEs to shrink by only 3.3% in 2020 – the largest drop for this group of economies on record. It also expects that the EMDE's are likely to see an uptick in economic activities in 2021 and are likely to grow at ~6.0% in 2021. Amongst the EMDEs, emerging Asia's aggregate economic output is likely to contract by ~0.7% in 2020 but is expected to return on the growth track in 2021 and likely to grow at 6.8%.

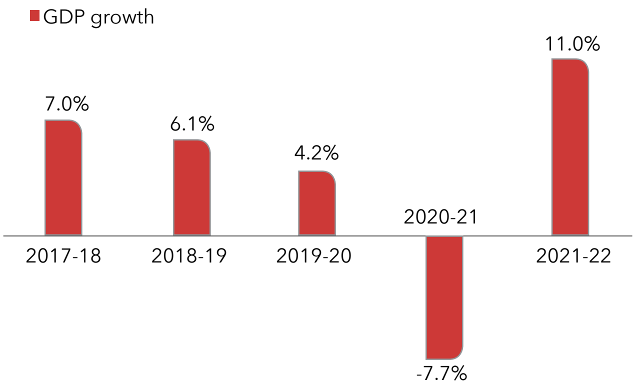
Indian economy review

After recording the deepest GDP contraction amongst the G20 economies in the second quarter of 2020, the Indian economy plunged into a technical recession after it contracted for two straight quarters in the first half of FY21. The year 2020 saw unprecedented disruptions to lives and livelihood all across the world and India was no exception.

As the nation continued its fight against the novel virus and wade through the pandemic-induced challenges, the economy and the constituent industries had their fair share of learnings along the way. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as hospitality and manufacturing were impacted immediately, the impact on the financial sector was felt with a lag, as is evident from the quarterly GDP numbers.

However, with the phased unlocking of the economic activities, easing of movement restrictions, pent-up and festive demand, and the revival of several infrastructure projects led to the slow recovery of the economy in the latter half of FY21. As anticipated, while the lockdown resulted in a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and then a steady recovery across all key economic indicators in the second half of FY21. According to the government's Economic Survey 2020-21, India's GDP is estimated to grow by (-) 7.7% in FY21 - a robust sequential growth of 23.9% in H2: FY21 over H1: FY21.

India's GDP growth (at constant prices)



(Source: https://www.thehindu.com/business/Economy/indias-real-gdp-estimated-to-contract-by-77-in-2020-21/article33521311.ece)

*[Note: ^Provisional estimates, *1st Advance Estimate, **Projected]*

Global pharma industry

Just like any other industry, the global pharmaceutical industry was faced with several challenges over the last few years such as rising prices of raw materials, reduced demand for prescription medicine, and loss of exclusivity. According to the industry experts, 2020 and 2021 were expected to be an inflection point in the global pharmaceutical industry as the promise of cell and gene therapies were expected to be delivered to patient's better healthcare and remedy from some of the rare diseases. Artificial intelligence (AI) and machine-learning approaches had also raised expectations that therapy discovery and development are not only to be more innovative but also more time- and cost-effective. Further, data-driven approaches had showcased the potential to create value across manufacturing, the supply chain, and the entire health care ecosystem.

But the rise and the rapid spread of the pandemic Covid-19 since the first quarter of 2020 has eclipsed every other development in the healthcare and pharmaceuticals sector across the globe. As a direct effect of the pandemic, the industry witnessed suspension trials for drugs other than those for COVID-19, delayed product launches, the inability of the sales force to carry out in-person visits, supply chain disruption, and overall delays in drug commercialization. Further the pandemic has given a wake-up call for pharma companies to rethink their operations and customer access, just like it has given to many other industries. As the companies settle in a post-Covid world, embracing the digital transformation emerged as one of the key focus areas for the majority of the companies and is expected to play an important role in ensuring that the industry overcomes existing and long-term business challenges, seizes opportunities, and continues to thrive in a challenging business landscape.

Amidst the challenges thrown by the pandemic, it has also brought some big opportunities for the global pharmaceutical industry and has also helped a lot in transforming the image of the global pharmaceutical industry. In the pre-Covid era, the global pharma industry was seen grappling with a negative public image thanks to the rising drug prices, slow innovation rates, and limited availability of key drugs. But the recent Covid-19 induced crisis proved to be transformational for the industry, as it helped change the popular perceptions profoundly and showcase the importance of the industry while helping attract new investments.

Global public and private healthcare spending are expected to witness a slowdown in 2020 and is expected to contract by 2.6% largely owing to the detrimental effects of COVID-19-related lockdowns and social distancing measures on the provision of non-emergent care and care restrictions. On the positive side, Global healthcare spending as a share of GDP is likely to remain at around 10.3% through 2023, slightly ahead of 2019's ratio. But healthcare spending is expected to continue to be unevenly spread, ranging from US$ 12,703 in the US to just US$ 37 in Pakistan in 2024.

Owing to the pandemic crisis almost all the major and emerging economies grappled with the economic emergency, the entire energy was channelized towards the discovery of the Covid-19 vaccine. Amidst such a scenario, the global pharmaceutical industry is likely to see a contraction in growth rate in 2020 just like many other industries despite all the eyes glued on the industry for the Covid-19 vaccine. With the revenues remaining below the $2 trillion marks, the global pharmaceutical industry is likely to grow at just 0.6% in 2020 compared to 5.3% in 2019. The global use of medicine is also likely to witness a subdued growth in 2020 and 2021 except for Covid related drugs, and medical spending is expected to grow at just 2%– 5% annually and cross the $1.1 trillion mark by 2024. Most of the developed markets and the pharmerging markets are likely to see a slag in the growth rates over the next five years compared to the last five, with rates between 1% – 4% and 5% – 8%, respectively.

Key markets

Overview and outlook of the US economy[1]

Economy size	Per capita income	Per capita health expenditure
Largest | US$ 21.43 trillion	US$ 65,298	US$ 10,966

The Unites States pharmaceutical market is the largest pharmaceuticals market in the world and accounted for more than 40% global pharmaceuticals sales. Pioneers when it comes innovation and competitiveness, the US have the highest per capita healthcare expenditure compared to its global peers. This makes US one of the favorite export destinations for many global players. The American pharmaceutical industry is a highly globalized industry. The industry alone holds almost half of the global pharmaceutical market, with sales of drugs in the country making up ~48% of the global market for pharmaceuticals.

With more than 15% of the US population above 65 years of age, the US pharma industry is expected to reach USD 685.45 billion by 2023. Ageing population, increasing affordability, great focus to cure rare and specialty diseases, innovations in advanced biologics, rising focus on digital healthcare and better utilization of patient data is likely to drive sustained growth for the US pharma market in the near future.

Overview and outlook of the UK economy[2]

Economy size	Per capita income	Per capita health expenditure
Fifth-largest | US$ 2.83 trillion	US$ 42,330	US$ 4,653

Europe is the second largest market in the world for pharmaceuticals with many renowned companies competing – from startups to large companies. Emerging biopharmaceutical companies account for over 70% of the research pipeline, contributing to a productive industry.[3] A growing disease burden, universal coverage, and good access to healthcare facilities are boosting the UK healthcare market; but increasing use of generics and government cost-cutting measures to reduce expenditure are restricting further growth. With a long-running track record of delivering powerful innovation, UK today is providing a blueprint for how to create a truly cutting-edge industry. This validated by the fact that UK emerged as the first country to come up with the globally accepted vaccine to fight against the deadly corona virus. Expected to grow annually at 3.6%, the UK pharma industry is expected to reach to £25 billion by 2023.

[1]https://www.investopedia.com/insights/worlds-top-economies/

https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-spendingcomparison_gdp-per-capita-and-health-consumption-spending-per-capita-2019

[2]https://www.investopedia.com/insights/worlds-top-economies/

https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-spendingcomparison_gdp-per-capita-and-health-consumption-spending-per-capita-2019

3https://ec.europa.eu/health/sites/health/files/human-use/docs/pharmastrategy_com2020-761_en.pdf

Overview and outlook of the Australia economy[4]

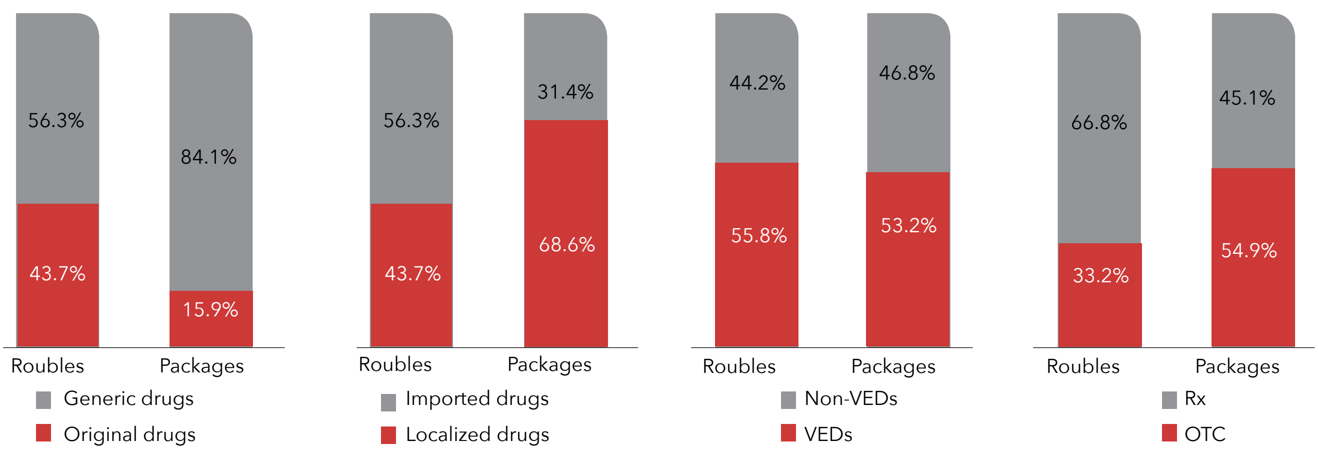
	Economy size	Per capita income	Per capita health expenditure
Australia	US$ 1.40 trillion	US$ 55,060	AUS$ 7,772
New Zealand	US$ 193.55 billion	US$ 36,802	NZD 5,688

Driven by universal healthcare coverage provided by Medicare and good access to facilities such as government-subsidized medicines, the Australian pharma sector is expected to reach USD 28,750 million in 2026 after growing at a CAGR of 2.1%. Currently valued at around USD 25,250 million, the pharmaceutical market in Australia represents a knowledge-based, technology-intensive industry, and is positioned to advance Australia's economic output.

Overview and outlook of the Russian economy

In 2020, the Russian pharmaceutical market was worth over 2,040 billion roubles, which was 9.8% more than in 2019. In volume terms, sales of drugs dropped by 4% to come to 6.17 billion packages.[5] Despite sustained growth, Russian pharmaceutical market still only accounts for a small proportion of the global market at around 2.2% and ranks 30th globally in terms of per capita sales of medicine.[6] The Covid-19 pandemic overshadowed one of the key events of the year which was the concept of "labelling". It was decided on July 1, 2020 that the drugs in Russia would have to be labelled. In its order no. 955 dated 30 June, 2020, the government set special procedure for the imports and release for use of unlabeled drugs.At the end of 2020, imported drugs in the overall market accounted for 56.3% in roubles, and for 31.4% in packages. In terms of volume, market growth was negative both for made-in-Russia drugs (-4%) and foreign made ones (-3%). In rouble terms, localized drugs grew by 13% and imported ones – by 8%.[1]

Russian Market Overview



While the spending in pharmerging markets, including China, is likely to grow at a fractionally higher pace of 5% –8% CAGR to reach US$ 475 – 505 billion by 2024, pharmaceutical spending in the top five western European markets is likely to grow at a CAGR of 3% - 6% till 2024 to reach US$210 - 240 billion by 2024. China's US$142 billion pharmaceutical market are expected to grow at a CAGR of 5% - 8% to reach US$165 – 195 billion by 2024. While Japan's pharmaceutical spending growth is likely to remain range-bound at US$88 – 98 billion by 2024.

[4] https://extranet.who.int/kobe_centre/sites/default/files/How%20will%20population%20ageing%20affect%20health%20expenditure%20trends%20in%20NewZealand.pdf

https://www.nordeatrade.com/en/explore-new-market/new-zealand/economical-context

https://data.oecd.org/new-zealand.htm

https://www.statista.com/statistics/628559/australia-health-expenditure-per-capita/

https://www.investopedia.com/insights/worlds-top-economies/

[5]https://dsm.ru/images/Annual_report_2020_EN_all.pdf

[6]https://investinrussia.com/data/files/sectors/russian-rharmaceutical-market-trends-2020.pdf

Emerging trends that are reshaping the global pharma industry

Higher usage of Artificial Intelligence	Artificial intelligence (AI) is a term that is becoming increasingly popular across all industries. The use of artificial intelligence (AI) and machine learning is accelerating the drug discovery and drug development processes. Numerous startups are exploring the use of these technologies to address the various challenges of the pharma industry, such as automation and optimization of the manufacturing processes, as well as designing effective marketing and post-launch strategies. Patient identification is a crucial step in the drug discovery and development process, especially for conducting clinical trials. AI simplifies the identification of eligibility criteria and the inclusion of patients and also makes the cohort identification process faster and cheaper.
Focused integration of blockchain technology	As the use of blockchain technology has expanded in the financial arena, other industries have also started to identify the ways to use this innovation, including companies in the pharmaceutical industry. Blockchain technology is very significant for the pharmaceutical industry in every stage of the production and distribution of drugs. The primary purpose of blockchain technology is to simplify the way transactions occur while also optimizing security and transparency without requiring a third party. When used by pharmaceutical companies, blockchain technology can help with boosting efficiency by streamlining processes. This applies to transactions that involve healthcare clinics, hospitals, regulators, and other stakeholders. It can also maximize the outcomes of research and development. Blockchain technology is also being explored to tackle the use of counterfeit medicines and substandard drugs that enter into the pharmaceutical supply chain and kill thousands of patients every year.
Optimize the usage of big data and big data analytics	Today large volumes of data are made available throughout the drug discovery and development process. This requires high-performance systems to properly analyze data and derive value from it. An increasing number of pharmaceutical companies are looking to open up their critical data to third parties, thus making data management a crucial area of focus. 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. Moreover, these analytics techniques are used on almost all types of medical data from patient records, medical imaging, and hospital data, to name a few.
Digital transformation – replacing old processes with digital ones	The implementation of digital processes is gaining rapid momentum in the global pharma industry. Digital transformation in the pharmaceutical industry was already prevalent before COVID-19 shook the world to its foundations. The combination of fast-moving, consumer-driven technology and a relatively sluggish, conservative industry, accustomed to a tight regulatory grip, sometimes made for uneasy bedfellows. But soon the pharma industry recognized that the digital revolution was here to stay and, in a data-rich industry, offered considerable benefits. Under pandemic conditions, many of the industry's core activities had to move abruptly into the virtual sphere. This is a trend that is likely to continue even when the Covid-19 smoke clears. It will also help to drive regulatory compliance. Many pharmaceutical companies appreciate the implementation of digital processes because the benefits far outweigh the costs. It also improves transparency, enhances process efficiency, and has the potential to mitigate the loss of data.
Greater usage of cloud technology	The three technologies that are playing increasingly pivotal roles in the pharma industries are cloud computing, AI, and virtual care delivery. Cloud computing technology is increasingly seen as a solution to improve healthcare systems. Usage of cloud technology is gaining popularity due to its ability to process and deliver data in an efficient,collaborative manner and analyze data in to meaningful information, and also reduce costs. Cloud enables health care organizations to move from a highly centralized approach (organizations requiring and maintaining the requisite hardware, software, and staff, regardless of whether the resources are used at full capacity) to a decentralized approach (where in healthcare organizations are focusing to have real-time, easy-to-use, remote access to data, paying cloud service providers only for what they use – storage, applications (software-as-a-service), or infrastructure services). Implementing a strong infrastructure using cloud technology also offers an opportunity to improve the integrity of data.

A focused shift towards precision medicine	Personalized medicine is when medication is produced based on a specific patient diagnosis has been gaining popularity over the last few years. The purpose is to ensure the drug is tailored for optimal effectiveness and patient outcomes. The use of precision medication has demonstrated a higher level of effectiveness than other options. Advancements in omic and data analysis are providing new insights into how the human body responds to drugs. This knowledge, along with advanced manufacturing methods such as additive manufacturing, is making personalized medicine a reality. Notably, the production of precision medicine requires facilities that are specialized and smaller than most factories. Although it has posed problems for manufacturers, this is a trend that's expected to continue as methods and processes are being refined and streamlined.
Extended reality (XR) gaining momentum	Mixed reality (MR), virtual reality (VR), and augmented reality (AR) are enabling visualizations like never before. Pharma startups are exploring the possibilities of these technologies in the pharmaceutical research and manufacturing spheres. Extended reality tools enable data-rich and meaningful real-time location-agonistic interaction among research teams. Startups are making human augmentation in pharma a reality through extended reality wearables and tools.

How consumer behaviour and expectations are driving change across the healthcare industry?

Consumers showing greater involvement and engagement - Consumers are increasingly willing to tell their doctors when they disagree with them, are using tools to get information on costs and health issues, are tracking their health conditions and using that data to make care-related decisions, and are accessing and using their medical record data.

Consumers embracing digital transformation – A rising number of consumers are using virtual visits more than ever before and plan to continue using them. Since the onset of the pandemic, consumers using virtual visits rose from 15% to 19% from 2019 to early 2020; this jumped to 28% in April 2020. Even before COVID-19, consumer adoption of virtual visits has been increasing since 2018. On average, 80% are likely to have another virtual visit, even post COVID-19.

Greater use of technology for health monitoring – Growing numbers of consumers are using technology to monitor their health, measure fitness, and order prescription drug refills. More than three-quarters of those who track their health say it changes their behavior at least moderately. This is likely to drive growth for the global MedTech industry in the years ahead.

Global generics drug market

A generic drug is a bioequivalent version of an already marketed brand-name drug in dosage form, safety, and strength, route of administration, quality, performance characteristics, and intended use. These similarities help to demonstrate bioequivalence, which means that a generic medicine works in the same way and provides the same clinical benefit as brand-name medicine. Generic drugs are commercialized when the patent of existing branded drugs expires.

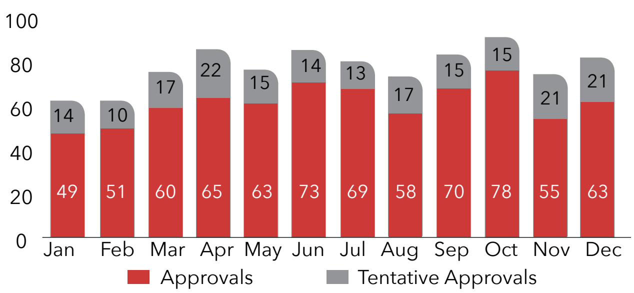
The rising prevalence of chronic diseases, such as dyslipidemia, diabetes, hypertension, and metabolic syndrome, on account of sedentary lifestyles, hectic work schedules, and changing dietary patterns, have increased the uptake of medicines across the world. Further impetus to the generic drug market has been provided by the recent surge of patent expiration of branded drugs. Besides, advances in the formulation such as fixed-dose combination and cost-effective treatment are some of the other impacting factors for the rising demand for generic drugs. Also manufacturing generic medicines are very cost-effective as manufacturers do not have to invest in research and development (R&D) and marketing activities.

Valued at around US$ 386 billion in 2020, the global generic drug market is projected to reach US$ 517 billion by 2026 after expanding at a CAGR of 4.9%.However, substantially low product recalls compared to the branded ones coupled with the shortage of drugs are some of the factors that are likely to hinder the growth of the market.

In the US, Generic Drugs are approved only after a rigorous review by FDA and after a set period of time that the brand products has been on the market exclusively. This stems from the fact that new drugs are normally protected by patents that prohibits others from making and selling copies of the same drugs. They tend to cost less than their brand-name counterparts because the drug candidates do not have to repeat animal and clinical (human) studies that were required of the brand-name medicines to demonstrate safety and effectiveness. The reduction in upfront research costs means that, although generic medicines have the same therapeutic effect as their branded counterparts, they are typically sold at substantial discounts, an estimated 80-85% less, compared to the brand-name medicine. Generic Drugs saved the U.S. healthcare system nearly USD 2.2 trillion from 2009 to 2019.[7] In 2020, the generic drug applications, known as Abbreviated New Drug Applications (ANDAs), approved 948 generic drug applications. Include in these approvals were 50 original applications and 668 supplement submissions for drug products used as potential treatments and supportive therapies for patients with Covid-19.[8]

In the Russian pharmaceuticals market, the share of branded drugs was 43.7% in value terms, and 15.9% in volume terms. There was an increase of 3% in value terms since 2019, due to the increased funding to the state segment for purchases of expensive drugs. In pharmacy sales though, generic drugs grow faster (+12% in roubles against +8% for original drugs).[1]

2020 Generic Drugs Approved and Tentatively*Approved



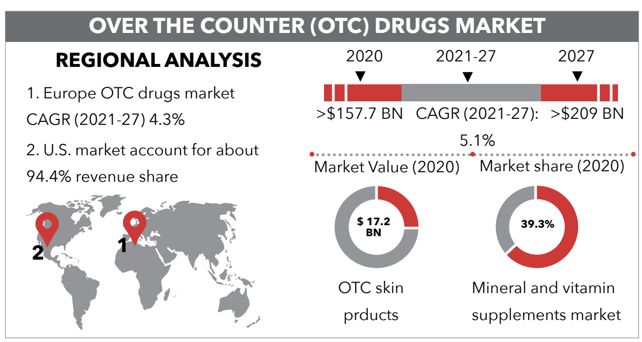
*A tentative approval does not allow the applicant to market a genric drug product.A generic drug product is not approved until all patent/exclusivity issues have been resolved

Global OTC Markets

OTC Drugs Market size is valued at more than USD 151 billion in 2020 and is expected to grow at a CAGR of over 5.1% between 2021 and 2027.[9] The rising rate of patent expiry has led to a counter strategy of companies switching from prescription drugs (Rx) to OTC.[10] Due to the Covid-19 pandemic, millions of people around the world have been affected along with numerous industrial sectors. This has definitely influenced the sales of OTC drugs with a targeted concentration on personal health and significantly increased the intake of cold & flu products as well as vitamins. The increasing self-medication appetite of consumers and the alarming necessity to reduce healthcare costs is boosting the global OTC market. In developed regions, lifestyle relevant OTC medical products, which include categories like weight loss and sleep aid are popular. The recurring seasonal trend in demand for OTC cold, cough and flu drugs will drive steady growth over time. OTC medicines are cost effective first line therapies for many ailments. The Rx-to-OTC switch process has a positive impact on the U.S. healthcare system process by driving down overall healthcare costs. An example would be that – Utilizing OTCs to treat upper respiratory infections is forecasted to save USD 4.75 billion annually.[11]

In Russia, the Rx drugs account for around 67% in monetary terms whereas OTC drugs prevailed in packages and accounted for 54.9%, mainly due to lower prices. OTC drugs are mostly sold in pharmacies (about 97% in roubles of the OTC volume), while Rx drugs are sold mainly in the state segment – over 90% of the consumption volumes in bid purchasing.

In the U.S, over 106 ingredients, indications or dosage strengths have made the switch from Rx to OTC status or have been newly approved since 1976. There are over 700 OTC products on the market today.[12] In Europe, the over-the-counter (OTC) drugs market is projected to reach a CAGR of 5.4% during 2018-2026, with a revenue of approximately USD 33,450 million in 2020 and then a projected USD 45,825 million by 2026.Due to the advent of online pharmacies and expected launch of online pharmacy services by e-commerce giants such as Amazon, OTC market is forecasted to achieve significant market growth. Other important factors contributing to this growth include increasing self-medication and new product launches.[13]



[7] https://www.fda.gov/drugs/questions-answers/generic-drugs-questions-answers#2

[8] https://www.fda.gov/media/145793/download

[9] https://www.gminsights.com/industry-analysis/over-the-counter-otc-drugs-market?utm_source=globenewswire.com&utm_medium=referral&utm_campaign=Paid_globenewswire

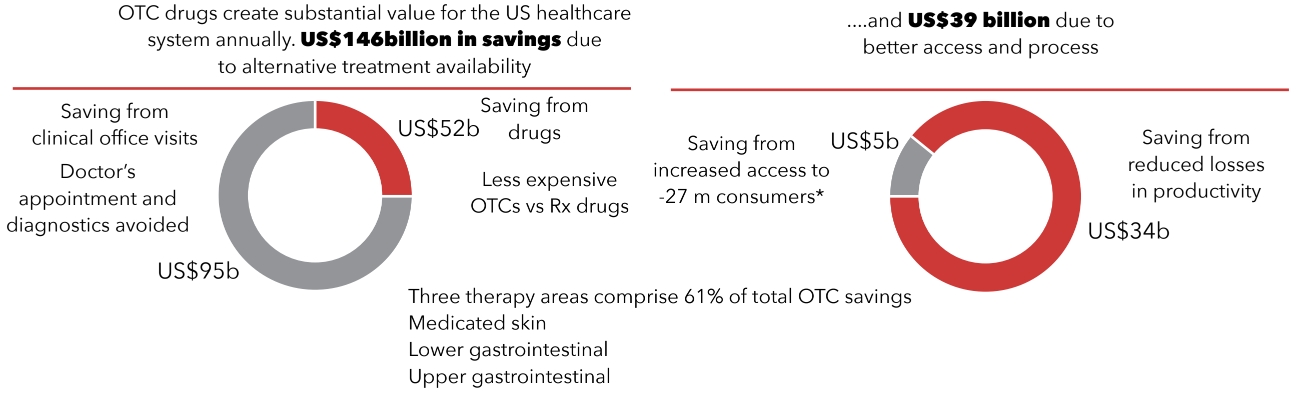
[10] https://www.globenewswire.com/news-release/2021/04/12/2208000/0/en/OTC-Drugs-Dietary-Supplements-Market-Report-2020-2030.html

[11] https://www.chpa.org/about-consumer-healthcare/faqs/FAQs-rx-otc-switch

[12] https://www.chpa.org/sites/default/files/media/docs/2020-11/switch%20list%20updated%20November%202_2020.pdf

[13] https://www.mordorintelligence.com/industry-reports/europe-over-the-counter-otc-drugs-market-industry

Figure 50: OTC as a category helps in reducing healthcare costs while broadening access



** Consumers who would not seek medicines if they were available as Rx instead of OTC*
Source: CHPA report March-2019

Global biologics industry

The past decade has seen biological therapies develop from concept to clinical trials to a widely marketed class of new therapies. Produced from living organisms or contain components of living organisms, biologic drugs include a wide variety of products derived from human, animal, or microorganisms by using biotechnology and have opened up new avenues in the field of generics. Today biological drugs are used to treat numerous diseases and conditions and are the most advanced therapies available. The different types of biological drugs today include vaccines, blood, blood components, cells, allergens, genes, tissues, and recombinant proteins.

With more than 350 biologics currently available in the market, the global biologics market is forecasted to grow at a CAGR of 9.06% over the next five years to reach USD 509.23 billion (in terms of revenue) from ~USD 302.63 billion in 2020. Today biologics are being used in different medicine forms in treating diseases such as various cancers, Crohn's disease, ulcerative colitis, rheumatoid arthritis, and other autoimmune diseases. Over the last few years, biologics have revolutionized cancer treatment, delayed or reversed the course of immune-related conditions, changed the lives of people with rare diseases, and have offered hope for many patients who previously had no effective treatment options for their condition. The growth of the global biologics market is likely to be driven by growing capital investment from the key market players, the rise in the burden of chronic diseases, loss of patent exclusivity of the leading biologic drugs, and growing demand and higher acceptability for innovative therapies.

The ability of biologics to effectively treat major chronic diseases, notably cancer and autoimmune diseases, has enabled the industry to attract attention and investment from some of the biggest names of the global pharmaceutical industry such as Eli Lilly and Company, Bristol-Myers Squibb, Novartis, AstraZeneca, and GlaxoSmithKline (GSK) among others. Further impetus is being provided to the industry with the outbreak of Covid-19. With the growing COVID-19 burden, the industry witnessed a huge surge in demand for biologics for treating the virus. Extensive research and development activities are being undertaken on biologics for the treatment of COVID-19 and are thus expected to drive the growth of the biologics market in near future.

Digital transformation in the global healthcare industry

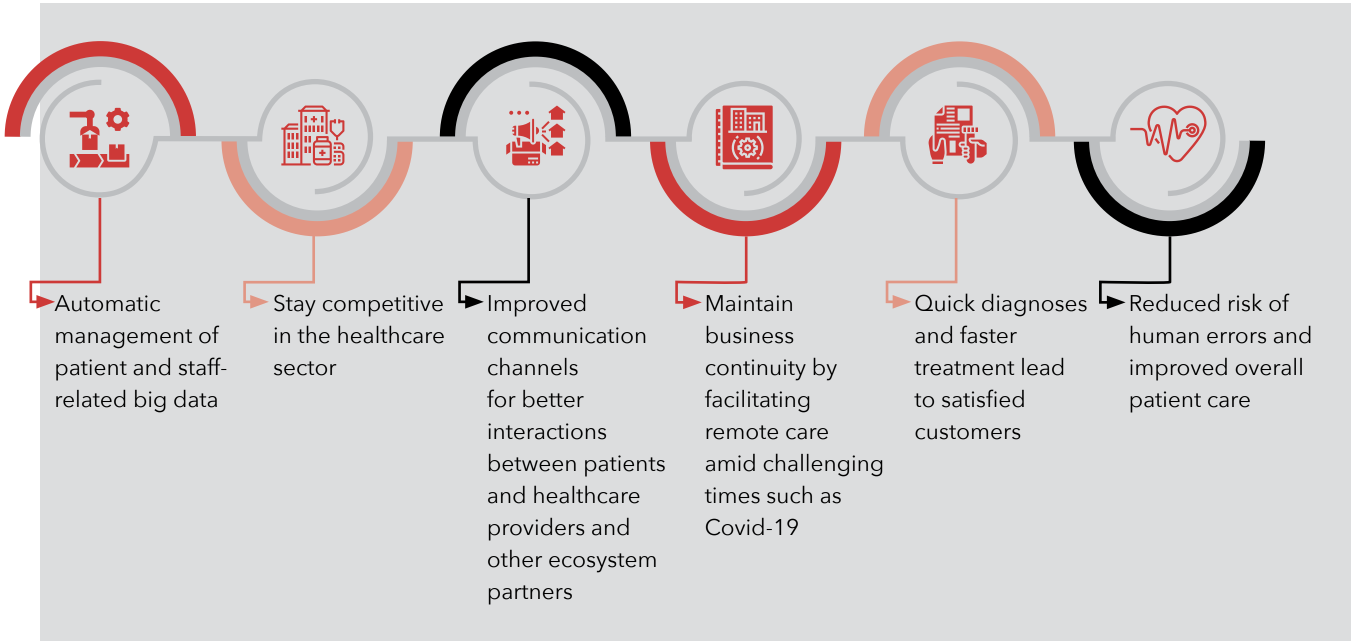
The impact of Covid-19 has been far reaching across every industry including the pharma industry. The pandemic and subsequent lockdowns have disturbed the global healthcare industry in ways which weren't perceived previously. Routine treatments have been postponed, while health budgets, already under strain, have been further stretched by the sudden surge in pandemic-related costs. Drug trials for non-COVID related treatments have been on hold, and supply-chain issues have impacted medicines and devices in production. Pushed front line healthcare workers to battle the virus thereby draining of all the possibilities and resources for the healthcare industry.

Amidst such a crisis, like many other industries, the pharma industry realised that that embracing technology is the only way to stay relevant in the market and flourish. Digital transformation has reached its tipping point and has gained the topmost position in healthcare industry's to-do list.

COVID-19 proved to be a driver and accelerator of health care digital innovation in 2020. The pandemic concurrently has exposed a growing gap between the demand for health care and the shortage of supply of staff and other resources. It has also crystallized stakeholder awareness that widespread adoption of digital technologies is critical to help close that gap. As a result, many digital initiatives that have been in the works for years came to fruition in just a few months.

Technologies such as cloud computing and cybersecurity helped the industry adopt remote working and perform decentralised clinical trials. Faster and efficient patient care is the primary objective of any healthcare institution. Leading digital transformation in healthcare is the best strategic way to improve, accelerate, and prioritize health. Digital transformation in healthcare is not only about technologies but, to be more precise, it's rather about the way to use available tools, software, technologies, etc. to get the most from it for the sake of people's health.

Benefits derived from digital transformation



Overview of the Indian pharmaceutical market

Catering to nearly 1/7th of the world's population, the Indian pharmaceutical industry emerged as the backbone of the Indian economy when most of the other industries were struggling with the constraints caused by Covid-19 pandemic and the subsequent lockdown. Nourished by increasing spending, improving accessibility and growing exports, India's pharma and healthcare sector is poised to emerge as one of the few industries in India to record a positive growth during 2020 even as the headwinds created by the pandemic drove the economy to a technical recession and forced players to pause to catch breath.

Often referred to as the "pharmacy to the world", today, the Indian pharmaceutical industry supplies more than 50% of the global demand for various vaccines, 40% of the generic demand for the USA and 25% of all medicines for UK. The Indian pharmaceutical industry is one of the fastest growing pharma industries across the globe and ranks 3rd worldwide in terms of total production volume and 10th by value. Indian pharma industry today is the largest provider of generic medicines; accounts for ~20% of global generic drug exports by volume.

Backed by a strong manufacturing network, Indian pharmaceutical industry is also known for its low-cost manufacturing capabilities. India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry. Furthermore, increasing exports to large and traditionally under penetrated markets such as Japan, China, Africa, Indonesia, and Latin America, is expected to help the industry meet its aspiration of becoming the world's largest supplier by volume.

In terms of export India accounts for 20% of global exports in generics, total exports from India in FY20 stood at USD 20.5 billion after growing at more than 10% and is expected to reach USD 25 billion by the end of FY21. For the first six months of FY21, India's total pharma exports stood at USD 11.38 billion - nearly 15% higher compared to the same period in FY20. For FY21 the total exports are expected to touch all-time high of US$ 23 billion, after growing by 14.85% on a y-o-y basis. According to the Pharmaceutical Export Council of India (Pharmexil), 55% of Indian exports in FY21 are to highly regulated markets. India's formulation surged 18% and the bulk drug exports rose 9% on a y-o-y basis in the first half of FY21.

USA is one of the key export destinations for India and is valued at around USD 60 billion and accounts for ~25% of India's total shipment. India's other important export destinations include the United Kingdom, South Africa, Russia, and Nigeria.

Numbers that portray the growing importance of the Indian pharmaceutical industry

2nd
Indian pharma industry is the second largest pharmaceutical and biotech employer in the world

200+
Number of countries to whom Indian pharma industry exports drugs

262+
Number of US Food and Drug Administration (USFDA) compliant pharmaceutical plants (including API manufacturing). The only and the largest country to have so many plants outside the US.

2,000+
Number of WHO-GMP approved pharma plants

253
European Directorate of Quality Medicines (EDQM) approved plants backed by modern state of the art technology

3,000+
Number of pharma companies operating out of India

10,500+
Number of manufacturing facilities in India

60,000+
Number of generic drugs manufactured by the Indian pharma industry

60+
Number of therapeutic areas where the generic drugs manufactured by India finds application

500+
Number of Active Pharmaceutical Ingredients (APIs) manufactured in India

3rd
Global rank of the Indian API industry

~57%
Indian API industry's contribution of APIs to prequalified list of the WHO

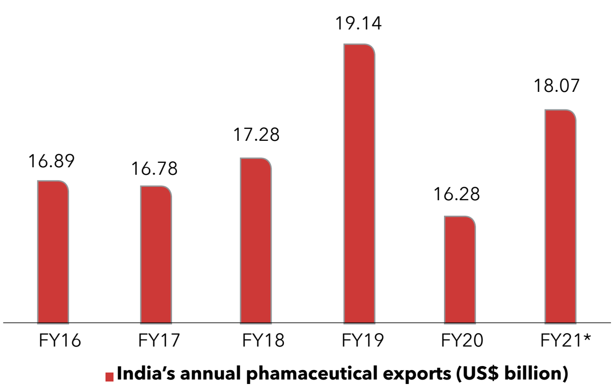
80%+
Percentage of anti-retro-viral drugs supplied by Indian companies used globally to combat AIDS (Acquired Immuno Deficiency Syndrome)

3,000+
Number of plants with Europe's Certificate of Suitability (CEPs) certification

950+
Number of plants who match the therapeutic goods administration (TGA) guidelines

584
Number of sites approved by the US FDA

India's growing exports



*(Source: IBEF, Pharmaceuticals Report, January 2021) [*Figures till December 2020]*

India- A promising research and development hub

India is one of the most favorable countries for outsourcing research. This has been achievable because of the nation's strong process chemistry skills and attractive cost-value proposition. Rising costs and attractive cost-value proposition. The global Contract Research Opportunity (CRO) market is expected to grow at a CAGR of 7.9% from 2019-2024, reaching USD 59 billion by 2024. The demand of CRO is forecasted to be driven by the biotech players –big as well as smaller players. The main motivation for companies to outsource R&D include increasing costs and falling productivity, a growing focus on innovative research in niche / specialty therapy areas, increasing trial complexity and the need for specialized skills. Another advantage is the large and genetically diverse population base that makes the country an ideal location for cost-effective clinical research activities and novel drug trials. Apart from the aforementioned factors, growing regulatory pressure in developed markets have forced many global pharmaceutical players to reduce their internal capacities in research and development (R&D), and manufacturing, and turn to contract manufacturing and research services (CRAMS), and outsourcing of research and clinical trials to developing nations like India.[14]

Over the last few years, this strategy has been prominent in key developed pharmaceutical markets as it helps them to increase development capacity and focus on core profit earning activities such as drug discovery and marketing, rather than on manufacturing.Over the years, India's CRAM sector has earned a reputation on account of its high-end research services and as one of the fastest growing segments of the country's pharmaceutical industry. Further, India is the only country in the world that has the highest number of USFDA-approved plants for generic drug manufacturing outside the US.

Backed by its large patient population and genetic pool, India has developed a strong network of state-of-the-art hospitals, highly skilled medical practitioners, specialists and scientists who bring significant expertise and actively contribute to clinical research. Therefore, India is fast emerging as a preferred destination for seeking cost effective and time bound clinical trials. The country's CRAM industry offers a significant cost-quality proposition, with potential savings of about 30% – 40%, compared to western markets such as the USA and Europe.[15]

Major industry trends of the Indian pharma industry (design info-graphically)

- Contract Research and Manufacturing Services (CRAMS) is one of the fastest growing segments within the Indian pharma space backed by a strong talent pool and low-cost manufacturing facilities
- A rising number of Indian pharmaceutical players are increasingly tapping opportunities in global generics markets, especially the US and Europe
- Growing exports market due to strong presence in the generics space
- A great focus to move up the global pharmaceutical value chain by investing in R&D for drug development, drug repurposing, process improvements and digital manufacturing
- The government proposed 'Pharma Vision 2020' with an aim to make India a global leader in end-to-end drug manufacturing
- 120 drugs are expected to go off-patent over the next 10 years; which likely to create a revenue opportunity of the India pharma players worth USD 80 to USD 250 billion
- Higher acceptance of biologics and preventive medicines is likely to drive the industry
- Supportive FDI policy - 100% under automatic route for greenfield projects and under government route for brownfield investments and 74% under automatic route for brownfield investments
- Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of 53 identified critical KSMs/ Drug Intermediates and APIs

Geographic performance review

The United States

5855

Total revenue (Rs. Million)

34.2%

Y-o-y growth

42.5%

Contribution to total revenue

Overview

Representing the largest market in the Company's revenue mix, Marksans has marked its strong presence in the US's niche soft gel market. The Company entered the US market in 2015, over the years it has grown across the value chain in the US market and today it supplies more than 50 products across therapeutic areas.

The Company today enjoys a strategic advantage in the world's largest pharma market, thanks to its widespread distribution network and innovative brand-recall enhancing marketing initiatives. The Company is amongst the few active Indian players who have a USFDA approval for generic soft gel capsules, thus mitigates itself from excessive competition risk. With limited competition, Marksans has been successful in garnering high margins in the soft gelatin capsules segment in the US generic business.

[14] https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/health/2021/ey-ficci-indian-pharma-report-2021.pdf?download

[15] http://blog.ficci.com/archives/8517

United Kingdom

5820

Total revenue (Rs. Million)

14.1%

Y-o-y growth

42.3%

Contribution to total revenue

Overview

The Company has a strong presence in the UK region through its two subsidiaries Bell (OTC portfolio) and Relonchem (high-end Rx portfolio) and is one of the top 5 Indian pharma companies in the UK region. Accounts for the highest share of Marksan's revenue mix, the Company marks its presence across different therapeutic areas in the region such as pain management, diabetes, cough and cold, neurology, cardiovascular, and hormonal treatment.

With more than 150 products in its OTC portfolio and 200+ marketing authorizations, the Company has been successful in establishing a strong foothold in the European market and possesses a strong presence in the Rx formulations space with more than 100 products in the high-end Rx portfolio. Also engaged in the business of providing contract manufacturing and research services to some of the top pharmaceutical companies in the EU region, the Company partnered with some of the major UK retailers such as AAH, Lyods, NHS,Tesco, Asda, Morrisons, Coop, Boots and Superdrug, among others, to market its products.

Australia and New Zealand

1463

Total revenue (Rs. Million)

4%

Y-o-y growth

10.6%

Contribution to total revenue

Overview

The Company over the years has been focusing to enhance its presence in the emerging Australian and New Zealand's pharmaceutical market and today the region is the third-largest contributor to Marksans' overall revenue mix. Nova Pharmaceuticals, a research-driven specialty pharmaceuticals company acquired by Marksans in 2005, helps the Company to run its operations in the region. Nova is one of the leading generics and private label suppliers in the region and holds 30 MAs. Over the years, it has evolved in one of the biggest suppliers of generic products in Australia while escalating its presence in key therapeutic classes.

Rest of the world

623

Total revenue (Rs. Million)

32.4%

Y-o-y growth

4.5%

Contribution to total revenue

Overview

Apart from focusing on specific regions, the Company has also ensured to widen its global presence by focusing on pharmerging nations and has marked its presence in countries such as South East Asia, Russia and the CIS, Middle East and Africa. Diving the pharmerging nations into four clusters, the company targeted specific countries like Ukraine, Iraq, Sri Lanka and Myanmar.

Outlook

The Company plans to further strengthen its presence in these countries and further penetrate in countries which still remain under-penetrated. The Company intends to garner more than 10% of its overall revenue from these countries by 2025.

Human resources

At Marksans we believe that we grow and prosper by recruiting, retaining and developing talented people. With an innovation and technological advances at the core of the Company, we focus on implementing this strategy to empower of our people to innovate and to make Marksans relevant in the competitive business environment. We continue to focus on strengthening our talent processes through team and capability building interventions.

At Marksans Pharma, we intend to provide a supportive and enabling work environment that encourages our employees to embrace challenges and realize their full potential. Employee engagement is nurtured and enhances through communication meetings and the creation of cross-functional teams. The Company brings in eminent individuals and professionals to conduct training programs in management and technical skills. The employee count stood at 1138 as on March 31, 2021.

Financial review

Revenue

Standalone turnover of the Company increased from Rs.43,341.50 Lakh in 2019-20 to Rs. 59,954.78 Lakh in 2020-21 i.e.increased by 38.33%. This growth has been driven by strong performance of exports to USA & North America, UK, Australia & New Zealand and Rest of World.

Cost of sales

Cost of sales increased to Rs.33,791.26 Lakh in 2020-21 from Rs.24,541.45 Lakh in 2019-20 on account of increase in sales. Gross margin for the year improved to 43.64% as compared to 43.38% during last year.

Other expenses

Other expenses increased from Rs.6,800.53 Lakh in 2019-20 to Rs.9,328.44 Lakh in 2020-21 i.e. increased by 37.17%. The increase was mainly on account of increase in freight rates.

Depreciation and amortization expenses

Depreciation and amortization expenses provision increased from Rs.1,164.42 Lakh in 2019-20 to Rs.1,519.30 Lakh in 2020-21 i.e. increased by 30.48% due to increased CAPEX.

Finance cost

Finance cost decreased from Rs. 729.17 Lakh in 2019-20 to Rs. 534.48 Lakh in 2020-21 i.e. decreased by 26.70% due to decrease in bank charges.

Reserves and Surplus

Reserves & Surplus is Rs.55,878.58 Lakh in 2020-21 compared to Rs. 46,469.39 Lakh in 2019-20 i.e. increased by 20.25% due to increased profits in current year.

Trade payables

Trade payables increased to Rs. 6,415.44 Lakh in 2020-21 from Rs. 5,665.38 Lakh in 2019-20 i.e. increased by 13.24% due to higher purchases.

Non Current Lease liability

Non Current Lease liability increased to Rs. 833.62 Lakh in 2020-21 from Rs. 752.05 Lakh in 2019-20 i.e. increased by 10.85% due to acquisition of additional equipment on lease.

Current Lease liability

Current Lease liability increased to Rs. 603.66 Lakh in 2020-21 from Rs. 324.10 Lakh in 2019-20 i.e increased by 86.26% due to acquisition of additional equipment on lease.

Other Non Current financial liabilities

During 2020-21, Other Non Current financial liabilities is Rs. 500 Lakh. This amount consists of 7% Redeemable cumulative preference shares.

Other Current Financial Liabilities

Other current financial liabilities increased to Rs.1452.92 Lakh in 2020-21 from Rs. 768.26 Lakh in 2019-20 i.e. increased by 89.12%.

Provision-Non Current Liabilities

Provision-Non Current Liabilities increased to Rs. 211.09 Lakh in 2020-21 from Rs. 147.46 Lakh in 2019-20 i.e. increased by 43.15%.

Provision-Current Liabilities

Provision-Current Liabilities increased to Rs. 96.75 Lakh in 2020-21 from Rs. 55.06 Lakh in 2019-20 i.e. increased by 75.74%

Property, Plant and Equipments

The Company's tangible assets increased to Rs. 11,082.63 Lakh in 2020-21 from Rs. 9,994.35 Lakh in 2019-20 i.e. increased by 11.45% due to addition to fixed assets during the year.

Right to use assets

Right to use assets increased to Rs. 1401.62 Lakh in 2020-21 from Rs. 1090.38 Lakh in 2019-20 i.e. increased by 28.54% due to acquisition of additional equipment on lease.

Intangible assets

During 2020-21, the Company's intangible assets decreased to Rs. 424.28 Lakh from Rs. 483.51 Lakh in 2019-20 i.e. decreased by 12.25% mainly on account of depreciation.

Other non-current financial assets

Other non-current financial assets increased to Rs. 256.33Lakh in 2020-21from Rs. 204.77Lakh in 2019-20 i.e. increased by 25.18%.

Other Current financial assets

Other Current financial assets increased to Rs. 172.25 Lakh in 2020-21 from Rs. 20.45 Lakh in 2019-20 i.e. increased by 742.34%.

Inventories

Inventories increased to Rs. 9,368.60 Lakh in 2020-21 from Rs. 7,460.21 Lakh in 2019-20 i.e. increased by 25.58% mainly to support the increase in sale of formulations.

Trade receivables

Trade receivables decreased to Rs. 14,678.89 Lakh in 2020-21 from Rs. 16,186.88 Lakh in 2019-20 i.e. decreased by 9.32% due to better realization from customers.

Other current assets

Other current assets reduced to Rs.132.48 Lakh in 2020-21 from Rs. 402.18 Lakh in 2019-20 i.e. decreased by 67.06%.

Other non-current assets

Other non-current assets decreased from Rs. 242.66 Lakh in 2019-20 to Rs. 159.51 Lakh in 2020-21 i.e. decreased by 34.26%

Cash and cash equivalents

Cash and cash equivalents increased to Rs.10,571.49 Lakh in 2020-21 from Rs. 335.23 Lakh in 2019-20. This was mainly because of higher free cash generation and improvement in margins & profitability.

Key Ratios

In accordance 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 immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

Key Financial Ratios	FY 2020-21	FY 2019-20	YoY Change	Reason
Debtors Turnover (no. of days)	68	68	0	Timely realisation from customers
Inventory Turnover (no. of days)	198	172	15.12	Inventory turnover ratio reduced by 26 days due to optimisation of inventory levels
Interest Coverage Ratio (in times)	42.52	21.98	93.45	Interest coverage ratio increased from 21.98 times to 42.52 times due to increase in profits and reduction in debt levels
Current Ratio (in times)	3.02	2.59	16.6	Current ratio improved from 2.59 to 3.02 due to reduction in current liabilities and better cash generation during the year
Debt Equity Ratio (in times)	(0.20)	(0.09)	122.22	Company is Debt-free
Operating Profit Margin (in %)	24.68	16.95	45.6	PAT margin improved due to better product mix and improved operating leverage
PAT Margin (in %)	17.25	10.64	62.12	PAT margin improved due to improved operating leverage
RoE (in %)	26.35	18.6	41.67	ROE increased due to improved margins
RoCE (in %)	32.63	24.57	32.8	ROCE increased due to improved margins
Cash Profit Margin (in %)	19.86	12.99	52.89	Cash profit margin improved due to increase in margin and operating leverage
Return on Net Worth (in %)	26.35	18.6	41.67	RoNW improved by 41.67% due to overall improvement in margins

Risk management

At Marksans, our approach to risk management is designed to encourage clear decision making on which risks we take and how we manage these risks.

Fundamental to this process is a sound understanding of every risk's potential and the effective risk management strategies we undertake to support the delivery of our overall strategic priorities.

Growth risk In a challenging business ecosystem that is currently prevalent across the globe, sustaining growth momentum can be a challenge.	The recent Covid-19 pandemic has showcased the importance of the pharmaceutical industry and the role it can play for the overall development of the society. This has helped the industry to gain support from the government as well as private players and which is likely to help augment the growth of the industry to its next leg.
Regulatory risk Failure to meet regulatory or ethical requirements for drug development can derail the Company from its growth track	Every pharmaceutical product developed or manufactured by the Company is subjected extensive regulatory, R&D and quality checks. The Company has in place quality management systems to monitor and assure that the products are in line with international standards. Further, all the manufacturing units of the Company conform with the different regulatory guidelines issued by the top-notch regulatory bodies within its industry space.
Technology risk If Marksans fails to keep pace with technological advances in the industry or if new technology initiatives are not timely adopted by the Company, customers may not continue to buy Marksans' products. It would impact profitability and sustainability.	Being present in a research driven pharma industry, the Company regularly undertakes technological advancement initiatives and also invests regularly to match the changing trends. The Company's state-of-the-art manufacturing and R&D are a testament to Marksans' focus on being technologically advanced pharma company. Further, the Company maintains close ties with leading global companies and organizations to remain updated on the major technological advancements within its industry space.
People risk The inability to attract and retain qualified personnel may adversely impact Marksans' business. Marksans is dependent upon a highly skilled, experienced and efficient workforce to be successful.	Much of the Company's competitive advantage is based on the expertise and experience of its personnel regarding R&D, technology, manufacturing, marketing, systems and products. The Company periodically invests in its people and rewards them adequately to make a happy and productive work place.
Competition risk The Company's products are prone to stiff competition from multiple pharma players across regions, which may impact its revenues and market share.	Marksans' continuous investments in its R&D capabilities to develop differentiated products has helped the Company stay ahead of the curve. Further, the Company has put in place a strong marketing and business development team who constantly monitors and evaluates the prevailing trends in the market and makes relevant recommendations to the management.

Internal control systems and their adequacy

The internal control and risk management system are structured and applied in accordance with the principles and criteria established in the corporate governance code of the organization. It is an integral part of the general organizational 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 any discrepancies are immediately noted and suitable action can be taken in case of any lapses.

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 realized 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 **Twenty Ninth (29th)** Annual Reports along with the financial statements for the year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2020-21	2019-20
Turnover	59,954.78	43,341.50
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	13,952.28	6,437.12
Less: Depreciation & Amortization Expenses	1,519.30	1,164.42
Non-recurring expenses	-	-
Tax expenses	2,594.83	1,482.36
Profit after Tax	9,838.15	3,790.34

OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2020-21, your Company achieved turnover of ₹ 59,954.78 Lakh with net profit of ₹ 9,838.15 Lakh as compared to turnover of ₹ 43,341.50 Lakh with net profit of ₹3,790.34 Lakh in the previous year.

On consolidated basis, your Company achieved turnover of ₹ 1,37,618.19 Lakh with net profit of ₹ 23853.88 Lakh as compared to turnover of ₹ 1,13,420.90 Lakh with net profit of ₹ 12,075.27 Lakh in the previous year. During the year, US and North America Formulation business reported growth of 34.21%, Europe and UK formulation business reported growth of 14.1%, Australia and New Zealand formulation business reported growth of 4.00% and Rest of World formulation business reported growth of 32.4%.

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

DIVIDEND

Your Directors have recommended a Dividend, subject to approval of the Members at the ensuing Annual General Meeting, of Re. 0.25/- (25%) per equity share of Re. 1/- each and dividend of ₹ 7/- (7%) per preference share of ₹ 100/- each for the financial year ended 31st March, 2021. Total cash outflow on account of dividend payment will be ₹ 1,058.28 Lakh for the financial year ended 31st March, 2021. The Dividend will be paid in compliance with applicable regulations. Company's policy on the Dividend Distribution is available on the Company's website www.marksanspharma.com.

Dividends declared for the financial year 2013-14 and remaining unclaimed/unpaid shall be transferred to the Investor Education and Protection Fund ('IEPF') in accordance with statutory requirements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

i. Performance of 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 ₹57,676.53 Lakh as compared to sales of ₹ 49,128.91 Lakh during previous year.

ii. Marksans Pharma Inc., through step down subsidiary Time-Cap Laboratories Inc. which operates mainly in US and North America, has achieved sales of ₹ 57,543.02 Lakh as compared to sales of ₹ 41,989.40 Lakh during previous year.

iii. Performance of Nova Pharmaceuticals Australasia Pty Ltd. (your company holds 60% of the share capital) which operates mainly in Australia and New Zealand has registered satisfactory growth.

Pursuant to a Central Government's Circular dated 8th February, 2011, the audited accounts together with Directors' Report and Auditors' Report of the subsidiaries namely Marksans Pharma (U.K.) Limited, Marksans Pharma Inc. and Nova Pharmaceuticals Australasia Pty Limited are not being appended to the Annual Report. However, a statement giving information in aggregate for each subsidiary including step down subsidiaries are attached to the Consolidated Balance Sheet. Statement containing the salient features of financial statements of subsidiary companies and their contribution to the overall performance of the company are given in Note No. 41(A) (Form AOC-1) of the consolidated financial statements and forms part of this report.

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

Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting of the Company held on 9th July, 2021, the Board of Directors, at its meeting held on 23rd July, 2021, has issued and allotted 10,00,000 convertible warrants to Mr. Mark Saldanha and 4,93,24,324 convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited at a price of Rs. 74/- per warrant on preferential basis. These warrants are convertible into equal number of equity shares of Re. 1/- each face value within 18 months from the date of allotment of warrants. The company will raise Rs. 37,240 Lakh from the issue.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

a. Appointment / resignations of Directors:

During the year under review, the Company appointed Dr. Meena Rani Surana (DIN:08863769) as an independent woman director for a period of Five (5) consecutive years with effect from 30th September, 2020. The Board is seeking approval of the members to the said appointment in the ensuing Annual General Meeting. The Board is of the opinion that the Company will immensely benefit from the expertise and experience of Dr. Meena Rani Surana.

The Board of Directors at its meeting held on 11th August, 2021, has appointed Mr. Sunny Sharma (DIN: 02267273) as an Additional Director who will hold office upto the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 proposing Mr. Sunny Sharma's candidature for the office of Director. The Board is seeking approval of the members to the Mr. Sunny Sharma's appointment in the ensuing Annual General Meeting. The Board is of opinion that the Company will immensely benefit from the expertise and experience of Mr. Sunny Sharma.

b. Retirement of Director by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Varddhman Vikramaditya Jain (DIN: 08338573) will retire by rotation at the ensuing Annual General Meeting and being eligible, 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 2020-21, the Board met 5 (Five) times on 02.06.2020, 04.08.2020, 03.09.2020, 06.11.2020 and 08.02.2021.

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.

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 2020-21. 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 2020-21. 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 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 programmes imparted during the year is available on the Company's website at www.marksanspharma.com.

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 website at www.marksanspharma.com. These policies and codes are reviewed periodically by the Board and updated based on need and new compliance requirement. Key policies and codes that have been adopted by the Company are as follows:

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

DEPOSITS

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

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given in Note No. 40 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 domestic and global scenario.

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

REGULATORY COMPLIANCES

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

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

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INFORMATION TECHNOLOGY

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

HEALTH, SAFETY & ENVIRONMENT

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

RELATED PARTY TRANSACTIONS

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

All Related Party Transactions (with the subsidiaries) that were entered into during the financial year were in the ordinary course of business on arm's length basis and repetitive in nature. These transactions were placed before the Audit Committee for information and entered in the Register maintained under Section 189 of the Companies Act, 2013. The Audit Committee has granted omnibus (ad hoc) approval for Related Party Transactions as per the provisions and restrictions contained in the policy framed under Regulation 23 of the SEBI (LODR) Regulations, 2015. Company's Policy on Related Party Transactions is available on the Company's website www.marksanspharma.com. Particulars of related party transactions entered into during the FY 2020-21 have been disclosed under Note No. 35(c) of the Notes to the Standalone Financial Statement. Details of material transactions with the related parties entered into during the year is disclosed in Form – AOC – 2 annexed to this report as **Annexure - B**.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

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 2020-21, no employee of the Company was denied access to the Audit Committee and there were no instances of any unethical behavior, 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.

Your company is contributing financial aid to the Ministry of Health, Government of Goa in its endeavour to fulfill its CSR objectives in the area of women and child development, professionalizing Anganwadis and national nutrition mission in Goa.

Your company is contributing financial aid to Cherish Life India Foundation. Cherish Life India Foundation is an NGO that provides medical treatment and comprehensive care for the under privileged and marginalised sections of the society suffering from cancer and other blood disorders. Cherish Life India Foundation has partnered with a renowned government municipal hospital Lokmanya Tilak Medical College and General Hospital, (commonly known as Sion Hospital) with a focus on Paediatric Haematology Oncology. Cherish Life India Foundation has developed a 20 bedded Paediatric Haematology Oncology ward for providing highest standards of care and treatment to the most needy children suffering from cancer from across the state of Maharashtra and other parts of the country.

Your Company has contributed financial aid to Ministry of Health, Government of Goa in its endeavour to fulfill its Corporate Social Responsibility objectives of distributing free food items to the needy people of the villages of Sattari and Valpoi talukas in the state of Goa affected by lockdown due to Covid 19 pandemic. Your Company has distributed essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers. Your Company joined hands with NGOs to serve meals, ration, grocery kits to migrant workers and families. Your Company has provided fans for Covid Centres and provided financial aid for antibody testing and other medical charges for migrant workers affected during COVID-19 pandemic.

Your Company has provided fire equipment to the Fire Department of the Government of Goa to strengthen fire safety measures.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure – C** annexed to this Report.

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

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

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

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

CHANGE IN THE NATURE OF BUSINESS

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

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

CORPORATE GOVERNANCE

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

ANNUAL RETURN

In accordance with the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in the prescribed Format proposed to be submitted to the Registrar of Companies for the financial year ended 31st March, 2021 is available in the Company's website at www.marksanspharma.com.

INSOLVENCY AND BANKRUPTCY CODE 2016

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

EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure - E**.

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

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

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

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

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

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

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

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

As on 31st March, 2021, the Company's permanent employee strength was 833 (790 as on 31st March, 2020).

DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2021 and Profit of the Company for the period ended 31st March, 2021;
- 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.

AUDIT & AUDITORS

Statutory Audit:

M/s. Bhuta Shah & Co. LLP, Chartered Accountants (Firm Registration No. W100100) were appointed as Statutory Auditors of the Company at the 26th Annual General Meeting held on Thursday, 27th September, 2018 for a term of five (5) years i.e. till the conclusion of the 31st Annual General Meeting of the Company.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended 31st March, 2021.The Auditor's reports for the financial year 2020-21 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 KCS &

Associates, Practicing Company Secretaries (Membership No. 29194, Certificate of Practice No. 10560) as Secretarial Auditor to undertake Secretarial Audit of the Company for the financial year 2020-21. The report of the Secretarial Auditor is annexed to this report as **Annexure - G**. There are no qualifications, reservation or adverse remark made by the auditor in their report except one observation regarding delay in appointment of an independent woman director. Due to lockdown restrictions on account of Covid-19 pandemic, the Company could not materialize appointment of an independent woman director by 1st April, 2020. Eventually, an independent woman director was appointed with effect from 4th September, 2020.

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

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 11th August, 2021

Annexure - A

Annexure to the Report of the Board of Directors

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

A. Conservation of Energy

a) Energy Conservation measures taken:

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

The following energy conservation methods were implemented during the year.

a) Intensified internal audit aimed at detecting wastage and leakage of utility Circuits.

b) Scheduled production to avoid usage of diesel during "Weekly Power Shutdown".

c) Optimisation of Agro Waste Fired Boilers.

d) Optimisation in use of cooling water pumps.

e) Use of energy efficient pumps and motors.

f) Chemical dosing of cooling/chilling water system.

g) Installed energy efficient motors for chilling plant compressors.

h) Cold insulation ducting and HVAC system are regularly checked and sections redone.

i) Conducted compressed air audit.

j) Optimised air compressor pressure.

b) Additional investments:

a) Continuously install electronic devices to improve quality of power and reduction of energy consumption.

b) Install efficient steam boiler burner.

c) Harmonics and power factor improvements.

d) Install energy saving lamps.

e) Install VFD for air compressor motors.

c) Impact of above measures:

The adoption of energy conservation measures have 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.

d) Energy Conservation

Particulars	2020-21	2019-20
1 Electricity		
(a) Purchases		
Units (in kwhs)	10894170.00	9931200.00
Total Amount (₹)	64636372.00	58303692.00
Rate/ Unit (₹)	5.93	5.87
(b) Own Generation		
(i) Through Diesel		
Units (units in '000)	1447.10	952.39
Units per Ltr of Diesel Oil	3.50	3.50
Cost/ Unit (₹)	20.10	18.80
2 Agro waste consumption		
Qty (units in '000)	2952.89	2600.80
Total Amount (₹'000)	11489.37	10617.12
Average Rate	3.89	4.08

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 Lakh
a. Capital expenditure	11.67
b. Revenue expenditure	1,274.90
c. **Total**	**1,286.57**

d. Total R&D expenditure as a percentage of total standalone revenue - 2.04 %

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 2020-21, the Company used foreign exchange amounting to ₹ 10,142.42 Lakh (Previous year ₹ 7,367.40 Lakh) and earned foreign exchange amounting to ₹ 58,742.42 (Previous Year ₹ 42,368.13 Lakh).

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

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 11th August, 2021

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 and purchase of finished goods and sale and purchase of plant and equipment.
    d) Duration of the contracts/ arrangements/ transactions: -
    e) Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ 27,575.84 Lakh.
    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

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 11th August, 2021

Annexure - C

Annexure to the Report of the Board of Directors

Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy of the Company:

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

2. The Composition of the CSR Committee:

As on 31st March 2021, 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 website at http://marksanspharma.com/general-information.html

The Company's CSR Policy is available on the Company's website at http://marksanspharma.com/pdf/marksans-csr-poilcy.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:

Not Applicable

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

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 2020-21 was ₹ 41,79,69,003.70.

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

The prescribed CSR expenditure requirement for FY 2020-21was ₹ 83,59,380.07.

(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

Not Applicable

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

Total CSR obligation for the financial year is ₹ 83,59,380.07

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
₹ 84,24,847.62	Not Applicable				

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

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

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

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

(1)	(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
1.	Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	Overall well being of women and children	Yes	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.	Contribution to Fire Department	Fire Safety measures	Yes	Goa	
3.	Medical treatment to under privileged society suffering from cancer and other blood disorders	Promoting Health Care	Yes	Maharashtra	
4.	Distribution of free food items to the people affected by lockdown due to Covid 19 pandemic.	Free food items to needy people	Yes	Goa	Villages of Sattari and Valpoi talukas
5.	Covid 19 related expenses: Fans for Covid Centres, antibody testing and other medical charges for migrant workers, provided essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers, etc in the fight against COVID-19 pandemic.	Covid-19 related expenses	Yes	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
₹ 6,00,000.00	Yes (Ministry of Health, Government of Goa)	-	-
₹ 5,70,000.00	Yes (Fire Department, Government of Goa)	-	-
₹ 14,87,688.00	Yes (Cherish Life India Foundation)	-	-
₹ 4,00,000.00	Yes (Government of Goa)	-	-
₹ 53,67,159.62	Yes (Government and people of Goa)	-	-
₹84,24,847.62			

(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)

₹ 84,24,847.62

(g) Excess amount for set off, if any

₹ 65,467.55

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	83,59,380.07
(ii)	Total amount spent for the Financial Year	84,24,847.62
(iii)	Excess amount spent for the financial year [(ii)-(i)]	65,467.55
(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)]	65,467.55

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹). 2020-21	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration
Not Applicable				

(6)	(7)	(8)	(9)
Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
Not Applicable			

10. In case of creation or acquisition of capital asset, 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 2020-21.

For and on behalf of the CSR Committee

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

Mr. Mark Saldanha
Managing Director
DIN: 00020983

Place: Mumbai
Date: 11th August, 2021

Annexure - D

Annexure to the Report of the Board of Directors

Corporate Governance Report 2020-21

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, 2021, the total number of Directors on the Board is seven (7); of which, three (3) including the chairman are executive and four (4) are non-executive and independent directors; Two (2) are women directors, of which, one (1) is independent. The composition of the board is compliant with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. All the directors have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority.

During the financial year under review, Five (5) Board Meetings were held on - 02.06.2020, 04.08.2020, 03.09.2020, 06.11.2020 and 08.02.2021. The necessary quorum was present at all the meetings. The time gap between any two consecutive meetings was not more than 120 days.

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

Name of the Director (DIN No.)	Category (Executive/ Non-executive/ Independent/ Non-Independent/ Promoter)	No. of Shares held in the Company	No. of Board Meetings attended out of 5 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 29.09.2020
Mr. Mark Saldanha (Chairman & Managing Director) (DIN: 00020983)	Executive, Non-Independent & Promoter	197491553	5	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha (DIN: 00021023)	Executive, Non-Independent & Promoter	180	5	Nil	Nil	Nil	Yes
Mr. Varddhman Vikramaditya Jain (DIN: 08338573)	Executive & Non-Independent	Nil	4	Nil	Nil	Nil	Yes
Mr. S R Buddharaju (DIN: 03630668)	Non-Executive & Independent	Nil	4	Nil	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 5 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 29.09.2020
Mr. Digant Mahesh Parikh (DIN: 00212589)	Non-Executive & Independent	Nil	5	1	Nil	Nil	Yes
Mr. Abhinna Sundar Mohanty (DIN: 00007995)	Non-Executive & Independent	Nil	5	1	Nil	Nil	Yes
Mrs. Meena Rani Surana (DIN: 08863769) (w.e.f. 04.09.2020)	Non-Executive & Independent	Nil	2	Nil	Nil	Nil	No

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

** Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders Relationship Committee in public companies only. This does not include membership/chairmanship in Committee of Directors of Marksans Pharma Limited.

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
Mrs. Meena Rani Surana (w.e.f. 04.09.2020)	Nil	-	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

Skills/expertise/competencies identified by the Board which are required in the context of its business and sector	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: 1. All Board members shall be financially literate and at least one member shall have accounting or related financial management expertise. 2. 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. 3. Right qualification and expertise necessary to run pharma industry. 4. Expertise in corporate strategy, budgets and business plans and setting performance objectives. 5. Best corporate governance practice. 6. Monitoring in general management of affairs of the Company. 7. Board members should act in good faith and with due diligence and care and in the best interest of the Company and shareholders. 8. Board members should be capable of exercising independent judgment. 9. Board members should be able to commit themselves effectively to their responsibilities.
Skills/expertise/competencies actually available with the Board	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.

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 fulfilled 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 8th February, 2021 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 website www.marksanspharma.com.

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. Varddhman Vikramaditya Jain. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Managing Director and Head of Finance are invited to the audit committee meetings. Company Secretary acts as the Secretary to the Committee.

The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 18 and Schedule II Part C of the SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

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

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

During the financial year under review, the Audit Committee met four (4) times on 02.06.2020, 04.08.2020, 06.11.2020 and 08.02.2021. 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 4 held
1.	Mr. Digant Mahesh Parikh (Chairman w.e.f. 04.08.2020)	Chairman	Non-executive & Independent	4
2.	Mr. Seetharama Raju Buddharaju (Chairman upto 03.08.2020)	Member	Non-executive & Independent	3
3.	Mr. Varddhman Vikramaditya Jain	Member	Executive & Non-Independent	3
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	4

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of three (3) directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Digant Mahesh Parikh and Mr. Abhinna Sundar Mohanty. All members of the committee are non-executive and independent director. The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 19 and Schedule II Part D - Para A of the SEBI (LODR) Regulations, 2015 as well as under Section 178 of the Companies Act, 2013.

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

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

During the financial year under review, the Nomination and Remuneration Committee met three (3) times on 04.08.2020, 03.09.2020 and 08.02.2021. 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 3 held
1	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	3
2.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	3
3.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	3

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, subject to the approval of the shareholders in the General Meeting. 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 and the Company.

Details of the remuneration paid to the directors of the Company during the financial year ended 31st March, 2021 are given below:

(In Rupees)

Name of Directors	Basic	Allowances	Bonus	Medical Reimbursement	Sitting Fees#	Total
Mr. Mark Saldanha	96,00,000	7,72,320	60,000	--	--	1,04,32,320
Mrs. Sandra Saldanha	10,80,000	59,22,564	12,000	15,000	--	70,29,564
Mr. Varddhman Vikramaditya Jain	60,00,000	86,66,046	--	15,000	--	1,46,81,046
Mr. Seetharama Raju Buddharaju	--	--	--	--	20,000	20,000
Mr. Digant Mahesh Parikh	--	--	--	--	1,60,000	1,60,000
Mr. Abhinna Sundar Mohanty	--	--	--	--	25,000	25,000
Mrs. Meena Rani Surana (w.e.f. 04.09.2020)	--	--	--	--	10,000	10,000

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

Note:

- The above figure does not include provisions for Company's Contribution to Provident Fund & Gratuity.
- Apart from the above remuneration, the executive directors are not paid any performance linked incentives nor are entitled to any severance fees.
- The Company has not issued any stock options either to its directors or employees.
- The executive directors are appointed by way of resolution passed by the shareholders of the Company.

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

1. Attendance and contribution at Board and Committee meetings.
2. His stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/ procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His contribution to enhance overall brand image of the Company.
12. Adherence to the various codes of conduct and policies framed by the Company as applicable.

Stakeholders' Relationship Committee

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

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

Number of complaints received during the year : 3

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

Number of complaints outstanding as on 31.03.2021 : 0

Complaint/grievance were in the nature of Non-receipt of dividend and annual report, Demat of Securities and others.

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 02.06.2020, 04.08.2020, 06.11.2020 and 08.02.2021. 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	3
3.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	4
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	4

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 Committee is responsible for execution, implementation, monitoring and reporting to the Board the projects and programs undertaken under the CSR Policy.

During the financial year under review, CSR Committee met two (2) times on 02.06.2020 and 08.02.2021. However, the committee meeting held on 02.06.2020 was adjourned to 09.06.2020 due to insufficient quorum on account of lockdown due to Covid-19 pandemic. Necessary quorum was present at the meeting held on 08.02.2021.

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	1
2.	Mrs. Sandra Saldanha	Member	Executive & Non-independent	2
3.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	1

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 two (2) times on 02.06.2020 and 08.02.2021. However, the committee meeting held on 02.06.2020 was adjourned to 09.06.2020 due to insufficient quorum on account of lockdown due to Covid-19 pandemic. Necessary quorum was present at the meeting held on 08.02.2021.

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	1
2.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	1
3.	Mr. Jitendra Sharma	Member	Chief Financial Officer	2

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 half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40(9) of SEBI (LODR) Regulations, 2015 and the same is filed with the Stock Exchanges. Vide Gazette Notification dated June 8, 2018 and as amended, SEBI has mandated that with effect from April 1, 2019, except in case of transmission or transposition of shares, transfer of shares of the Company would be carried out in dematerialised form only. No physical shares will be accepted for transfer from that date.

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

Disclosures

a) **Related Parties Transactions:** The Company has been selling goods to its subsidiaries, 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. All the transactions with these subsidiaries are in the ordinary course of business on arm's length basis and are repetitive in nature. These transactions are entered in the Register of Contracts and placed before the Board of Directors on a regular basis. The details of these related party transactions are also placed before the Audit Committee for review. The Audit Committee has granted an omnibus (ad hoc) approval to such types of transactions for smooth operations and in the interest of the Company and in accordance with the Company's Policy on Related Party Transactions. Sales to Nova Pharmaceuticals Australasia Pty. Ltd., in which the Company holds 60% of the share capital is within the limit of the Omnibus (ad hoc) approval of the Audit Committee of the Company. The other subsidiaries are wholly owned subsidiaries of the Company. Details of related party transactions during the year ended 31st March, 2021 has been set out under Note No. 35(c) of the Notes annexed to the Financial Statements for the year ended 31st March, 2021. 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 website www.marksanspharma.com.

b) There was no non-compliance during the last three years by the Company on any matter related to the capital market.

c) The Company has in place a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. Details of the Whistle Blower Policy are available on the Company's website www.marksanspharma.com. 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 2020-21, 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 not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

e) A certificate from KCS & Associates, Practising Company Secretaries that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

f) During the financial year under review, the Board has accepted all the recommendations of the Committees of Directors.

g) Total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor is specified under Note No. 31.1 of the Notes annexed to the consolidated Financial Statements for the year ended 31st March, 2021.

h) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

   a. Number of complaint filed during the financial year 2020-21: Nil

   b. Number of complaint disposed of during the financial year 2020-21: NA

   c. Number of complaints pending as at end of the financial year 2020-21: Nil

i) The Company is not into any commodity trading activities.

j) 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.

k) The Company is fully compliant with the corporate governance requirements specified in the Companies Act, 2013 and in Schedule V of SEBI (LODR) Regulations, 2015 to the extent applicable.

l) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:

   i. The Company has an executive chairperson.

   ii. Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.

iii. Every endeavor is made to make the financial statements with unmodified audit opinion.

iv. The internal auditors' reports are placed before the Audit Committee from time to time.

m) There is no shares in the demat suspense account/ unclaimed suspense account.

n) 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.

o) The Company has in place Succession Plans for appointment to the Board of Directors and Senior Management.

p) During the year ended 31st March, 2021, all members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct framed pursuant to SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

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

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

* Due to lockdown restrictions on account of Covid-19 pandemic, the Company could not materialize appointment of an independent woman director till 3rd September, 2020. Eventually, an independent woman director was appointed with effect from 4th September, 2020.

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.

Details of significant changes (i.e. change of 25% or more as compared to immediately previous year) in key financial ratios are given below.

Key Financial Ratios	2019-20	2020-21	% Change
Debtors Turnover	2.55	3.88	52.16
Inventory Turnover Ratio	3.39	4.02	18.58
Interest Coverage Ratio	9.80	21.28	117.14
Operating Profit Margin (%)	16.49	18.97	15.03
Net Profit Margin (%)	8.74	15.60	78.49
Return on Net Worth	7.50	16.40	118.67
Current Ratios	3.52	3.68	4.54
Debt-Equity Ratio	(0.01)	(0.18)	-

Means of Communication

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

Compliance with Secretarial Standards

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

Credit Ratings

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

General Body Meetings

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
Twenty Eighth	29.09.2020	11.00. A.M.	Video Conferencing.	5*
Twenty Seventh	26.09.2019	10.30. A.M.	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.	1**
Twenty Sixth	27.09.2018	10.30. A.M.	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.	2***

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

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

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

1. Approval of Marksans Employees Stock Option Scheme 2019.

*** Two (2) Special Resolutions were passed in the AGM held on 27th September, 2018:-

1. Extension of redemption period of 7% Redeemable Cumulative Preference Shares of ₹ 100/- each.
2. Approval of Marksans Employees Stock Option Scheme 2018.

Postal ballot

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

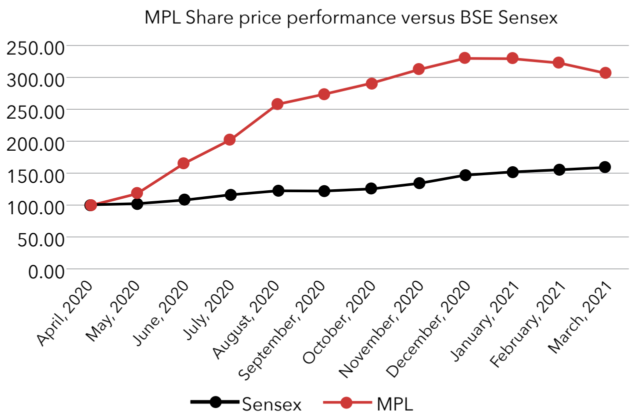
General Shareholder Information

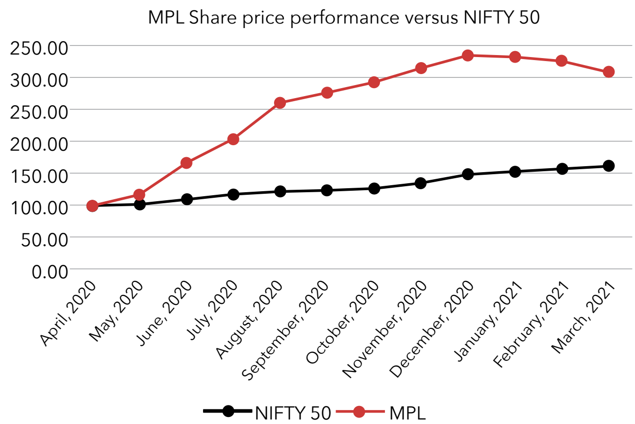
CIN	L24110MH1992PLC066364
Registered Office	11th Floor, Grandeur, Veera Desai Extention Road, Oshiwara, Andheri (West), Mumbai - 400053.
AGM	Twenty Ninth (29th) Annual General Meeting.
Day & Date	Thursday, 23rd September, 2021
Financial Year	2020-2021
Time	09:00 am
Venue	Through Video Conferencing / Other Audio Visual Means.
Financial calendar (Tentative schedule)	Financial Year - April to March First Quarter Results – 2nd week of August Second Quarter Results – 2nd week of November Third Quarter Results – 2nd week of February Last Quarter Results – 3rd / 4th week of May
Date of Book Closure	From Friday, 17th September, 2021 upto Thursday, 23rd September, 2021 (both days inclusive)
Dividend payment date	On or after 4th October, 2021
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 2020-21 has been paid to the above Stock Exchanges.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026
Depositories	Central Depository Services (India) Limited National Securities Depository Limited

Monthly Open, High, Low & Close market price of shares on BSE & NSE during the period April 2020 to March 2021 are as under:

Month	BSE Market Price				NSE Market Price			
	Open (₹)	High (₹)	Low (₹)	Close (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)
April 2020	14.03	23.63	13	19.98	14	23.55	12.9	20
May 2020	19.75	22.95	18.05	22.75	19.1	22.9	18.05	22.7
June 2020	23.05	39.15	23	32.15	23.25	39.15	22.9	32.2
July 2020	32.35	39.65	31.65	39.65	32.9	39.65	31.65	39.65
August 2020	40.65	57.1	40.1	45.65	40.4	57.1	40.3	45.6
September 2020	45.6	55	43.5	50.3	45.6	55	43.65	50.2
October 2020	50.5	56	48.4	50.9	51	56.4	48	50.9
November 2020	51.8	62.65	48	58.9	51.2	62.65	48.1	58.95
December 2020	58.5	66.1	48.6	60.65	59.4	66.2	49	60.65
January 2021	61	64.5	53	55	61	64.35	53	55.4
February 2021	56.1	64.2	53.15	55.4	55.9	64.25	53.3	55.55
March 2021	56.7	61.7	49.2	49.95	56.1	61.8	49.15	49.95

Marksans Pharma Ltd ("MPL") share price performance versus BSE Sensex & NSE NIFTY50 during April 2020 – March 2021.





Shareholding Pattern as on 31.03.2021

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident Individuals	130207	96.26	367411992	89.76
HUF	2529	1.87	5861496	1.43
Bodies Corporate	452	0.33	7261508	1.77
Mutual Funds	1	0.00	380000	0.09
Trust	1	0.00	3000	0.00
Bank & Financial Institutions	3	0.00	2911	0.00
Clearing Members	167	0.12	2167667	0.53
NRIs	1864	1.38	7461207	1.82
FIIs (includes FPIs)	46	0.03	17763917	4.34
Alternate Investment Fund	1	0.00	1000000	0.24
Total	**135271**	**100.00**	**409313698**	**100.00**
Promoters	2	0.01	197491733	48.25
Non-Promoters	135269	99.99	211821965	51.75
Total	**135271**	**100.00**	**409313698**	**100.00**

Distribution of Shareholding as on 31.03.2021

Shareholding	No. of Folios	% of Folios	No. of Shares held	% of Shareholding
Upto 5000	133702	96.71	65269357	15.95
5001 – 10000	2401	1.74	18336824	4.48
10001 – 20000	1080	0.78	15744404	3.85
20001 – 30000	345	0.25	8678596	2.12
30001 – 40000	190	0.14	6763475	1.65
40001 – 50000	133	0.10	6204303	1.52
50001 – 100000	205	0.15	14702741	3.59
Above 100000	190	0.14	273613998	66.85
Total	**138246**	**100**	**409313698**	**100**

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

Registrar and Transfer Agents	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri (East), Mumbai – 400059. Ph. No. 022-62638200 Fax No. 022-62638299 E-mail: investor@bigshareonline.com; Website: www.bigshareonline.com 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.
Dematerialization of the Shares and Liquidity	Based on SEBI directives, Company's shares are traded in dematerialized form. As on 31.03.2021, 99.81% 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	**India Formulation Plant** Marksans Pharma Limited L-82 & L-83 Verna Industrial Estate, Verna, Goa- 403 722. **U.K. Plant** Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL. **U.S.A. Plant** Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.
Address for Correspondence	Mr. Harshavardhan Panigrahi Company Secretary & Manager-Legal Marksans Pharma Limited 11th Floor, Grandeur, Veera-Desai Extension Road, Oshiwara, Andheri (West), Mumbai 400 053. Tel. No. : 022- 40012000 Fax No. 022- 40012011 Email: companysecretary@marksanspharma.com

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

Name	Mr. Varddhman Vikramaditya Jain (DIN: 08338573)
Age	51 Years
Qualification	M. Pharm
Experience	Has over 27 years of experience in the areas of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing
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
No. of shares held in the Company	Nil
Relationship with other Directors / Key Managerial Personnel	None

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

Name	Dr. (Mrs.) Meena Rani Surana (DIN: 08863769)
Age	46 Years
Qualification	Bachelor of Pharmacy, Ph.D in Pharmaceutics and Post Doctoral Fellowship in Pharmaceutics
Experience	She has about 28 years of experience in pharmaceutical regulatory affairs, quality assurance, formulation and pre-formulation.
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
No. of shares held in the Company	Nil
Relationship with other Directors / Key Managerial Personnel	None

Name	Mr. Sunny Sharma (DIN: 02267273)
Age	47 Years
Qualification	MBA & M.B.B.S
Experience	Mr. 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
No. of shares held in the Company	Nil
Relationship with other Directors / Key Managerial Personnel	None

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

To the Members of
Marksans Pharma Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 6th July, 2021.

2. This report contains details of compliance of conditions of corporate governance by Marksans Pharma Limited ('the Company') for the year ended 31 March, 2021 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.

6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016), 'Guidance Note on Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per the Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

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

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

Tejas Laliwala
Partner
Membership No. 127487
ICAI UDIN:21127487AAAAGU4991

Place: Mumbai
Date: 20th July, 2021

CEO / CFO CERTIFICATION

To,
The Board of Directors
Marksans Pharma Limited

This is to certify with reference to the Annual Accounts of the Company for the year ended 31st March, 2021 that:-

a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2021 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

Sd/-	Sd/-
Mark Saldanha	**Jitendra Sharma**
Managing Director	Chief Financial Officer

Place: Mumbai
Date: 31st May, 2021

Declaration on Compliance of the Company's Code of Conduct

This is to confirm that during the year ended 31st March, 2021, 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

Sd/-
Mark Saldanha
Managing Director

Place: Mumbai
Date: 31st May, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MARKSANS PHARMA LIMITED (CIN:L24110MH1992PLC066364)** and having registered office at 11th Floor, Grandeur, Veera Desai Extension Road Oshiwara, Andheri (West) Mumbai - 400053 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate in accordance with the Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of The Securities and 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 Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 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	Mr. Mark Saldanha	00020983	06/10/2015
2	Mrs. Sandra Saldanha	00021023	25/09/2014
3	Mr. Digant Mahesh Parikh	00212589	14/03/2018
4	Mr. Varddhman Vikramaditya Jain	08338573	24/01/2019
5	Mr. Abhinna Sundar Mohanty	00007995	11/07/2019
6	Mr. Seetharama Raju Buddharaju	03630668	05/10/2011
7	Mrs. Meena Rani Surana	08863769	04/09/2020

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 KCS & ASSOCIATES
Practicing Company Secretary

Khushboo Chinal Shah
Proprietor
ACS: 29194, CP:10560
UDIN: A029194C000767536

Place: Mumbai
Date: 11th August, 2021

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: 54.08
    b. Mrs. Sandra Saldanha, Whole-time Director: 36.44
    c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 76.11
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31st March, 2021
    a. Mr. Mark Saldanha, Managing Director: 0
    b. Mrs. Sandra Saldanha, Whole-time Director: 0
    d. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 6.77
    e. Mr. Jitendra Sharma, Chief Financial Officer: 0
    f. Mr. Harshavardhan Panigrahi, Company Secretary: 0.33
3. Percentage increase in the median remuneration of employees in the financial year ended 31st March, 2021 in comparison to the financial year ended 31st March, 2020: 0.37
4. Number of permanent employees as on 31st March, 2021: 833
5. a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 7.51
    b. Percentile increase in the managerial remuneration in the last financial year:
        i. Mr. Mark Saldanha, Managing Director: 0
        ii. Mrs. Sandra Saldanha, Whole-time Director: 0
        iii. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 0
        iv. Mr. Jitendra Sharma, Chief Financial Officer: 13
        v. Mr. Harshavardhan Panigrahi, Company Secretary: 11
    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 |48 Years | Science Graduate | 25 Years | Managing Director | 06.10.2005 | ₹ 1,04,32,320.00 |Contractual | - | 48.25% | Relative of Mrs. Sandra Saldanha.

2. Mrs. Sandra Saldanha | 49 Years | MA (Sociology) | Whole-time Director | 25.09.2014 |₹ 70,29,564.00 | Contractual | - | 0.00% | Relative of Mr. Mark Saldanha.

3. Mr. Varddhman V. Jain | 51 Years | M. Pharm | 29 Years | Whole-time Director | 24.05.2016 | ₹ 1,46,81,046.00 | Contractual | Watson Pharma Pvt. Ltd. | Nil | No.

4. Mr. Jitendra Sharma | 51 Years | B.Com.; CA & CWA | 28 Years | CFO | 06.09.2002 | ₹ 1,18,03,380.00 | Contractual | - | Nil | No.

5. Mr. Sunil K Rane | 51 Years | PG Diploma – Analytical Chemistry | 28 Years | Sr. VP – QC | 04.04.2016 | ₹ 96,54,182.52 | Contractual | Cipla Ltd. | Nil | No.

6. Mr. Raviraj K Desai | 51 Years | Diploma in Mechanical Engineering | 29 Years | Vice President- E&P | 09.10.2019 | ₹ 52,22,640.00 | Contractual | Abbott India Limited | Nil | No.

7. Mr. Sopan Pisal | 49 Years | PG Diploma – Analytical Chemistry | 27 Years | Director QA | 10.03.2016 | ₹ 55,79,320.48 | Contractual | Emcure Pharmaceuticals Ltd. | Nil | No.

8. Mr. Supratika Tripathi | 61 Years | M. Pharm | 36 years | Director – Operations | 09.09.2019 |₹ 49,25,790.00 | Sun Pharmaceuticals Ltd. | Nil | No.

9. Mrs. Ashwini Memane | 37 Years | B. Pharm | 16 Years | DGM – International Business | 01.03.2012 | ₹ 33,08,556.00 | Contractual | Alkem Laboratories Ltd. | Nil | No.

10. Mr. Manda Murali Bhaskar Rao | 47 Years | B. Tech. | 24 Years | Sr. Manager- E&P | 25.05.2020 | ₹ 32,98,552.56 | Contractual | Sanofi Healthcare Limited | Nil | No.

Annexure - G

Annexure to the Report of the Board of Directors

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended on 31st March, 2021

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

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

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 electronically of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**; and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

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

I 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 Secretarial Standards issued by The Institute of Company Secretaries of India. Further, the Company has generally complied with provisions of the Act, Rules, Regulations and Guidelines etc. mentioned above except with the observation that as per Regulation 17 (1) (a) of SEBI (LODR) Regulations 2015, the composition of the Board of Director shall consist of at least one Independent Woman Director as on 1st April, 2020, however, the Company had appointed an Independent Women Director on 04th September, 2020 to comply the same.

We further report that

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

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

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

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

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

Date of event	Details of the specific events/ actions bearing on Company's affairs pursuance of the above referred laws, rules, regulations, guidelines etc.
29.09.2020	Approval of the Marksans Employees Stock Option Scheme 2020.

For KCS & ASSOCIATES
Practicing Company Secretary

Khushboo Chinal Shah
Proprietor
ACS: 29194, CP:10560
UDIN:A029194C00767580

Place: Mumbai
Date: 11th August, 2021

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

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the outbreak of COVID 19 and a country wide lock down, we have conducted the audit and relied upon the information, documents, forms, returns, papers and other records maintained by Company and provided to us electronically.

For KCS & ASSOCIATES
Practicing Company Secretary

Khushboo Chinal Shah
Proprietor
ACS: 29194, CP:10560
UDIN:A029194C00767580

Place: Mumbai
Date: 11th August, 2021

BUSINESS RESPONSIBILITY REPORT 2020-21

Section A: General Information about the Company

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L24110MH1992PLC066364
2.	Name of the Company	MARKSANS PHARMA LIMITED
3.	Registered address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
4.	Website	www.marksanspharma.com
5.	E-mail id	companysecretary@marksanspharma.com
6.	Financial Year reported	1st April, 2020 to 31st March, 2021
7.	Sector(s) that the Company is engaged in	Pharmaceuticals
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Solid Orals, Tablets and Capsules (including Soft Gelatin Capsules)
9.	Total number of locations where business activity is undertaken by the Company	**In India** **Corporate Office:** 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053 **Manufacturing facility:** Plot no. L-82 & 83, Verna Industrial Estate, Verna, Goa – 403722. **Overseas** 1. Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL. 2. Relonchem Limited Cheshire House, Gorsey Lane Widnes Cheshire, WA8 0RP, UK. 3. Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York – 11735, USA. 4. Nova Pharmaceuticals Australasia Pty Ltd. Suite 305, 10 Norbik Drive, Bella Vista NSW 2153, Australia
10.	Markets served by the Company – Local/ State/ National/ International/	International

Section B: Financial Details of the Company

Sr. No.	Particulars	FY2020-21
1.	Paid up Capital (INR)	45,93,13,698.00 (includes preference share capital)
2.	Total Turnover (INR)	5,99,54,78,142.00
3.	Total profit after taxes (INR)	98,38,14,857.00
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.86 %

Sr. No.	Particulars	FY2020-21
5.	List of activities in which expenditure in 4 above has been incurred	1. Women and child development, professionalizing Anganwadis and national nutrition mission in Goa 2. Contribution to Fire Department 3. Medical treatment to under privileged society suffering from cancer and other blood disorders 4. Distribution of free food items to the people affected by lockdown due to Covid 19 pandemic. 5. Covid 19 related expenses: Fans for Covid Centre, antibody testing and other medical charges for migrant workers, provided essential supplies, medicines, sanitisers, masks, gloves and PPE kits to the frontline health workers, etc in the fight against Covid 19 pandemic.

Section C: Other Details

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

   - Yes. The Company has 11 foreign Subsidiaries as on 31.03.2021.

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

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

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

   - No.

Section D: BR Information

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

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

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

   b) Details of the BR head:

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

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

   P1: Ethics, Transparency and Accountability

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

   P3: Well-being of all employees

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

   P5: Promotion of human rights

   P6: Protection of environment

   P7: Responsibly influencing public and regulatory policy

   P8: Inclusive growth and equitable development

   P9: Value addition to customers and consumers

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

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

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

* www.marksanspharma.com

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

3. Governance related to BR

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

- Annually

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

- The BR report for 2020-21 can be accessed through the link www.marksanspharma.com. It is published annually when applicable.

Section E: Principle-wise performance

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

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

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

With strong R&D capability, the Company manufactures quality products that meet standard of major health authorities globally. The Company has a relentless focus on Quality Control and Quality Assurance. Strict adherence to cGMP norms as well as our efforts towards continuous improvement of product, process and the skill of work force enables us to improve our offerings to our customers and consumers on a regular basis. The Company makes optimum utilization of resources in its manufacturing processes.

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

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

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

As on 31st March, 2021, the Company has 84 women employees out of the total permanent employee strength of 833.

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

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

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

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

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

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

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

Financial Statements

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 comprises of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives a true and fair view in conformity, with the Ind AS and other accounting principles generally accepted in India prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the 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 of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Assessment of recoverability of the carrying value of investment in subsidiaries:** Investment constitute significant portion of the standalone financial statements. The Company has investments of ₹ 2,360.74 million (31 March,2020: 2,360.74 millions) in subsidiaries and all subsidiaries are located outside India. The determination of recoverable amounts of the Company's investments in subsidiaries is dependent on management's estimates with respect to such entity's performance, future cash flows and making judgment with respect to assumptions used in computing the recoverable amount of investments in subsidiaries (Recoverable amount). Considering the uncertainty involved in forecasting of cash flows and the judgement involved in respect of assumptions used in computing the Recoverable amount this audit area is considered a key audit matter.	We performed following procedures, among others: a. We evaluated the forecast of future cash flows used by the management in the model to compute the Recoverable amount. b. We compared the forecast of future cash flows to business plan and previous forecasts to the actual results. c. We focused our analysis on management assumptions in respect of future sales growth rate and discount rate used to compute the Recoverable amount. We recalculated estimates using the management model including involvement of a internal specialists to evaluate the key assumptions and methodologies used in computing the Recoverable amount. d. We assessed the disclosures made in the Standalone Ind AS financial statements.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. (A) As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 march 2021 on its financial position in its standalone financial statements.

   ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

   (C) With respect to the matters to be included in the Auditor's Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm's Registration Number: 101474W / W100100

Tejas Laliwala
Partner
Membership Number: 127487
ICAI UDIN: 21127487AAAAFA7203

Mumbai
31 May, 2021

Annexure "A"

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Marksans Pharma Limited** of even date.)

i. In respect of property, plant and equipment (fixed assets):

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets. Pursuant to the programme, certain fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.

c) According to information & explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as reflected in the schedule of property, plant and equipment, are held in the name of the Company wherever those are freehold. In respect of immoveable properties of land that have been taken on lease and disclosed in the Financial Statements as PPE, the lease agreements are in the name of the Company where the Company is lessee in the agreement.

ii. In respect of its inventories:

The Inventories, except goods in transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties at year end written confirmations have been obtained. The discrepancies noticed on physical verification between physical stocks and book records were not material and have been dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clause (iii) of Para 3 of the Order are not applicable to the Company.

iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and rules framed thereunder. Accordingly, the provisions of Clause (v) of Para 3 of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees state insurance, Income tax, custom duty, goods and service tax, cess and any other material statutory dues wherever applicable, to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and services tax, duty of customs, cess, and any other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of provident fund, employees state insurance, Income tax, custom duty, goods and service tax, cess and any other material statutory dues which have not been deposited on account of any dispute

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted, during the year, in the repayment of dues to banks, financial institutions or government. The Company did not have any outstanding debentures during the year.

ix. Based on our audit procedures and on the basis of information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the Clause (ix) of Para 3 of the Order is not applicable to the Company.

x. Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as specified under Section 406 of the Act. Accordingly, the provisions of Clause (xii) of Para 3 of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting under Clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors and hence, provisions of Section 192 of the Companies Act are not applicable.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm's Registration Number: 101474W / W100100

Tejas Laliwala
Partner
Membership Number: 127487
ICAI UDIN: 21127487AAAAFA7203

Mumbai
31 May, 2021

Annexure "B"

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of **Marksans Pharma Limited** ("the Company") as of 31 March 2021 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, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were opening as at 31 March 2021, based on the internal financials controls with reference to the standalone financial statements criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financials Reporting issued by the Institute of Chartered Accountants of the India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 Companies Act, 2013 (hereinafter referred to as "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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

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

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

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm's Registration Number: 101474W / W100100

Tejas Laliwala
Partner
Membership Number: 127487
ICAI UDIN: 21127487AAAAFA7203

Mumbai
31 May, 2021

Standalone Balance Sheet

as at March 31, 2021

(Amount in ₹)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,10,82,62,970	99,44,35,192
Capital work-in-progress	3	–	–
Right to use assets	3	14,01,62,085	10,90,38,354
Intangible assets	3	4,24,28,282	4,83,50,550
Financial assets			
(i) Investments	4	2,36,07,39,875	2,36,07,39,875
(ii) Other financial assets	5	2,56,33,265	2,04,76,506
Other non-current assets	6	1,59,51,456	2,42,65,868
Total non-current assets		**3,69,31,77,933**	**3,55,73,06,345**
Current assets			
Inventories	7	93,68,59,894	74,60,20,542
Financial Assets			
(i) Trade receivables	8	1,46,78,88,769	1,61,86,88,146
(ii) Cash and cash equivalents	9	1,05,71,48,947	3,35,23,210
(iii) Other financial assets	10	1,72,25,230	20,44,929
Other current assets	11	1,32,47,891	4,02,18,213
Total current assets		**3,49,23,70,731**	**2,44,04,95,040**
TOTAL ASSETS		**7,18,55,48,664**	**5,99,78,01,385**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	40,93,13,698	40,93,13,698
Other equity	13	5,58,78,58,393	4,64,69,38,563
Total equity		**5,99,71,72,091**	**5,05,62,52,261**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liability	14	8,33,61,811	7,52,04,873
Other financial liabilities	15	5,00,00,000	5,00,00,000
Provisions	16	2,11,08,982	1,47,45,756
Deferred tax liabilities (net)	17	8,48,84,338	10,79,38,444
Other non-current liabilities		–	–
Total non current liabilities		**23,93,55,131**	**24,78,89,073**
Current liabilities			
Financial liabilities			
Lease liability	18	6,03,66,379	3,24,10,485
Trade payables	19		
a) Total outstanding dues to micro, small & medium enterprises		1,40,33,042	19,60,531
b) Total outstanding dues to other than micro, small & medium enterprises		62,75,10,810	56,45,77,170
Other financial liabilities	20	14,52,91,661	7,68,25,889
Provisions	21	96,75,421	55,05,613
Current tax liabilities (net)	22	9,21,44,129	1,23,80,363
Total current liabilities		**94,90,21,442**	**69,36,60,051**
Total liabilities		**1,18,83,76,573**	**94,15,49,124**
TOTAL EQUITY AND LIABILITIES		**7,18,55,48,664**	**5,99,78,01,385**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(Amount in ₹)

Particulars	Notes	2020-2021	2019-20
INCOME			
Revenue from operations	23	5,99,54,78,142	4,33,41,50,443
Other income	24	31,15,55,432	17,33,145
Total Income		**6,30,70,33,574**	**4,33,58,83,588**
EXPENSES			
Cost of materials consumed	25	2,91,29,25,515	2,11,58,40,287
Purchases of stock-in-trade		46,06,60,154	39,46,01,288
Changes in inventories of finished goods, work-in-process and stock-in-trade	26	55,39,990	(5,62,96,503)
Employee benefits expense	27	54,63,87,642	48,50,56,208
Finance costs	28	5,34,48,380	7,29,17,388
Depreciation and amortization expense	29	15,19,29,733	11,64,41,555
Other expenses	30	93,28,44,309	68,00,53,057
Total expenses		**5,06,37,35,723**	**3,80,86,13,280**
Profit before tax		**1,24,32,97,851**	**52,72,70,308**
Tax expense:			
(1) Current tax		28,18,76,669	11,59,99,467
(2) Current tax for earlier years		–	(45,29,848)
(3) Deferred tax		(2,23,93,675)	3,67,66,863
Total tax expenses		**25,94,82,994**	**14,82,36,482**
Profit for the year		**98,38,14,857**	**37,90,33,826**
Other comprehensive income/(loss)			
Items that will not be reclassified to Statement of Profit and Loss			
– Remeasurement of the net defined benefit plans		(26,24,087)	25,14,400
– Income tax relating to above		6,60,430	(8,78,632)
Other comprehensive income/(loss) for the year		**(19,63,657)**	**16,35,768**
Total comprehensive income for the year		**98,18,51,200**	**38,06,69,594**
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		2.40	0.93
(2) Diluted (in ₹)		2.40	0.93

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Statement of changes in equity

as at March 31, 2021

A EQUITY SHARE CAPITAL

Particulars	March 31, 2021		March 31, 2020	
	Number	(Amount in ₹)	Number	(Amount in ₹)
Shares outstanding at the beginning of the year	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

B OTHER EQUITY

(Amount in ₹)

Particulars	Reserves and surplus					Total
	Capital reserves	Capital redemption reserve	Securities premium	General reserve	Retained Earnings	
Balance as at 1 April,2020	**1,22,500**	**8,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(32,68,66,834)**	**4,64,69,38,563**
Profit for the Period					98,38,14,857	98,38,14,857
Other comprehensive income-						
Remeasurement of the net defined benefit plans (net of tax)					(19,63,657)	(19,63,657)
Total comprehensive income for the year	-	-	-	-	**98,18,51,200**	**98,18,51,200**
Dividend paid for the year					(4,09,31,370)	(4,09,31,370)
Balance as at 31 March, 2021	**1,22,500**	**8,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**61,40,52,996**	**5,58,78,58,393**

(Amount in ₹)

Particulars	Reserves and surplus					Total
	Capital reserves	Capital redemption reserve	Securities premium account	General reserve	Retained Earnings	
Balance as at 1 April,2019	**1,22,500**	**3,50,00,000**	**1,751,317,328**	**3,13,73,65,569**	**(62,73,75,778)**	**4,29,64,29,619**
Profit for the Period					37,90,33,826	37,90,33,826
Other comprehensive income-						
Remeasurement of the net defined benefit plans (net of tax)					16,35,768	16,35,768
Transactional impact on account of adoption of Ind AS 116 - Leases					(54,88,183)	(54,88,183)
Total comprehensive income for the year	-	-	-	-	**37,51,81,411**	**37,51,81,411**
On Redemption of preference share		5,00,00,000			(5,00,00,000)	-
Dividend paid for the year					(2,46,72,467)	(2,46,72,467)
Balance as at 31 March 2020	**1,22,500**	**8,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(32,68,66,834)**	**4,64,69,38,563**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 formulation. The Company's research and development facilities and manufacturing facilities are located at Plot no.L-82, & L-83, Verna Industrial Estate, Verna, Goa – 403722 and R&D center at Navi Mumbai.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis of preparation and presentation

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

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 31 May, 2021.

2.2. Basis of measurement

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

The Company has established policies and procedures with respect to the measurement of fair values.

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

- Level1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 recognised in the period in which the estimate is revised and future periods affected.

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

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

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

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iii) Impairment of investments

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

(iv) Leases

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

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

2.4. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

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

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

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

Internally Generated ANDA, Market Authorisation, Product Licences & Others: 5 to 10 years.

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

2.5. Intangible assets

Intangible assets are initially recognised at cost.

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

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

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

Internally Generated ANDA, Market Authorisation, Product Licences & Others : 5 to 10 years.

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

2.6. Impairment of assets

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

i) An intangible asset that is not yet available for use; and

ii) An intangible asset that is having indefinite useful life.

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

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

2.7. Inventories

Inventories of raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Inventories of finished goods, stock-in-trade and work-in-process are valued at cost and net realizable value, whichever is lower.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

2.8. Foreign exchange transactions and translations

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

2.9. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

2.10. Financial instruments

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

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

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

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

– Amortised cost; or

– Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or

– Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or

– Fair Value through Profit or Loss (FVTPL)

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

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

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

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

Financial liabilities

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

Derecognition of financial assets

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

Offsetting

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

Financial guarantee contracts

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derivative financial instruments and hedge accounting

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

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

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Impairment of financial assets

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

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.11. Revenue recognition

Sale of goods

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

Export incentives

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

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

MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties.

Interest income

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

Dividend income

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

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 recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other benefit plan

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

Termination benefits

Termination benefits are recognised in the profit or loss when:

– the Company has a present obligation as a result of past event;

– a reliable estimate can be made of the amount of the obligation; and

– it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.13. Borrowing Costs

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

2.14. Income Taxes

Current tax

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

Deferred tax

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

2.15. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

2.16. Leases

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

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

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

2.17. Critical accounting estimates and significant judgment in applying accounting policies

(i) Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

(ii) Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2021 is representative of the position of the year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(iii) Credit Risk

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

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

(iv) Foreign exchange risk

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

i. Debt availed in foreign currencies.

ii. Net investments in subsidiaries that are in foreign currencies.

iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Company.

(v) Liquidity Risk

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

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

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total
Balance as at 1 April 2020	**39,54,71,890**	**1,16,04,04,466**	**8,60,73,873**	**6,69,21,797**	**1,24,12,491**	**6,29,03,053**	**1,78,41,87,570**
Acquisitions	44,81,621	20,46,89,349	23,86,895	15,23,500	94,492	22,06,900	21,53,82,757
Disposals/Transfers	-	1,06,09,007	-	0	-	-	1,06,09,007
Balance as at 31 March 2021	**39,99,53,511**	**1,35,44,84,808**	**8,84,60,768**	**6,84,45,297**	**1,25,06,983**	**6,51,09,953**	**1,98,89,61,320**
Accumulated Depreciation							
Balance as at 1 April 2020	11,80,81,296	54,03,34,961	2,90,27,530	3,88,91,902	75,87,886	5,58,28,803	78,97,52,378
Depreciation for the year	1,06,44,237	6,65,62,372	79,86,215	76,62,736	13,23,155	29,62,727	9,71,41,442
Disposals	-	61,95,470	-	0	-	-	61,95,470
Balance as at 31 March 2021	**12,87,25,533**	**60,07,01,863**	**3,70,13,745**	**4,65,54,638**	**89,11,041**	**5,87,91,530**	**88,06,98,350**
Carrying Value							
Balance as at 31 March 2021	**27,12,27,978**	**75,37,82,945**	**5,14,47,023**	**2,18,90,659**	**35,95,942**	**63,18,423**	**1,10,82,62,970**
Balance as at 1 April 2020	**27,73,90,594**	**62,00,69,505**	**5,70,46,343**	**2,80,29,895**	**48,24,605**	**70,74,250**	**99,44,35,192**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT (Contd..)

(Amount in ₹)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total
Balance as at 1 April 2019	**39,51,51,890**	**1,06,61,36,446**	**6,47,04,051**	**6,90,23,814**	**97,08,143**	**6,15,59,453**	**1,66,62,83,797**
Acquisitions	3,20,000	9,71,28,020	2,13,69,822	4,06,599	27,04,348	13,43,600	12,32,72,389
Disposals/Transfers	-	28,60,000	-	25,08,616	-	-	53,68,616
Balance as at 31 March 2020	**39,54,71,890**	**1,16,04,04,466**	**8,60,73,873**	**6,69,21,797**	**1,24,12,491**	**6,29,03,053**	**1,78,41,87,570**
Accumulated Depreciation							
Balance as at 1 April 2019	10,75,53,691	48,18,52,555	2,22,78,508	3,36,21,646	64,52,828	5,23,28,358	70,40,87,586
Depreciation for the year	1,05,27,605	5,94,47,778	67,49,022	76,53,441	11,35,058	35,00,445	8,90,13,349
Disposals	-	9,65,372	-	23,83,185	-	-	33,48,557
Balance as at 31 March 2020	**11,80,81,296**	**54,03,34,961**	**2,90,27,530**	**3,88,91,902**	**75,87,886**	**5,58,28,803**	**78,97,52,378**
Carrying Value							
Balance as at 31 March 2020	**27,73,90,594**	**62,00,69,505**	**5,70,46,343**	**2,80,29,895**	**48,24,605**	**70,74,250**	**99,44,35,192**
Balance as at 1 April 2019	**28,75,98,199**	**58,42,83,891**	**4,24,25,543**	**3,54,02,168**	**32,55,315**	**92,31,095**	**96,21,96,211**

Lease accounting

(Amount in ₹)

Particulars	Land	Property	Plant and Equipment	Total
Balance as at 1 April 2020	**96,65,840**	**5,60,84,007**	**6,47,94,445**	**13,05,44,292**
Acquisitions	-	1,65,32,495	6,34,57,259	7,99,89,754
Disposals/Transfers	-			-
Balance as at 31 March 2021	**96,65,840**	**7,26,16,502**	**12,82,51,704**	**21,05,34,046**
Accumulated Depreciation				
Balance as at 1 April 2020	-	1,25,06,710	89,99,228	2,15,05,938
Depreciation for the year	2,47,842	1,35,68,198	3,50,49,983	4,88,66,023
Disposals	-			-
Balance as at 31 March 2021	**2,47,842**	**2,60,74,908**	**4,40,49,211**	**7,03,71,961**
Carrying Value				
Balance as at 31 March 2021	**94,17,998**	**4,65,41,594**	**8,42,02,493**	**14,01,62,085**
Balance as at 1 April 2020	**96,65,840**	**4,35,77,297**	**5,57,95,217**	**10,90,38,354**

Intangible Assets

(Amount in ₹)

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total
Balance as at 1 April 2020	**57,30,09,557**	**57,30,09,557**
Acquisitions	-	-
Disposals/Transfers	-	-
Balance as at 31 March 2021	**57,30,09,557**	**57,30,09,557**
Accumulated Depreciation		
Balance as at 1 April 2020	52,46,59,007	52,46,59,007
Depreciation for the year	59,22,268	59,22,268
Disposals	-	-
Balance as at 31 March 2021	**53,05,81,275**	**53,05,81,275**
Carrying Value		
Balance as at 31 March 2021	**4,24,28,282**	**4,24,28,282**
Balance as at 1 April 2020	**4,83,50,550**	**4,83,50,550**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT (Contd..)

(Amount in ₹)

Particulars	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total
Balance as at 1 April 2019	**57,30,09,557**	**57,30,09,557**
Acquisitions	-	-
Disposals/Transfers	-	-
Balance as at 31 March 2020	**57,30,09,557**	**57,30,09,557**
Accumulated Depreciation		
Balance as at 1 April 2019	51,87,36,739	51,87,36,739
Depreciation for the year	59,22,268	59,22,268
Disposals	-	-
Balance as at 31 March 2020	**52,46,59,007**	**52,46,59,007**
Carrying Value		
Balance as at 31 March 2020	**4,83,50,550**	**4,83,50,550**
Balance as at 1 April 2019	**5,42,72,818**	**5,42,72,818**

Note No.3.1

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

Note No.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	March 31, 2021	March 31, 2020
Capital Expenditure	11,67,000	-

Note No.3.3

Refer Note No.41 for mortgage of above Fixed Assets.

NOTE NO.4 NON-CURRENT INVESTMENTS

Particulars	March 31, 2021	March 31, 2020
Unquoted equity shares		
Investment in subsidiaries	2,36,07,39,875	2,36,07,39,875
Refer Note No.4.1		
Total	**2,36,07,39,875**	**2,36,07,39,875**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.4 NON-CURRENT INVESTMENTS (Contd..)

Note No.4.1 Investment in equity instruments (fully paid)

(Amount in ₹)

Particulars	Extent of holding (%)	Amount/ No of shares	As at March 31, 2021	As at March 31, 2020
Nova Pharmaceuticals Australasia Pty Ltd.	60%	Amount ₹	1,59,05,003	1,59,05,003
		Face Value	AUD 1	AUD 1
		No of shares	90	90
Marksans Pharma (UK) Limited	100%	Amount ₹	66,92,37,881	66,92,37,881
		Face Value	GBP 1	GBP 1
		No of shares	85,96,941	85,96,941
Marksans Pharma Inc.	100%	Amount ₹	1,67,55,96,991	1,67,55,96,991
		Face Value	USD 0.01	USD 0.01
		No of shares	110	110
Total			**2,36,07,39,875**	**2,36,07,39,875**

Aggregate amount of quoted investment	-	-
Aggregate amount of Unquoted investment	2,36,07,39,875	2,36,07,39,875
Aggregate amount of Impairment in the Value	-	-

Note No.4.2

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

The Company has incorporated a legal entity, Marksans Pharma Canada Inc in the current year. The amount repatriated for its formation had been charged off to the Statement of Profit & Loss for the year. The Company has not yet subscribed to the share capital of the entity and controls the same by virtue of incorporation.

NOTE NO.5 OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost		
Security deposits	2,56,33,265	2,04,76,506
Total	**2,56,33,265**	**2,04,76,506**

NOTE NO.6 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to vendors for capital goods	1,59,51,456	2,42,65,868
Total	**1,59,51,456**	**2,42,65,868**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

NOTE NO.7 INVENTORIES

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
a. Raw materials and packing materials	76,14,52,605	56,50,73,263
b. Work-in-process	11,66,27,887	10,12,33,384
c. Finished goods	3,35,88,113	4,60,85,768
d. Stock-in-trade	2,51,91,289	3,36,28,127
Total	**93,68,59,894**	**74,60,20,542**

*Mode of valuation of inventories is stated in Note 2.07

The cost of inventory recognised as an expense is disclosed in notes 25,26 and as purchase of stock in trade in the statement of profit and loss.

NOTE NO.8 TRADE RECEIVABLES

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good	1,46,78,88,769	1,61,86,88,146
Total	**1,46,78,88,769**	**1,61,86,88,146**

* Refer Note:35(c) for related parties

NOTE NO.9 CASH AND CASH EQUIVALENTS

Particulars	March 31, 2021	March 31, 2020
a. **Balances with banks**		
In current accounts	21,96,14,978	2,71,25,826
In dividend accounts	19,64,765	15,89,232
b. Balances with bank in margin accounts	2,70,93,695	44,74,984
c. Cash in hand	2,66,354	3,33,168
d. Fixed deposit	80,82,09,155	-
Total	**1,05,71,48,947**	**3,35,23,210**

Note No.9.1

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

Margin Money represent money given against Bank Guarantees.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.10 OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Carried at fair value profit and loss		
Derivative financial assets - forward contract	1,46,20,439	-
Carried at amortised cost		
Other Current assets	26,04,791	20,44,929
Total	**1,72,25,230**	**20,44,929**

NOTE NO.11 OTHER CURRENT ASSETS

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Advance to vendors	97,72,564	3,40,15,113
Others	34,75,327	62,03,100
Total	**1,32,47,891**	**4,02,18,213**

NOTE NO.12 SHARE CAPITAL

Particulars	March 31, 2021		March 31, 2020	
	Number	(₹)	Number	(₹)
Authorised				
Equity shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable cumulative preference shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000
Total	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up				
Equity shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

a. Terms/rights attached to Equity Shares

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

b. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 Preference shares at par on 07 February, 2015, 1,50,000 preferance share at par on 31 March, 2017, 100,000 preference shares at par on 14 March, 2018, 100,000 Preference Shares at par on 30 October, 2019, 200,000 Preference Shares at par on 17 January, 2020 and 200,000 Preference Shares at par on 31 March, 2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.12 SHARE CAPITAL (Contd..)

c. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity shares of ₹1/- each fully paid				
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25

NOTE NO.13 OTHER EQUITY

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
a. Capital reserves	1,22,500	1,22,500
	1,22,500	**1,22,500**
b. Capital redemption reserve		
Opening Balance	8,50,00,000	3,50,00,000
(+) Transferred from Profit and Loss	-	5,00,00,000
Closing balance	**8,50,00,000**	**8,50,00,000**
c. Securities premium		
Opening Balance	1,75,13,17,328	1,75,13,17,328
Closing balance	**1,75,13,17,328**	**1,75,13,17,328**
d. General reserve		
Opening balance	3,13,73,65,569	3,13,73,65,569
Closing balance	**3,13,73,65,569**	**3,13,73,65,569**
e. Retained earnings		
Opening balance	(32,68,66,834)	(62,73,75,778)
(+) Net Profit for the current year	98,38,14,857	37,90,33,826
(-) Transfer to capital redemption reserve	-	(5,00,00,000)
(-) Dividend for the year	(4,09,31,370)	(2,46,72,467)
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)	(19,63,657)	16,35,768
Transactional impact on account of adoption of Ind AS 116 - Leases	-	(54,88,183)
Closing balance	**61,40,52,996**	**(32,68,66,834)**
Total	**5,58,78,58,393**	**4,64,69,38,563**

1. Capital reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

2. Capital redemption reserve

The Company has redeemed 8,50,000 7% Redeemable Cumulative Preference Shares of ₹100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹8,50,00,000 has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.13 OTHER EQUITY (Contd..)

3. Securities premium account

The Company has on 30th March, 2015, issued and allotted 2,40,06,494 equity shares of ₹ 1/- each face value to qualified institutional buyers under QIP at a premium of ₹ 53.67 per equity share. Accordingly, the premium amount of ₹1,28,84,28,533.00 has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹ 46,28,88,795.00 received by the Company over and above the face value of shares issued on earlier dates.

4. General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

5. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.

6. Dividend

The Board of Directors, in it's meeting held on 31 May,2021, have recommended for approval of members a dividend of ₹ 0.25 per equity share of ₹ 1/- each (25%) for the Financial Year 2020-21.

NOTE NO.14 LEASE LIABILITY

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Lease liability	8,33,61,811	7,52,04,873
Total	**8,33,61,811**	**7,52,04,873**

Note No.14.1

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current	8,33,61,811	7,52,04,873
Current	6,03,66,379	3,24,10,485
Total	**14,37,28,190**	**10,76,15,358**

Note No.14.2

The following is the movement in lease liabilities for the year ended

Particulars	As at March 31, 2021	As at March 31, 2020
Balance recognised at the beginning of the year	10,76,15,359	-
Additions during the year	7,70,45,985	12,63,66,634
Finance cost accrued during the year	1,94,77,261	88,79,348
Payment of lease liabilities	(6,04,10,415)	(2,76,30,624)
Balance recognised at the end of the year	**14,37,28,190**	**10,76,15,359**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.15 OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
7% Redeemable cumulative preference shares of ₹100/- each	5,00,00,000	5,00,00,000
Total	**5,00,00,000**	**5,00,00,000**

Terms/rights attached to Preference Shares

The Company's Issued, Subscribed and Paid-up Prefernece Share Capital is ₹5,00,00,000 (Rupees five crore) divided into 5,00,000 Preference shares of ₹100/- each. With consent of the sole shareholder,redemption date of these preference shares have been extended upto 27th March,2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

NOTE NO.16 PROVISIONS

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Provision for Gratuity (Refer Note No.32)	1,41,71,167	1,15,11,355
Provision for Leave encashment	69,37,815	32,34,401
Total	**2,11,08,982**	**1,47,45,756**

NOTE NO.17 DEFERRED TAX LIABILITIES (NET)

Particulars	March 31, 2021	March 31, 2020
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	9,01,10,714	11,55,08,283
Others	(8,97,493)	
Total Deferred tax liability	**8,92,13,221**	**11,55,08,283**
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefit	70,87,388	79,55,270
Change in fair valuation of financial assets	(34,18,935)	4,93,201
Total Deferred tax assets	**36,68,453**	**84,48,471**
Deferred Tax on OCI (Liabilties) / Assets	(6,60,430)	8,78,632
Net Deferred tax Liability	**8,48,84,338**	**10,79,38,444**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Note No.17.1 Current Tax:

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in profit or loss		
Current tax :		
Current year	28,18,76,669	11,59,99,467
Prior years	-	(45,29,848)
Current income tax	**28,18,76,669**	**11,14,69,619**
Deferred tax :		
Current year origination and reversal of temporary differences	(2,23,93,675)	3,67,66,863
Deferred tax expense	**(2,23,93,675)**	**3,67,66,863**
Total income tax recognised in profit or loss	**25,94,82,994**	**14,82,36,482**

Amounts recognised in other comprehensive income	As at March 31, 2021	As at March 31, 2020
Remeasurements of the defined benefit plans	6,60,430	(8,78,632)
Total income tax recognised in other comprehensive income	**6,60,430**	**(8,78,632)**

Reconciliation of effective tax rate	As at March 31, 2021	As at March 31, 2020
Profit before tax	1,24,32,97,851	52,72,70,308
Tax using the Company's domestic tax rate	25.17%	29.12%
Expected income tax expenses	31,29,13,203	15,35,41,114
Tax effect of:		
Effect of expenses that are not deductible in determining taxable profit (net of allowed as taxable)	11,41,278	27,58,686
Corporate social responsibility expenditure disallowed	21,20,366	24,16,910
On account of rate difference	(3,03,23,750)	-
Prior years	-	(45,29,848)
Provision for Assets held for sales	(92,332)	(1,08,349)
Change in tax rate	(2,96,20,557)	-
Others	33,44,786	(58,42,031)
Tax expenses as per statement of profit and loss	**25,94,82,994**	**14,82,36,482**

NOTE NO.18 LEASE LIABILITY

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability (refer note no 14.1)	6,03,66,379	3,24,10,485
Total	**6,03,66,379**	**3,24,10,485**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.19 TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Total outstanding dues to micro, small & medium enterprises	1,40,33,042	19,60,531
b) Total outstanding dues to other than micro, small & medium enterprises	62,75,10,810	56,45,77,170
Total	**64,15,43,852**	**56,65,37,701**

NOTE NO.20 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of vehicle loan	-	4,58,242
Employee dues	7,54,64,293	5,96,41,312
Unclaimed dividend	19,64,764	15,89,232
Deposits	10,10,000	10,000
Other current liability	6,68,52,604	1,51,27,103
Total	**14,52,91,661**	**7,68,25,889**

NOTE NO.21 PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
a. Provision for Gratuity and compensated absences (Refer Note 32)		
Provision for Gratuity	54,46,416	35,56,697
Provision for Leave encashment	42,29,005	19,48,916
Total	**96,75,421**	**55,05,613**

NOTE NO.22 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax provision	9,21,44,129	1,23,80,363
(Net of Advance tax₹20,22,17,377(PY₹10,36,19,104)		
Total	**9,21,44,129**	**1,23,80,363**

NOTE NO.23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	5,91,73,93,768	4,28,54,09,836
Other operating revenues :-		
Scrap sales	1,22,20,564	72,18,416
Export incentives	6,58,63,810	4,15,22,191
Total	**5,99,54,78,142**	**4,33,41,50,443**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.24 OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	99,80,468	2,61,243
Insurance claim received	–	5,25,443
Unwinding discount on security deposits i.e. interest income	14,97,718	5,74,382
Profit on sale of fixed assets	3,66,862	3,72,077
Net Gain arising on financial assets/ liabilities measured at Fair Value through profit or loss	1,62,52,250	–
Dividend from equity investment in subsidiary	28,34,58,134	–
Total	**31,15,55,432**	**17,33,145**

NOTE NO.25 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	56,50,73,263	57,89,86,167
Add: Purchases	3,10,93,04,857	2,10,19,27,383
Less: Inventory at the end of the Year	(76,14,52,605)	(56,50,73,263)
Cost of material and components consumed	**2,91,29,25,515**	**2,11,58,40,287**

NOTE NO.26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year		
Finished goods	4,60,85,768	2,39,37,267
Work-in-process	10,12,33,384	8,98,51,024
Stock-in-trade	3,36,28,127	1,08,62,485
	18,09,47,279	**12,46,50,776**
Inventory at the end of the year		
Finished goods	3,35,88,113	4,60,85,768
Work-in-process	11,66,27,887	10,12,33,384
Stock-in-trade	2,51,91,289	3,36,28,127
	17,54,07,289	**18,09,47,279**
Total	**55,39,990**	**(5,62,96,503)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.27 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages including bonus	49,16,93,852	45,28,31,931
Contributions to - Providend fund , E.S.I.C. and other fund	2,40,21,671	2,21,86,572
Gratuity and leave encashment	1,08,75,094	46,83,988
Staff welfare expenses	1,97,97,025	53,53,717
Total	**54,63,87,642**	**48,50,56,208**

NOTE NO.28 FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense for financial liabilities measured at amortised cost	2,50,67,348	3,94,82,400
Bank charges	2,48,81,032	2,49,96,117
Dividend on preference share	35,00,000	84,38,871
Total	**5,34,48,380**	**7,29,17,388**

NOTE NO.29 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on tangible assets	9,71,41,442	8,90,13,349
Amortization of intangible asssets	5,47,88,291	2,74,28,206
Total	**15,19,29,733**	**11,64,41,555**

NOTE NO.30 OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Water Charges	38,34,897	27,18,495
Power & Fuel	10,52,07,190	8,68,29,419
Repairs & maintenance - plant and machinery	3,51,69,348	2,65,24,702
Repairs & maintenance - building	5,17,070	15,61,182
Other manufacturing expenses	3,41,28,890	1,67,88,177
Rent	1,60,90,162	60,67,229
Rates & Taxes	72,122	35,49,084
Travelling expenses	2,15,60,005	4,75,90,722
Communication expenses	22,59,482	25,29,921
Courier & postage expenses	19,71,373	25,18,952
Printing & stationery	22,71,614	19,29,449

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.30 OTHER EXPENSES (Contd..)

(Amount in ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Auditors remuneration	41,10,000	27,60,000
Vehicle expenses & local conveyance	52,41,611	40,17,501
Legal & professional fees	1,41,70,167	2,39,05,754
Office expenses	39,42,958	43,78,510
Insurance charges	77,16,641	49,51,136
Exchange loss/(gain)	98,88,120	-
Net Loss arising on financial assets/ liabilities measured at Fair Value through profit or loss	-	10,27,020
Corporate social responsibility expenses	84,24,848	24,16,910
Food and drug administration fees	7,37,03,517	6,17,11,188
Freight outward & export clearing expenses	44,10,80,448	23,47,46,807
Bad Debts	80,91,776	-
Selling & distribution expenses	8,03,52,305	9,96,47,658
Other operating expenses	5,30,39,765	4,18,83,241
Total	**93,28,44,309**	**68,00,53,057**

Note No.30.1 Details of payments to the auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
for statutory audit (including limited review fees)	21,10,000	14,60,000
for tax audit	8,00,000	8,00,000
for GST audit	12,00,000	5,00,000

NOTE NO. 31: 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	March 31, 2021	March 31, 2020
Earning Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	98,38,14,857	37,90,33,826
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of ₹ 1/- each	40,93,13,698	40,93,13,698
b) For Diluted Earning Per Share of ₹ 1/- each		
- No. of Share for Basic EPS as per 2(a)	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding	-	-
- No. of share for diluted Earnings Per Share of ₹ 1/- each	40,93,13,698	40,93,13,698
3) Earning Per Share (Weighted Average)		
Basic	2.40	0.93
Diluted	2.40	0.93

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

NOTE 32 - EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I Gratuity (defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	24,77,445	25,64,500
Past Cost / (Gain)	–	–
Interest Cost	7,10,999	10,06,194
Scheme Cost (Income) to P&L	**31,88,444**	**35,70,694**

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	March 31, 2021	March 31, 2020
Change in Financial Assumption	**4,94,405**	**10,18,437**
Change in the Salary Escalation Rate Assumption	–	–
Change in the Discount Rate	4,94,405	10,18,437
Change in Demographic Assumption	**–**	**(64)**
Change in the Mortality Rate Assumption	–	(64)
Change in the Attrition Rate Assumption	–	–
Experience Adjustment	**21,29,682**	**(35,32,773)**
Total Actuarial (Gain) / Loss related to Liability	**26,24,087**	**(25,14,400)**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	March 31, 2021	March 31, 2020
Defined Benefit Obligations (DBO)	1,96,17,583	1,50,68,052
Fair Value of Plan Assets	–	–
Net (Assets) / Liabilities	**1,96,17,583**	**1,50,68,052**

d Break-up of the defined benefit plan related balance sheet amounts as at 31 March 2021 and 31 March 2020, is shown below.

Particulars	March 31, 2021	March 31, 2020
Current Liability	54,46,416	35,56,697
Non-Current Liability	1,41,71,167	1,15,11,355
Total	**1,96,17,583**	**1,50,68,052**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

NOTE 32 - EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
DBO at the beginning of the reporting period	1,50,68,051	1,42,96,818
Current Service Cost	24,77,445	25,64,500
Past Service (Cost) / Gain	-	-
Interest Cost	7,10,999	10,06,194
Benefits paid including to be paid	(12,62,999)	(2,85,061)
Remeasurements due to Actuarial Gain / (Loss)	26,24,087	(25,14,400)
DBO at the end of the reporting period	**1,96,17,583**	**1,50,68,051**

f Change in Fair Value of Assets for the period ending as at 31 March 2021 and 31 March 2020:

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2021 are as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	4.64%	5.35%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Particulars	March 31, 2021	March 31, 2020
Retirement Age	58 Years	58 Years

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	March 31, 2021 ₹	March 31, 2020 ₹	March 31, 2021 %	March 31, 2020 %
Base Scenario	1,96,17,583	1,50,68,051		
Discount Rate: Increase by 1%	1,89,29,191	1,45,39,177	-3.51%	-3.51%
Discount Rate: Decrease by 1%	2,03,64,528	1,56,40,821	3.81%	3.80%
Salary Escalation Rate: Increase by 1%	1,89,43,661	1,45,46,913	-3.44%	-3.46%
Salary Escalation Rate: Decrease by 1%	1,56,20,402	1,56,20,402	3.67%	3.67%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

The Company's contribution to Provident Fund, E.S.I.C. and other fund aggregating ₹2,40,21,671 (2020: ₹2,21,86,572) has been recognised in Profit or Loss under the head Employee Benefits Expense.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE 32 - EMPLOYEE POST- RETIREMENT BENEFITS (Contd..)

Employee Stock Option Plan

The Shareholders of the Company at the 28th Annual General Meeting held on 29th September, 2020, approved Marksans Employees Stock Option Scheme 2020. Under the said scheme, the Company can grant a total of 81,86,273 options to the eligible employees for issue and allotment of equal number of equity shares of ₹1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet.

NOTE NO.33 CAPITAL MANAGEMENT

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company. Net Debt and Equity is given in the table below:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Total Shareholders' Equity as reported in Balance Sheet (A)	5,99,71,72,091	5,05,62,52,261
Net Debt		
Lease liability (including current lease liability)	14,37,28,190	10,76,15,358
Other financial liabilities (preference shares)	5,00,00,000	5,00,00,000
Gross Debt	19,37,28,190	15,76,15,358
Less: Cash & cash equivalents	1,05,71,48,947	3,35,23,210
Net Debt (B)	(86,34,20,757)	12,40,92,148
Total Capital deployed (A-B)	**5,13,37,51,334**	**5,18,03,44,409**
Net debt to equity ratio (B/A)	**-0.14**	**0.02**

NOTE NO.34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, capital creditors, loans and cash and cash equivalents as at 31 March, 2021 and 31 March, 2020 are considered to be the same as their fair values, due to their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and short term borrowings subsequently measured at amortised cost is not significant in each of the year presented

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

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. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(Amount in ₹)

Particulars	As at March 31, 2021			As at March 31, 2021		
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	–	–	2,56,33,265	–	–	–
Trade receivables	–	–	1,46,78,88,769	–	–	–
Cash and cash equivalents	–	–	1,05,71,48,947	–	–	–
Others current financial assets	1,46,20,439	–	26,04,791	–	1,46,20,439	–
Total	**1,46,20,439**	**-**	**2,55,32,75,772**	**-**	**1,46,20,439**	**-**
Financial Liabilities						
Other Non-current financial liabilities	–	–	5,00,00,000	–	–	–
Trade payables	–	–	64,15,43,852	–	–	–
Lease Liability (including current lease liability)		–	14,37,28,190	–	–	
Other current financial liabilities	–	–	14,52,91,662	–	–	–
Total	**-**	**-**	**98,05,63,704**	**-**	**-**	**-**

Particulars	As at 31 March 2020			As at 31 March 2020		
	Carrying amount			Fair Value		
	FVPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	–	–	2,04,76,506	–	–	
Trade receivables	–	–	1,61,86,88,146	–	–	–
Cash and cash equivalents	–	–	3,35,23,210	–	–	–
Others current financial assets	–	–	20,44,929	–	–	–
Total	**-**	**-**	**1,67,47,32,791**	**-**	**-**	**-**
Financial Liabilities						
Other Non-current financial liabilities	–	–	5,00,00,000	–	–	–
Trade payables	–	–	56,65,37,701	–	–	–
Lease Liability (including current lease liability)	–	–	10,76,15,358	–	–	
Other current financial liabilities	10,27,020	–	7,57,98,869	–	10,27,020	–
Total	**10,27,020**	**-**	**79,99,51,928**	**-**	**10,27,020**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i. Credit risk;

ii. Liquidity risk; and

iii. Market risk

(i) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

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.

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹ 1,05,71,48,947 at 31 March, 2021 (31 March, 2020: ₹ 3,35,23,210). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade and other receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Neither past due nor impaired	1,41,48,50,196	1,58,79,78,700
Past due but not impaired		
Past due 0–180 days	5,30,38,573	3,07,09,446

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

(ii) Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March, 2021 the Company's liabilities have contractual maturities which are summarised below:

(Amount in ₹)

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payable	64,15,43,852	–	–
Non Current Financial liabilities		5,00,00,000	–
Lease liability	6,03,66,379	8,24,18,029	9,43,782
Other current financial liabilities	14,52,91,661		
Total	**84,72,01,892**	**13,24,18,029**	**9,43,782**

As at 31 March, 2020 the Company's liabilities have contractual maturities which are summarised below:

(Amount in ₹)

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payable	56,65,37,701	–	–
Non current financial liabilities		5,00,00,000	–
Lease liability	3,24,10,485	7,41,81,455	10,23,418
Other current financial liabilities	7,68,25,889		
Total	**67,57,74,075**	**12,41,81,455**	**10,23,418**

(iii) Market Risk Analysis

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

(a) Foreign Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(Amount in ₹)

Particulars	March 31, 2021			March 31, 2020		
	USD	GBP	EUR	USD	GBP	EUR
Short term exposure						
Other current assets	-	-	22,504	2,37,188	-	11,98,080
Other non-current assets	-	-	-	23,72,187	-	1,04,95,680
Trade receivables	1,66,42,12,056	(21,57,03,550)	-	1,22,58,13,975	37,37,67,590	8,66,962
FINANCIAL ASSETS	**1,66,42,12,056**	**(21,57,03,550)**	**22,504**	**1,22,84,23,350**	**37,37,67,590**	**1,25,60,722**
Financial liabilities						
Borrowings (PCFC)	-	-	-	5,65,39,857	-	-
Trade payables / other	7,85,27,102	8,35,245	1,62,26,969	80,46,735	30,49,409	57,28,653
FINANCIAL LIABILITIES	**7,85,27,102**	**8,35,245**	**1,62,26,969**	**6,45,86,592**	**30,49,409**	**57,28,653**
Short term exposure	**1,58,56,84,954**	**(21,65,38,795)**	**(1,62,04,465)**	**1,16,38,36,758**	**37,07,18,181**	**68,32,069**

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.

(Amount in ₹)

Particulars	March 31, 2021			March 31, 2020		
	USD	GBP	EUR	USD	GBP	EUR
Strengthening	15,85,68,495	-2,16,53,879	-16,20,447	11,63,83,676	3,70,71,818	6,83,207
Weakening	-15,85,68,495	2,16,53,879	16,20,447	-11,63,83,676	-3,70,71,818	-6,83,207

(b) Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations.

Exposure to interest rate risk

Since the Company does not have any interest bearing financial liabilities, a change in interest rates at the reporting date would not have any significant impact on the financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO. 35: RELATED PARTY DISCLOSURES

(a) Related parties where control exists

1. Marksans Pharma (UK) Limited
2. Marksans Holdings Limited
3. Bell, Sons and Co. (Druggists) Limited
4. Relonchem Limited
5. Marksans Pharma Inc.
6. Time-Cap Laboratories Inc.
7. Custom Coatings Inc.
8. Marksans Realty LLC
9. Nova Pharmaceuticals Australasia Pty Ltd

(b) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha	:	Managing Director
Mrs. Sandra Saldanha	:	Whole-time Director
Mr. Varddhman Vikramaditya Jain	:	Whole-time Director
Mr. Jitendra Sharma	:	Chief Financial Officer
Mr. Harshavardhan Panigrahi	:	Company Secretary
Mr. Abhinna Sundar Mohanty	:	Independent Director
Mr. Digant Mahesh Parikh	:	Independent Director
Mr. Seetharama Raju Buddharaju	:	Independent Director
Mrs. Meena Rani Surana (w.e.f. 04 September, 2020)	:	Independent Director

(c) List of related parties with whom transactions have taken place during the year are as follows:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Advances repaid		
Marksans Pharma (UK) Limited	-	14,54,46,446
Sale of goods		
Nova Pharmaceuticals Australasia Pty Ltd	52,14,49,507	44,75,67,573
Bell, Sons and Co. (Druggists) Limited	84,33,52,472	61,21,63,989
Relonchem Limited	99,40,21,761	97,90,32,672
Time-Cap Laboratories Inc.	273,00,66,536	136,69,67,694
Sales of property, plant & equipment:		
Time-Cap Laboratories Inc.	42,80,399	18,94,628
Dividend received	**28,34,58,134**	
Marksans Pharma (UK) Limited	28,34,58,134	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO. 35: RELATED PARTY DISCLOSURES (Contd..)

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Purchases	**86,95,476**	
Bell, Sons and Co. (Druggists) Limited	36,689	-
Relonchem Limited	7,68,473	-
Time-Cap Laboratories Inc.	78,90,314	-
Purchase of property, plant & equipment		
Time-Cap Laboratories Inc.	1,53,46,782	-
Rent paid		
Mr. Mark Saldanha	1,06,53,336	1,04,43,336
Managerial remuneration		
Mr. Mark Saldanha	1,04,32,320	1,04,32,320
Mrs. Sandra Saldanha	70,29,564	70,29,564
Mr. Varddhman Vikramaditya Jain	1,46,81,046	1,37,49,828
Mr. Jitendra Sharma	1,18,03,380	1,24,48,380
Mr. Harshavardhan Panigrahi	23,67,060	23,59,308
Mr. Abhinna Sundar Mohanty	25,000	20,000
Mr. Seetharama Raju Bhuddharaju	20,000	30,000
Mr. Digant Mahesh Parikh	1,60,000	25,000
Mrs. Meena Rani Surana	10,000	-

(d) Balances outstanding at the end of the year

Particulars	March 31, 2021	March 31, 2020
Trade receivable		
Nova Pharmaceuticals Australasia Pty Ltd	23,17,71,535	12,38,39,216
Bell, Sons and Co. (Druggists) Limited	(6,24,40,015)	22,62,05,274
Relonchem Limited	(15,32,63,535)	13,88,72,004
Time-Cap Laboratories Inc.	12,09,309,908	9,27,302,904
Trade payable		
Bell, Sons and Co. (Druggists) Limited	38,545	-
Relonchem Limited	7,96,700	-
Time-Cap Laboratories Inc.	2,37,65,757	-

NOTE NO 36. SEGMENT INFORMATION:

A. Operating Segments

The Company operates under a single operating segment which consists of manufacturing pharmaceutical formulation. The pharmaceutical product is considered as the single operating business segment in which the Company is exclusively engaged. Accordingly, disclosures relating to products information under the Indian Accounting Standard on Operating segments (Ind AS-108) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 are not relevant to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO 36. SEGMENT INFORMATION: (Contd..)

B. Geographical Information:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Segment revenue		
Overseas	5,91,65,52,005	4,26,66,86,350
Domestic	7,89,26,137	6,74,64,093
TOTAL	**5,99,54,78,142**	**4,33,41,50,443**

C. Information about major customers

During the years ended 31 March, 2021 and 31 March, 2020, revenues from transactions with a single customer amount to 10% or more of the Company's revenues from customers includes 3 customers amounting to ₹ 5,08,88,90,276 and ₹3,40,57,31,928.

NOTE NO. 37 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Contingent liabilities		
Guarantees and letter of credit	1,15,10,44,082	1,39,79,90,614
– A.Y 2006-07 Appellate Authority – High Court (Demand for regular assessment)	Uncertain	Uncertain
– A.Y 2006-07 Appellate Authority – High Court (Penalty)	Uncertain	57,99,493
	1,15,10,44,082	**1,40,37,90,107**

NOTE NO. 38: RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Company as Research and Development expenditure during the financial year:-

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
R & D Expenditure		
Capital Expenditure	11,67,000	-
Revenue Expenditure	12,74,89,878	8,31,46,891
TOTAL	**12,86,56,878**	**8,31,46,891**

NOTE NO. 39: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	March 31, 2021	March 31, 2020
Amount required to be spent	83,59,380	56,82,823
Amount spent	84,24,848	24,16,910

*Detailed report on CSR initiative has been provided in directors report

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

NOTE NO.40 DISCLOSURE AS PER SECTION 186 OF COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

i) Details of Investments made are given in Note 4.1

ii) Details of guarantees given by the Company are as follows:

(Amount in ₹)

Name of Company	Relationship	Guarantee in favour of	March 31, 2021	March 31, 2020
Bell, Sons & Co. (Druggists) Limited	Step down Subsidiary	Bank of Baroda (London)	29,80,50,000	27,10,50,000
Relonchem Limited	Step down Subsidiary	Bank of Baroda (London)	15,39,92,500	14,00,42,500
Time-Cap Laboratories Inc.	Step down Subsidiary	Bank of Baroda (New York)	50,12,00,000	51,10,00,000

Purpose: Guarantees are given by the Company for general business purpose to support subsidiaries / step down subsidiaries.

NOTE NO.41:

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the company's plant at Verna,Goa on a pari-passu basis. The Company has taken working capital from banks at interest rates of Libor+1% (In case of foreign currency) to 7.90% (in case of borrowings in INR).

NOTE NO. 42: SUBSEQUENT EVENTS:

There are no subsequent events that occurred after the reporting date.

NOTE NO. 43: RECLASSIFICATION OF PREVIOUS YEAR'S FIGURES:

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2021

(Amount in ₹)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A. Cash Flow from Operating Activities		
Profit before tax	1,24,32,97,851	52,72,70,308
Adjustments to profit before tax:		
-Depreciation and amortisation expenses	15,19,29,733	11,64,41,555
-Exchange Loss on foreign exchange fluctuations	98,88,120	-
-Profit on sale of Property, plant and equipment	(3,66,862)	(3,72,077)
-Finance costs	5,34,48,380	7,29,17,388
-Dividend income	(28,34,58,134)	-
-Interest income	(99,80,468)	(2,61,243)
-Net gain/(loss) arising on financial assets measured at fair value	(1,77,49,968)	4,52,638
-Remeasurement of the net defined benefit plans	(26,24,087)	25,14,400
-Bad debts written off	80,91,776	-
Operating profit before working capital changes	**1,15,24,76,341**	**71,89,62,969**
Movements in working capital :		
(Increase)/Decrease in Inventories	(19,08,39,352)	(4,23,83,599)
(Increase)/Decrease in Trade receivables	14,27,07,600	15,96,09,163
(Increase)/Decrease in Other financial assets	(25,87,092)	13,86,58,636
(Increase)/Decrease in Other assets	2,69,70,322	69,51,953
Increase/(Decrease) in Trade Payable, provisions and Other Non current Liabilities	14,41,16,837	19,88,16,275
Cash generated from operations	**1,27,28,44,656**	**1,18,06,15,397**
Income taxes paid (net)	(20,21,12,903)	(10,48,62,679)
Net cash generated from operating activities (A)	**1,07,07,31,753**	**1,07,57,52,718**
B. Cash flow from Investing Activities:		
Payments to acquire property, plant and equipment and intangible assets	(21,00,12,114)	(24,41,50,840)
Proceeds from sale of property, plant and equipment and intangible assets	47,80,399	23,92,136
Dividend income	28,34,58,134	-
Interest income	99,80,468	2,61,243
Net Cash Flow generated from/ (used in) Investing Activities (B)	**8,82,06,887**	**(24,14,97,461)**

Cash Flow Statement

for the year ended March 31, 2021

(Amount in ₹)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
C. Cash flow from Financing Activities:		
Payments for redemption of preference share capital	-	(5,00,00,000)
Dividend paid	(4,09,31,370)	(2,46,72,467)
Repayment of short term borrowing (net)	-	(77,32,69,848)
Repayment of lease liabilities	(4,09,33,153)	10,21,27,175
Finance costs paid (including interest on lease liabilities)	(5,34,48,380)	(7,29,17,388)
Net Cash Flow (used in) Financing Activities (C)	**(13,53,12,903)**	**(81,87,32,528)**
Net increase in cash and bank balances (A+B+C)	**1,02,36,25,737**	**1,55,22,729**
Cash & Bank Balances as at 31 March, 2020	**3,35,23,210**	**1,80,00,481**
Cash & Bank Balances as at 31 March, 2021	**1,05,71,48,947**	**3,35,23,210**

Notes :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7,' Statement of Cash Flows'.

2 The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Independent Auditor's Report

To the Members of
Marksans Pharma Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Marksans Pharma Limited ("the Company") and its subsidiaries (including step down subsidiaries) (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those 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 the Institute of Chartered Accountants of India, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	Recoverability of carrying value of Intangible assets: The Group has ₹ 609.42 million as total carrying value of intangible assets as at March 31, 2021. An intangible asset is for the purpose of furtherance of business development. We have focused on intangibles assets because of the amount involved and the required management judgment in respect of expected future economic benefits of the intangibles assets.	Our audit procedures over intangible assets: • Obtained an understanding of use and future economic benefits from the intangible assets. • Assessing the impact due to recent industrial developments influencing current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions. • Reconciled on a sample basis the costs for the period to the underlying invoices and supporting documents. • Evaluation of the robustness of valuation methodology.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 management and Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.
- 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.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

a) We did not audit the financial statements / financial information of the two subsidiaries (and step down subsidiaries), whose financial statements / information, without giving effect to elimination of intra-group transaction, reflect total assets of ₹ 7,926.42 million as at 31 March, 2021, total revenue of ₹ 11,539.65 million, total net profit after tax of ₹ 1,632.70 million and total comprehensive income of ₹ 1,632.70 million for the year ended on that date and net cash flows ₹ 217.35 million for the year ended that date, as considered in the Statement which have been audited by their respective independent auditors.

   The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

   These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by management of the Company and audited by us.

b) We did not audit the financial statements / financial information of the one subsidiary, whose financial statements / information, without giving effect to elimination of intra-group transaction, reflect total assets of ₹ 782.25 million as at 31 March, 2021, total revenue of ₹ 1,363.12 million, total net profit after tax of ₹ 64.97

million and total comprehensive income of ₹ 64.97 million for the year ended on that date and net cash outflows of ₹ 55.38 million for the year ended that date, as considered in the Statement which have been furnished to us by the management of the Company.

These financial statements and other financial information of the entity have been approved and furnished to us by management which is based on Independent accountant's report engaged by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such independent accountant. In our opinion and according to the information and explanations given to us by management, these financial statements and other financial information are not material to the Group after considering the impact of elimination of intra-group transactions.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by management.

Report on Other Legal and Regulatory Requirements

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), 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 Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2021 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 the financial statements of the Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    a) The Group has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its consolidated financial statements.

    b) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31 March 2021.

3. With respect to the matters to be included in the Auditor's Report under section 197(16):

    In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm's Registration Number: 101474W / W100100

Tejas Laliwala
Partner
Membership Number: 127487
ICAI UDIN: 21127487AAAAFB6671

Mumbai
31 May, 2021

Annexure "A" to the Independent Auditors' report on the consolidated financial statements

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Marksans Pharma Limited** of even date)

Report on the internal financial controls under clause (i) of sub-section 3of section 143 of the companies act, 2013 ("the act")

In conjunction with our audit of the consolidated financial statements of Marksans Pharma Limited (hereinafter referred to as "the Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of the Company as of that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 the internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls 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 controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm's Registration Number: 101474W / W100100

Tejas Laliwala
Partner
Membership Number: 127487
ICAI UDIN: 21127487AAAAFB6671

Mumbai
31 May, 2021

Consolidated Balance Sheet

as at March 31, 2021

(Amount in ₹)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,34,40,47,423	2,19,10,98,125
Capital work-in-progress	3	5,59,99,224	-
Right to use assets	3	14,01,62,085	10,90,38,354
Intangible assets	3	60,94,19,113	72,70,24,993
Intangible assets under development	3	6,07,99,197	
Financial assets			
Other financial assets	4	2,56,33,266	3,30,24,477
Deferred tax assets (net)	5	79,85,514	63,41,730
Other non-current assets	6	1,59,51,456	2,42,65,868
Total non-current assets		**3,25,99,97,278**	**3,09,07,93,547**
Current assets			
Inventories	7	4,04,31,97,284	2,41,84,39,338
Financial Assets			
(i) Trade receivables	8	2,71,38,12,637	2,43,35,17,408
(ii) Cash and cash equivalents	9	2,12,28,62,194	93,72,70,861
(iii) Other financial assets	10	1,72,25,230	20,44,932
Other current assets	11	12,54,16,069	14,46,16,237
Total current assets		**9,02,25,13,414**	**5,93,58,88,776**
TOTAL ASSETS		**12,28,25,10,692**	**9,02,66,82,323**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	40,93,13,698	40,93,13,698
Other Equity	13	8,45,56,35,864	5,95,08,28,839
Equity attributable to owners of the Company		8,86,49,49,562	6,36,01,42,537
Non-Controlling interest		18,85,68,005	13,11,01,423
Total equity		**9,05,35,17,567**	**6,49,12,43,960**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Lease liability	14	9,32,57,146	7,52,04,873
Other financial liabilities	15	5,00,00,000	5,00,00,000
Provisions	16	2,11,08,982	1,47,45,756
Deferred tax liabilities (net)	17	8,06,32,900	10,79,38,444
Other non-current liabilities		-	-
Total non current liabilities		**24,49,99,028**	**24,78,89,073**
Current liabilities			
Financial liabilities			
Borrowings	18	18,74,00,238	18,84,25,387
Lease liability	19	6,03,66,379	3,24,10,485
Trade payables	20		
a) Total outstanding dues to micro, small & medium enterprises		1,40,33,042	19,60,531
b) Total outstanding dues to other than micro, small & medium enterprises		1,67,26,03,072	1,10,13,30,864
Other financial liabilities	21	73,08,36,131	55,62,10,068
Provisions	22	1,85,49,793	28,86,40,146
Current tax liabilities (Net)	23	30,02,05,442	11,85,71,809
Total current liabilities		**2,98,39,94,097**	**2,28,75,49,290**
Total liabilities		**3,22,89,93,125**	**2,53,54,38,363**
TOTAL EQUITY AND LIABILITIES		**12,28,25,10,692**	**9,02,66,82,323**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(Amount in ₹)

Particulars	Notes	2020-2021	2019-2020
INCOME			
Revenue from operations	24	13,76,18,18,527	11,34,20,89,526
Other income	25	6,69,42,828	32,77,666
Total Income		**13,82,87,61,355**	**11,34,53,67,192**
EXPENSES			
Cost of materials consumed	26	4,19,76,36,117	3,94,28,39,930
Purchases of stock-in-trade		3,11,56,97,320	1,20,60,02,292
Changes in inventories of finished goods, work-in-process and stock-in-trade	27	(1,36,27,81,485)	52,94,72,879
Employee benefits expense	28	1,97,32,33,181	1,68,41,63,547
Finance costs	29	7,98,64,244	8,74,63,768
Depreciation and amortization expense	30	36,15,13,532	26,66,15,489
Other expenses	31	2,44,19,57,481	2,05,70,91,610
Total expenses		**10,80,71,20,390**	**9,77,36,49,515**
Profit before tax		**3,02,16,40,965**	**1,57,17,17,677**
Tax expense:			
(1) Current tax		66,69,35,718	32,40,59,573
(2) Current tax for earlier years		-	(45,29,848)
(3) Deferred tax		(3,06,82,934)	4,46,61,105
Total tax expenses		**63,62,52,784**	**36,41,90,830**
Profit for the year		**2,38,53,88,181**	**1,20,75,26,847**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Statement of Profit and Loss			
-Remeasurement of the net defined benefit plans		(26,24,087)	25,14,400
-Income tax relating to above		6,60,430	(8,78,632)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of a foreign operation		66,37,218	6,40,11,480
Other Comprehensive Income/(Loss) for the year		**46,73,561**	**6,56,47,248**
Total Comprehensive income for the year		**2,39,00,61,742**	**1,27,31,74,095**
Non-controlling interest		2,59,89,183	3,73,34,094
Owners of the Company		2,36,40,72,559	1,23,58,40,001
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		5.76	2.86
(2) Diluted (in ₹)		5.76	2.86

The accompanying notes form an integral part of these financial statements

As per our report of even date.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Consolidated Statement of Change in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	31 March,2021		31 March,2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

B. OTHER EQUITY

Particulars	Reserves and surplus					Other comprehensive income	Total attributable to owners of parent company	Non controlling interest	Total
	Capital reserves	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Currency translation reserve			
Balance as at 1 April,2020	1,22,500	8,50,00,000	1,75,13,17,328	3,13,73,65,569	85,10,91,428	12,59,32,014	5,95,08,28,839	13,11,01,423	6,08,19,30,262
Profit for the Period					2,35,93,98,998	-	2,35,93,98,998	2,59,89,183	2,38,53,88,181
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					(19,63,657)		(19,63,657)		(19,63,657)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,35,74,35,341**	**-**	**2,35,74,35,341**	**2,59,89,183**	**2,38,34,24,524**
Exchange difference on translation of foreign operation						66,37,218	66,37,218	3,14,77,399	3,81,14,617
On Redemption of preference share		-			-		-		-
Unrealised profit and subsidiaries adjustment					18,16,65,836		18,16,65,836		18,16,65,836
Dividend for the year					(4,09,31,370)		(4,09,31,370)	-	(4,09,31,370)
Balance as at 31 March, 2021	**1,22,500**	**8,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**3,34,92,61,235**	**13,25,69,232**	**8,45,56,35,864**	**18,85,68,005**	**8,64,42,03,869**
Balance as at 1 April,2019	**1,22,500**	**3,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**2,97,83,557**	**6,19,20,534**	**5,01,55,09,488**	**10,21,68,392**	**5,11,76,77,880**
Profit for the Period					1,17,01,92,753	-	1,17,01,92,753	3,73,34,094	1,20,75,26,847
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					16,35,768		16,35,768		16,35,768
Transactional impact on account of adoption of Ind AS 116 - Leases					(54,88,183)		(54,88,183)		(54,88,183)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,16,63,40,338**	**-**	**1,16,63,40,338**	**3,73,34,094**	**1,20,36,74,432**
Exchange difference on translation of foreign operation						6,40,11,480	6,40,11,480	(84,01,063)	5,56,10,417
On Redemption of preference share		5,00,00,000			(5,00,00,000)		-		-
Dividend for the year					(29,50,32,467)		(29,50,32,467)	-	(29,50,32,467)
Balance as at 31 March 2020	**1,22,500**	**8,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**85,10,91,428**	**12,59,32,014**	**5,95,08,28,839**	**13,11,01,423**	**6,08,19,30,262**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Marksans Pharma Limited (the "Marksans" or "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 formulation. The Company's research and development facilities and manufacturing facilities are located at Plot no.L-82, & L-83, Verna Industrial Estate, Verna, Goa – 403722 and R&D center at Navi Mumbai.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis of preparation and presentation

These consolidated financial statements of Marksans Pharma Limited and its subsidiaries ("the Group") have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 31 May, 2021.

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

2.2. Basis of measurement

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

The Group has established policies and procedures with respect to the measurement of fair values.

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

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 recognised in the period in which the estimate is revised and future periods affected.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

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

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

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

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

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

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iii) Impairment of goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGUs represent the weighted average cost of capital based on historical market returns of comparable companies.

(iv) Leases

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

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2.4. Basis of Consolidation

These consolidated financial statements include financial statements of the Group and all of its subsidiaries drawn up to the dates specified below. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Group.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of the Entity	Year End Date	Country of Incorporation	Ownership at 31 March, 2021 held by	% ownership held either directly or through subsidiaries as at 31 March, 2021	% ownership held either directly or through subsidiaries as at 31 March, 2020
1.	Marksans Pharma Inc.	31 March, 2021	USA	Marksans Pharma Limited	100%	100%
	a) Time-Cap Laboratories Inc.	31 March, 2021	USA	Marksans Pharma Inc.	100%	100%
	- Custom Coating Inc.	31 March, 2021	USA	Time-Cap Laboratories Inc.	100%	100%
	- Marksans Realty LLC	31 March, 2021	USA	Time-Cap Laboratories Inc.	100%	100%
2.	Nova Pharmaceuticals Australasia Pty Ltd	31 March, 2021	Australia	Marksans Pharma Limited	60%	60%
3.	Marksans Pharma (UK) Limited	31 March, 2021	UK	Marksans Pharma Limited	100%	100%
	a) Relonchem Limited	31 March, 2021	UK	Marksans Pharma (UK) Limited	100%	100%
	b) Marksans Holdings Limited	31 March, 2021	UK	Marksans Pharma (UK) Limited	100%	100%
	- Bell, Sons and Co. (Druggists) Limited	31 March, 2021	UK	Marksans Holdings Limited	100%	100%
4.	Marksans Pharma GmbH	31 March, 2021	Germany	Marksans Pharma Limited	100%	100%

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2.5. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair values of assets transferred;
- Liability incurred to the former owner of the business acquired;
- Equity interests issued by the group; and
- Fair value of any assets or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity; and
- Acquisition date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in the statement of profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss or other comprehensive income, as appropriate.

2.6. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

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 are in accordance with Schedule II to the Companies Act, 2013.

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

Internally Generated ANDA, Market Authorisation, Product Licences & Others: 5 to 10 years.

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

2.7. Intangible assets

Intangible assets are initially recognised at cost.

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

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

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

Internally Generated ANDA, Market Authorisation, Product Licences & Others : 5 to 10 years.

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

2.8. Impairment of assets

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

i) An intangible asset that is not yet available for use; and

ii) An intangible asset that is having indefinite useful life.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2.9. Inventories

Inventories of raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Inventories of finished goods, stock-in-trade and work-in-process are valued at cost and net realizable value, whichever is lower.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

2.10. Foreign exchange transactions and translations

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions.Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated income statement in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of Profit and Loss.

2.11. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

2.12. Financial instruments

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial liabilities and equity instruments

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

Equity instruments

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

Financial liabilities

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

Derecognition of financial assets

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

Offsetting

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

Financial guarantee contracts

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derivative financial instruments and hedge accounting

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Impairment of financial assets

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

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.13. Revenue recognition

Sale of goods

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

Export incentives

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

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

MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties.

Interest income

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

Dividend income

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

2.14. Employee Benefits

Short-term benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

Other benefit plan

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

Termination benefits

Termination benefits are recognised in the profit or loss when:

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

2.15. Borrowing Costs

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

2.16. Income Taxes

Current tax

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

Deferred tax

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business.

2.17. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

2.18. Leases

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

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

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

2.19. Government Grant

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2.20. Critical accounting estimates and significant judgment in applying accounting policies

(i) Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

(ii) Nature and extent of risks arising from financial instruments

The main financial risks faced by the Group relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2021 is representative of the position of the year.

(iii) Credit Risk

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

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

(iv) Foreign exchange risk

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

i. Debt availed in foreign currencies.

ii. Net investments in subsidiaries that are in foreign currencies.

iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Group.

(v) Liquidity Risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE NO.3 PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computer and Software	Total	Capital Work-in-progress
Balance as at 1 April 2020	41,41,953	1,25,94,20,266	1,96,76,69,790	9,07,33,713	7,92,13,376	3,66,28,127	6,29,03,052	3,50,07,10,277	-
Acquisitions	-	5,87,66,593	27,28,68,624	28,95,685	1,29,37,583	31,37,314	22,06,900	35,28,12,699	5,59,99,224
Disposals/Transfers	-	-	1,58,00,342	-	-	-	-	1,58,00,342	-
Balance as at 31 Mar 2021	**41,41,953**	**1,31,81,86,859**	**2,22,47,38,072**	**9,36,29,398**	**9,21,50,959**	**3,97,65,441**	**6,51,09,952**	**3,83,77,22,634**	**5,59,99,224**
Accumulated Depreciation									
Balance as at 1 April 2020	-	22,41,76,611	92,82,69,538	3,18,34,497	4,84,11,783	2,10,90,923	5,58,28,800	1,30,96,12,152	-
Depreciation for the year	-	3,64,86,881	13,11,91,542	87,05,555	1,15,64,456	41,30,468	29,62,727	19,50,41,629	-
Disposals	-	-	1,09,94,223	-	-	(15,653)	-	1,09,78,570	-
Balance as at 31 Mar 2021	**-**	**26,06,63,492**	**1,04,84,66,857**	**4,05,40,052**	**5,99,76,239**	**2,52,37,044**	**5,87,91,527**	**1,49,36,75,211**	**-**
Carrying Value									
Balance as at 31 Mar 2021	**41,41,953**	**1,05,75,23,367**	**1,17,62,71,215**	**5,30,89,346**	**3,21,74,720**	**1,45,28,397**	**63,18,425**	**2,34,40,47,423**	**5,59,99,224**
Balance as at 1 April 2020	**41,41,953**	**1,03,52,43,655**	**1,03,94,00,252**	**5,88,99,216**	**3,08,01,593**	**1,55,37,204**	**70,74,252**	**2,19,10,98,125**	**-**
Balance as at 1 April 2019	41,41,953	1,22,78,56,017	1,64,95,97,602	6,89,55,135	7,84,51,139	2,94,35,772	6,15,59,452	3,11,99,97,070	-
Acquisitions	-	3,15,64,249	32,33,92,961	2,17,78,578	32,70,853	71,92,355	13,43,600	38,85,42,596	-
Disposals/Transfers	-	-	53,20,773	-	25,08,616	-	-	78,29,389	-
Balance as at 31 March 2020	**41,41,953**	**1,25,94,20,266**	**1,96,76,69,790**	**9,07,33,713**	**7,92,13,376**	**3,66,28,127**	**6,29,03,052**	**3,50,07,10,277**	**-**
Accumulated Depreciation									
Balance as at 1 April 2019	-	19,07,20,679	82,57,14,403	2,44,30,168	3,95,42,246	1,61,06,204	5,23,28,355	1,14,88,42,055	-
Depreciation for the year	-	3,33,53,105	10,59,54,558	74,04,329	1,07,92,158	50,23,430	35,00,445	16,60,28,025	-
Disposals	-	-	32,96,596	-	19,22,621	38,711	-	52,57,928	-
Reclassification		1,02,827	(1,02,827)					-	
Balance as at 31 March 2020	**-**	**22,41,76,611**	**92,82,69,538**	**3,18,34,497**	**4,84,11,783**	**2,10,90,923**	**5,58,28,800**	**1,30,96,12,152**	**-**
Carrying Value									
Balance as at 31 March 2020	**41,41,953**	**1,03,52,43,655**	**1,03,94,00,252**	**5,88,99,216**	**3,08,01,593**	**1,55,37,204**	**70,74,252**	**2,19,10,98,125**	**-**
Balance as at 1 April 2019	**41,41,953**	**1,03,71,35,338**	**82,38,83,199**	**4,45,24,967**	**3,89,08,893**	**1,33,29,568**	**92,31,097**	**1,97,11,55,015**	**-**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.3 PROPERTY, PLANT AND EQUIPMENT (CONTD..)

Lease accounting

(Amount in ₹)

Particulars	LAND	PROPERTY	Plant and Equipment	Total
Balance as at 1 April 2020	96,65,840	5,60,84,007	6,47,94,445	13,05,44,292
Other Acquisitions	-	1,65,32,495	6,34,57,259	7,99,89,754
Disposals/Transfers	-			-
Balance as at 31 Mar 2021	**96,65,840**	**7,26,16,502**	**12,82,51,704**	**21,05,34,046**
Accumulated Depreciation				
Balance as at 1 April 2020	-	1,25,06,710	89,99,228	2,15,05,938
Depreciation charge for the year	2,47,842	1,35,68,198	3,50,49,983	4,88,66,023
Disposals	-			-
Balance as at 31 Mar 2021	**2,47,842**	**2,60,74,908**	**4,40,49,211**	**7,03,71,961**
Carrying Value				
Balance as at 31 Mar 2021	**94,17,998**	**4,65,41,594**	**8,42,02,493**	**14,01,62,085**
Balance as at 1 April 2020	**96,65,840**	**4,35,77,297**	**5,57,95,217**	**10,90,38,354**

Intangible Assets

(Amount in ₹)

Particulars	Goodwill	Prescription Product Licences	OTC Product Licences	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total	Intangible assets under development
Balance as at 1 April 2020	74,75,18,994	54,75,73,829	57,20,212	72,18,27,019	2,02,26,40,054	
Other Acquisitions	-	-	-	-	-	6,07,99,197
Disposals/Transfers	-	-	-	-	-	
Balance as at 31 Mar 2021	**74,75,18,994**	**54,75,73,829**	**57,20,212**	**72,18,27,019**	**2,02,26,40,054**	**6,07,99,197**
Accumulated Depreciation						
Balance as at 1 April 2020	50,37,61,244	26,25,72,393	46,22,417	52,46,59,007	1,29,56,15,061	
Depreciation charge for the year	4,78,96,197	6,33,85,739	4,01,676	59,22,268	11,76,05,880	
Disposals	-	-	-	-	-	
Balance as at 31 Mar 2021	**55,16,57,441**	**32,59,58,132**	**50,24,093**	**53,05,81,275**	**1,41,32,20,941**	**-**
Carrying Value						
Balance as at 31 Mar 2021	**19,58,61,553**	**22,16,15,697**	**6,96,119**	**19,12,45,744**	**60,94,19,113**	**6,07,99,197**
Balance as at 1 April 2020	**24,37,57,750**	**28,50,01,436**	**10,97,795**	**19,71,68,012**	**72,70,24,993**	**-**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.3 PROPERTY, PLANT AND EQUIPMENT (CONTD..)

(Amount in ₹)

Particulars	Goodwill	Prescription Product Licences	OTC Product Licences	Internally Generated ANDA, Market Authorisations, Product Licences & Others	Total
Balance as at 1 April 2019	74,75,18,994	45,79,09,043	57,20,212	72,18,27,019	1,93,29,75,268
Acquisitions	-	8,96,64,786	-	-	8,96,64,786
Disposals/Transfers	-	-	-	-	-
Balance as at 31 March 2020	**74,75,18,994**	**54,75,73,829**	**57,20,212**	**72,18,27,019**	**2,02,26,40,054**
Accumulated Depreciation					
Balance as at 1 April 2019	43,30,19,816	26,06,26,792	41,50,188	51,87,36,739	1,21,65,33,535
Depreciation for the year	4,49,79,995	2,77,07,034	4,72,229	59,22,268	7,90,81,526
Disposals	-	-	-	-	-
Reclassification	2,57,61,433	(2,57,61,433)			-
Balance as at 31 March 2020	**50,37,61,244**	**26,25,72,393**	**46,22,417**	**52,46,59,007**	**1,29,56,15,061**
Carrying Value					
Balance as at 31 March 2020	**24,37,57,750**	**28,50,01,436**	**10,97,795**	**19,71,68,012**	**72,70,24,993**
Balance as at 1 April 2019	**31,44,99,178**	**19,72,82,251**	**15,70,024**	**20,30,90,280**	**71,64,41,733**

NOTE NO.3.1

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

NOTE NO.3.2

Addition to Fixed Assets include capital expenditure as per given below

R & D Expenditure	31 March, 2021	31 March, 2020
Capital Expenditure	6,19,66,197	-

NOTE NO.3.3

Refer Note No.18.1 for mortgage of above Fixed Assets.

NOTE NO.4 OTHER FINANCIAL ASSETS

Particulars	31 March, 2021	31 March, 2020
Unsecured, considered good		
Security deposits	2,56,33,266	3,30,24,477
Total	**2,56,33,266**	**3,30,24,477**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.5 DEFERRED TAX ASSETS (NET)

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Deferred Tax Liabilities : DTL		
Deferred Tax Liabilty of Marksans Pharma UK Ltd.	1,47,52,283	1,71,74,180
Total Deferred tax liability	1,47,52,283	1,71,74,180
Deferred Tax Assets : DTA		
Deferred Tax Assets of Marksans Pharma Inc.	2,27,37,797	2,35,15,910
Total Deferred tax assets	2,27,37,797	2,35,15,910
Net Deferred tax Assets	**79,85,514**	**63,41,730**

NOTE NO.6 OTHER NON-CURRENT ASSETS

Particulars	31 March, 2021	31 March, 2020
Advance to vendors for capital goods	1,59,51,456	2,42,65,868
Total	**1,59,51,456**	**2,42,65,868**

NOTE NO.7 INVENTORIES

Particulars	31 March, 2021	31 March, 2020
a. Raw materials and packing materials	1,17,91,80,348	91,72,03,887
b. Work-in-process	14,76,21,737	15,70,13,968
c. Finished goods	1,75,96,14,977	91,57,05,747
d. Stock-in-trade	95,67,80,222	42,85,15,736
Total	**4,04,31,97,284**	**2,41,84,39,338**

*Refer Note No.18.1 for hypothecation of above inventories.

The cost of inventory recognised as an expense is disclosed in notes 26, 27 and as purchase of stock in trade in the statement of profit and loss.

NOTE NO.8 TRADE RECEIVABLES

Particulars	31 March, 2021	31 March, 2020
Unsecured, considered good	2,71,38,12,637	2,43,35,17,408
Less:- Allowance for Bad and doubtful debts	-	-
Total	**2,71,38,12,637**	**2,43,35,17,408**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.9 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
a. Balances with banks		
In current accounts	51,55,53,342	93,07,74,345
In dividend accounts	19,64,765	15,89,232
b. Balances with bank in margin accounts	2,70,93,695	44,74,984
c. Cash in hand	4,34,211	4,32,300
d. Fixed deposit	1,57,78,16,181	-
Total	**2,12,28,62,194**	**93,72,70,861**

NOTE NO.9.1

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

Margin Money represent money given against Bank Guarantees.

NOTE NO.10 OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Carried at fair value profit and loss		
Derivative financial assets - forward contract	1,46,20,439	-
Carried at amortised cost		
Other current assets	26,04,791	20,44,932
Total	**1,72,25,230**	**20,44,932**

NOTE NO.11 OTHER CURRENT ASSETS

Particulars	31 March, 2021	31 March, 2020
Unsecured, considered good		
Advance to vendors	97,72,564	3,40,15,113
Others	11,56,43,505	11,06,01,124
Total	**12,54,16,069**	**14,46,16,237**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.12 SHARE CAPITAL

Particulars	31 March, 2021		31 March, 2020	
	Number	₹	Number	₹
Authorised				
Equity shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable cumulative preference shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000
	55,14,00,000	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up				
Equity shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

a. Terms/rights attached to Equity Shares

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

b. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 Preference shares at par on 07.02.2015, 1,50,000 preferance share at par on 31.03.2017, 100,000 preference shares at par on 14.03.2018, 100,000 Preference Shares at par on 30.10.2019, 200,000 Preference Shares at par on 17.01.2020 and 200,000 Preference Shares at par on 31.03.2020.

c. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31 March, 2021		31 March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid				
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25

NOTE NO.13 OTHER EQUITY

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
a. Capital reserves	1,22,500	1,22,500
	1,22,500	**1,22,500**
b. Capital redemption reserve		
Opening balance	8,50,00,000	3,50,00,000
(+) Transferred from Profit and Loss	-	5,00,00,000
Closing balance	**8,50,00,000**	**8,50,00,000**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.13 OTHER EQUITY (CONTD..)

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
c. Securities premium		
Opening balance	1,75,13,17,328	1,75,13,17,328
Closing balance	**1,75,13,17,328**	**1,75,13,17,328**
d. General reserve		
Opening balance	3,13,73,65,569	3,13,73,65,569
Closing Balance	**3,13,73,65,569**	**3,13,73,65,569**
e. Currency translation reserve		
Opening Balance	12,59,32,014	6,19,20,534
(+) For the period	3,81,14,617	5,56,10,417
(+) Non controlling share of translating reserve	(3,14,77,399)	84,01,063
Closing Balance	**13,25,69,232**	**12,59,32,014**
f. Retained earnings		
Opening balance	85,10,91,428	2,97,83,557
(+) Net Profit for the current year	2,35,93,98,998	1,17,01,92,753
(-) Inter Company Dividend Adjustment / Unrealised profit on inventory	18,16,65,836	
(-) Transfer to capital redemption reserve	-	(5,00,00,000)
(-) Dividend for the year	(4,09,31,370)	(29,50,32,467)
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)	(19,63,657)	16,35,768
Transactional impact on account of adoption of Ind AS 116 - Leases	-	(54,88,183)
Closing Balance	**3,34,92,61,235**	**85,10,91,428**
Total	**8,45,56,35,864**	**5,95,08,28,839**

1. Capital Reserve

The Capital Reserve had been created as per the requirement of earlier provision of the Companies Act, 1956. Such reserve is not available for distribution to the shareholders.

2. Capital redemption reserve

The Company has redeemed 8,50,000 7% Redeemable Cumulative Preference Shares of ₹ 100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹8,50,00,000 has, out of the profits, been transferred to Capital Redemption Reserve, as and when Preference Shares were redeemed.

3. Securities premium account

The Company has on 30th March, 2015, issued and allotted 2,40,06,494 equity shares of ₹ 1/- each face value to qualified institutional buyers under QIP at a premium of ₹ 53.67 per equity share. Accordingly, the premium amount of ₹1,28,84,28,533.00 has been transferred to Securities Premium Account. Securities Premium Account also comprises of ₹ 46,28,88,795.00 received by the Company over and above the face value of shares issued on earlier dates.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.13 OTHER EQUITY (CONTD..)

4. General Reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer to general reserve is not mandatorily required under the Companies Act, 2013.

5. Currency translation reserve

Assets and Liabilities of foreign subsidiaries are translated into ₹ at the rate of exchange prevailing as at the date of the Balance Sheet. Revenue and expenses are translated into ₹ at the average exchange rate prevailing during the period. The exchange difference arising at year end due to translation is debited or credited to currency translation reserve account.

6. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.

7. Dividend

The Board of Directors of marksans Pharma Ltd , in it's meeting held on 31 May,2021, have recommended for approval of members a dividend of ₹ 0.25 per equity share of ₹ 1/- each (25%) for the Financial Year 2020-21. Marksans Pharma (UK) Limited has declared Dividend of GBP 10,00,000 for the Financial Year 2020-21.

NOTE NO.14 LEASE LIABILITY

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Lease liability	9,32,57,146	7,52,04,873
Total	**9,32,57,146**	**7,52,04,873**

NOTE NO.14.1 THE FOLLOWING IS THE BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES:

Particulars	31 March, 2021	31 March, 2020
Non-Current	9,32,57,146	7,52,04,873
Current	6,03,66,379	3,24,10,485
Total	**15,36,23,525**	**10,76,15,358**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.14.2 THE FOLLOWING IS THE MOVEMENT IN LEASE LIABILITIES FOR THE YEAR ENDED

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Balance recognised at the beigning of the year	10,76,15,359	-
Additions during the year	8,69,41,320	12,63,66,634
Finance cost accrued during the year	1,94,77,261	88,79,348
Payment of lease liabilities	(6,04,10,415)	(2,76,30,624)
Balance recognised at the end of the year	**15,36,23,525**	**10,76,15,359**

NOTE NO.15 OTHER FINANCIAL LIABILITIES

Particulars	31 March, 2021	31 March, 2020
7% Redeemable cumulative preference shares of ₹ 100/- each	5,00,00,000	5,00,00,000
Total	**5,00,00,000**	**5,00,00,000**

Terms/rights attached to Preference Shares

The Company's Issued, Subscribed and Paid-up Prefernece Share Capital is ₹ 5,00,00,000 (Rupees five crore) divided into 5,00,000 Preference shares of ₹ 100/- each. With consent of the sole shareholder,redemption date of these preference shares have been extended upto 27th March,2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

NOTE NO.16 PROVISIONS

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Provision for Gratuity (Refer Note No.33)	1,41,71,167	1,15,11,355
Provision for Leave encashment	69,37,815	32,34,401
Total	**2,11,08,982**	**1,47,45,756**

NOTE NO.17 DEFERRED TAX LIABILITIES (NET)

Particulars	31 March, 2021	31 March, 2020
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	9,01,10,714	11,55,08,283
Others	(8,97,493)	
Total Deferred tax liability	**8,92,13,221**	**11,55,08,283**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.17 DEFERRED TAX LIABILITIES (NET) (CONTD..)

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Tax effect of items resulting in deductible temporary differences		
Provision for employee benefit	70,87,388	79,55,270
Change in fair valuation of financial assets	(34,18,935)	4,93,201
Others	42,51,438	-
Total Deferred tax assets	**79,19,891**	**84,48,471**
Net Deferred tax Liability	8,12,93,330	10,70,59,812
Deferred Tax on OCI (Liabilties) / Assets	(6,60,430)	8,78,632
Net Deferred tax Liability	**8,06,32,900**	**10,79,38,444**

NOTE NO.17.1

Current Tax:

Particulars	31 March, 2021	31 March, 2020
Amounts recognised in profit or loss		
Current tax :		
Current year	66,69,35,718	32,40,59,573
Prior years	-	(45,29,848)
Current income tax	**66,69,35,718**	**31,95,29,725**
Deferred tax :		
Current year origination and reversal of temporary differences	(3,06,82,934)	4,46,61,105
Deferred tax expense	**(3,06,82,934)**	**4,46,61,105**
Total income tax recognised in profit or loss	**63,62,52,784**	**36,41,90,830**

Amounts recognised in other comprehensive income	31 March, 2021	31 March, 2020
Remeasurements of the defined benefit plans	6,60,430	(8,78,632)
Total income tax recognised in other comprehensive income	**6,60,430**	**(8,78,632)**

Reconciliation of effective tax rate	31 March, 2021	31 March 2020
Profit before tax	3,02,16,40,965	1,57,17,17,677
Tax using the Company's domestic tax rate	25.17%	29.12%
Expected income tax expenses	76,04,86,598	45,76,84,188
Tax effect of:		
Effect of expenses that are not deductible in determining taxable profit (net of allowed as taxable)	11,41,278	27,58,686
Effect of different tax rates in local and foreign tax jurisdictions	(8,83,61,424)	(9,27,30,509)
Corporate social responsibility expenditure disallowed	21,20,366	24,16,910

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.17.1 (CONTD..)

(Amount in ₹)

Reconciliation of effective tax rate	31 March, 2021	31 March 2020
On account of rate difference	(3,03,23,750)	-
Prior years	-	(45,29,848)
Provision for Assets held for sales	(92,332)	(1,08,349)
Change in tax rate	(2,96,20,557)	-
Others	2,09,02,605	(13,00,248)
Tax expenses as per statement of profit and loss	**63,62,52,784**	**36,41,90,830**

NOTE NO.18 BORROWINGS

Particulars	31 March, 2021	31 March, 2020
Secured		
Working capital facilities from Bank		
Borrowings in Foreign Currency	18,74,00,238	18,84,25,387
Total	**18,74,00,238**	**18,84,25,387**

NOTE NO.18.1

First charge over all free hold property owned by the company, all fixtures, fittings, fixed plant & machinery, other equipments, goodwill, uncalled capital, intellectual property, inventory & book debts, Bells-land & building, plant & machinery at Gifford house, Slaidburn Crescent, Southport, Merseyside, PR9 by. First charge over entire current & fixed assets of Marksans Pharma Inc and its subsidiaries, Land & building situated at 7 Michael Avenue, Farmingdale, NY 11735. Interest rate of 3 months USD LIBOR + 2.5% p.a for Time Caps, and 6 months Sterling LIBOR +4.5% for Relonchem and Bells.

NOTE NO.19 LEASE LIABILITY

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Lease liability (refer note no 14.1)	6,03,66,379	3,24,10,485
Total	**6,03,66,379**	**3,24,10,485**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.20 TRADE PAYABLES

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
a) Total outstanding dues to micro, small & medium enterprises	1,40,33,042	19,60,531
b) Total outstanding dues to other than micro, small & medium enterprises	1,67,26,03,072	1,10,13,30,864
Total	**1,68,66,36,114**	**1,10,32,91,395**

NOTE NO.21 OTHER FINANCIAL LIABILITIES

Particulars	31 March, 2021	31 March, 2020
Current maturities of vehicle Loan	-	4,58,242
Employee dues	8,85,26,353	7,23,82,564
Unclaimed dividend	19,64,764	15,89,232
Foreign exchange forward contract	-	10,27,020
Deposits	10,10,000	10,000
Other current liability	63,93,35,014	48,07,43,010
Total	**73,08,36,131**	**55,62,10,068**

NOTE NO.22 PROVISIONS

Particulars	31 March, 2021	31 March, 2020
a. Provision for gratuity and compensated absences		
Provision for gratuity	54,46,416	35,56,697
Provision for leave encashment	42,29,005	19,48,916
b. Others	88,74,372	1,20,84,533
c. Proposed dividend	-	27,10,50,000
Total	**1,85,49,793**	**28,86,40,146**

NOTE NO.23 CURRENT TAX LIABILITIES (NET)

Particulars	31 March, 2021	31 March, 2020
Income tax provision	30,02,05,442	11,85,71,809
Total	**30,02,05,442**	**11,85,71,809**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.24 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Sale of products	13,68,37,34,153	11,29,33,48,919
Other operating revenues :-		
Scrap sales	1,22,20,564	72,18,416
Export incentives	6,58,63,810	4,15,22,191
Total	**13,76,18,18,527**	**11,34,20,89,526**

NOTE NO.25 OTHER INCOME

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest Income	1,00,92,483	4,26,838
Insurance claim received	-	5,25,443
Other income	3,87,33,515	15,02,210
Unwinding discount on security deposits i.e. interest income	14,97,718	5,74,382
Profit on sale of fixed assets	3,66,862	2,48,793
Net Gain arising on financial assets/ liabilities measured at Fair Value through profit or loss	1,62,52,250	-
Total	**6,69,42,828**	**32,77,666**

NOTE NO.26 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Cost of material and components consumed	**4,19,76,36,117**	**3,94,28,39,930**

NOTE NO.27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Changes in inventories of finished goods, work-in-process and stock-in-trade	**(1,36,27,81,485)**	**52,94,72,879**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.28 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salaries and Wages including bonus	1,88,57,51,216	1,62,30,83,518
Contributions to - Providend fund , E.S.I.C. and other fund	5,56,69,976	4,68,33,042
Gratuity and leave encashment	1,08,75,094	46,83,988
Staff welfare expenses	2,09,36,895	95,62,999
Total	**1,97,32,33,181**	**1,68,41,63,547**

NOTE NO.29 FINANCE COSTS

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Interest expense for financial liabilities measured at amortised cost	3,46,76,740	4,97,02,584
Bank charges	4,16,87,504	2,93,22,313
Dividend on preference share	35,00,000	84,38,871
Total	**7,98,64,244**	**8,74,63,768**

NOTE NO.30 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on tangible assets	19,50,41,629	16,60,28,025
Amortization of intangible asssets	16,64,71,903	10,05,87,464
Total	**36,15,13,532**	**26,66,15,489**

NOTE NO.31 OTHER EXPENSES

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Water charges	46,78,408	37,58,609
Power & Fuel	15,94,99,062	14,00,25,021
Repairs & maintenance - plant and machinery	6,52,79,892	4,61,28,184
Repairs & maintenance - building	3,96,96,018	3,68,21,489
Other manufacturing expenses	23,54,14,293	23,45,71,782
Rent	12,30,85,337	10,13,30,583
Rates & taxes	2,24,76,062	2,12,24,974

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.31 OTHER EXPENSES (CONTD..)

(Amount in ₹)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Travelling expenses	2,93,40,270	7,18,08,367
Communication expenses	1,25,69,128	1,26,23,201
Courier & postage expenses	22,70,925	29,31,680
Printing & stationery	1,15,19,621	1,07,94,073
Auditors remuneration	68,73,265	49,05,074
Vehicle expenses & local conveyance	1,63,46,600	1,77,21,353
Legal & professional fees	9,50,63,587	7,86,62,667
Office expenses	55,06,749	57,34,889
Insurance charges	12,43,24,196	8,34,66,280
Exchange Loss/(gain)	96,74,081	-
Net Loss arising on financial assets/ liabilities measured at Fair Value through profit or loss	-	10,27,020
Corporate social responsibility expenses	84,24,848	24,16,910
Loss on sale of fixed assets	70,570	-
Food and drug administration fees	7,37,03,517	6,17,11,188
Freight outward & export clearing expenses	77,70,83,055	48,88,01,037
Bad debts	14,28,27,127	-
Selling & distribution expenses	31,90,32,253	30,37,94,511
Other operating expenses	15,71,98,617	32,68,32,718
Total	**2,44,19,57,481**	**2,05,70,91,610**

NOTE NO.31.1 DETAILS OF PAYMENTS TO THE AUDITOR

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
for statutory audit (including limited review fees)	48,73,265	36,05,074
for tax audit	8,00,000	8,00,000
for GST audit	12,00,000	5,00,000

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO. 32: 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:

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Earning Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	2,35,93,98,998	1,17,01,92,753
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of ₹ 1/- each	40,93,13,698	40,93,13,698
b) For diluted Earning Per Share of ₹ 1/- each		
- No. of Share for Basic EPS as per 2(a)	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding	-	-
- No. of share for diluted Earnings Per Share of ₹ 1/- each	40,93,13,698	40,93,13,698
3) Earning Per Share (weighted average)		
Basic	5.76	2.86
Diluted	5.76	2.86

NOTE 33 - EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I Gratuity (defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Current Service Cost	24,77,445	25,64,500
Past Cost / (Gain)	-	-
Interest Cost	7,10,999	10,06,194
Scheme Cost (Income) to P&L	**31,88,444**	**35,70,694**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE 33 - EMPLOYEE POST- RETIREMENT BENEFITS (CONTD..)

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Change in Financial Assumption	**4,94,405**	**10,18,437**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	4,94,405	10,18,437
Change in Demographic Assumption	**-**	**(64)**
Change in the Mortality Rate Assumption	-	(64)
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**21,29,682**	**(35,32,773)**
Total Actuarial (Gain) / Loss related to Liability	**26,24,087**	**(25,14,400)**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31 March,2021	31 March,2020
Defined Benefit Obligations (DBO)	1,96,17,583	1,50,68,052
Fair Value of Plan Assets	-	-
Net (Assets) / Liabilities	**1,96,17,583**	**1,50,68,052**

d Break-up of the defined benefit plan related balance sheet amounts as at 31 March 2021 and 31 March 2020, is shown below.

Particulars	31 March,2021	31 March,2020
Current Liability	54,46,416	35,56,697
Non-Current Liability	1,41,71,167	1,15,11,355
Total	**1,96,17,583**	**1,50,68,052**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

Particulars	31 March,2021	31 March,2020
DBO at the beginning of the reporting period	**1,50,68,051**	**1,42,96,818**
Current Service Cost	24,77,445	25,64,500
Past Service (Cost) / Gain	-	-
Interest Cost	7,10,999	10,06,194
Benefits paid including to be paid	(12,62,999)	(2,85,061)
Remeasurements due to Actuarial Gain / (Loss)	26,24,087	(25,14,400)
DBO at the end of the reporting period	**1,96,17,583**	**1,50,68,051**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE 33 - EMPLOYEE POST- RETIREMENT BENEFITS (CONTD..)

I Gratuity (defined benefit plan) (Contd..)

f Change in Fair Value of Assets for the period ending as at 31 March 2021 and 31 March 2020:

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2021 are as follows:

Particulars	31 March,2021	31 March,2020
Discount Rate	4.64%	5.35%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Particulars	31 March,2021	31 March,2020
Retirement Age	58 Years	58 Years

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31 March,2021 ₹	31 March,2020 ₹	31 March,2021 %	31 March,2020 %
Base Scenario	**1,96,17,583**	**1,50,68,051**		
Discount Rate: Increase by 1%	1,89,29,191	1,45,39,177	-3.51%	-3.51%
Discount Rate: Decrease by 1%	2,03,64,528	1,56,40,821	3.81%	3.80%
Salary Escalation Rate: Increase by 1%	1,89,43,661	1,45,46,913	-3.44%	-3.46%
Salary Escalation Rate: Decrease by 1%	1,56,20,402	1,56,20,402	3.67%	3.67%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

The Company's contribution to Provident Fund, E.S.I.C. and other fund aggregating ₹ 5,56,69,976 (2020: ₹ 4,68,33,042) has been recognised in Profit or Loss under the head Employee benefits expense.

Employee Stock Option Plan

The Shareholders of the Company at the 28th Annual General Meeting held on 29th September, 2020, approved Marksans Employees Stock Option Scheme 2020. Under the said scheme, the Company can grant a total of 81,86,273 options to the eligible employees for issue and allotment of equal number of equity shares of ₹1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.34- CAPITAL MANAGEMENT

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Group. Net Debt and Equity is given in the table below:

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Total Shareholders' Equity as reported in Balance Sheet (A)	8,86,49,49,562	6,36,01,42,537
Net Debt		
Lease liability (including current lease liability)	15,36,23,525	10,76,15,358
Other financial liabilities (preference shares)	5,00,00,000	5,00,00,000
Current Financial liabilities (Borrowings)	18,74,00,238	18,84,25,387
Gross Debt	39,10,23,763	34,60,40,745
Less: Cash & cash equivalents	2,12,28,62,194	93,72,70,861
Net Debt (B)	(1,73,18,38,431)	(59,12,30,116)
Total Capital deployed (A-B)	**7,13,31,11,131**	**5,76,89,12,421**
Net debt to equity ratio (B/A)	**(0.20)**	**(0.09)**

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, capital creditors, loans and cash and cash equivalents as at 31 March, 2021 and 31 March, 2020 are considered to be the same as their fair values, due to their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and short term borrowings subsequently measured at amortised cost is not significant in each of the year presented

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

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.

(Amount in ₹)

Particulars	As at 31 March 2021			As at 31 March 2021		
	Carrying amount			Fair Value		
Financial assets	**FVTPL**	**FVOCI**	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**
Other Non-current financial assets		-	2,56,33,266	-	-	-
Trade receivables, net	-	-	2,71,38,12,637	-	-	-
Cash and cash equivalents	-	-	2,12,28,62,194	-	-	-
Others current financial assets	1,46,20,439	-	26,04,791	-	1,46,20,439	-
Total	**1,46,20,439**	**-**	**4,86,49,12,888**	**-**	**1,46,20,439**	**-**
Financial Liabilities						
Other Non-current financial liabilities	-	-	5,00,00,000	-	-	-
Short term borrowings	-	-	18,74,00,238	-	-	-
Lease Liability (including current lease liability)	-	-	15,36,23,525	-	-	-
Trade payables	-	-	1,68,66,36,114	-	-	-
Other current financial liabilities	-		73,08,36,131	-	-	-
Total	**-**	**-**	**2,80,84,96,008**	**-**	**-**	**-**

(Amount in ₹)

Particulars	As at 31 March 2020			As at 31 March 2020		
	Carrying amount			Fair Value		
Financial assets	**FVTPL**	**FVOCI**	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**
Other Non-current financial assets	-	-	3,30,24,477	-	-	-
Trade receivables, net	-	-	2,43,35,17,408	-	-	-
Cash and cash equivalents	-	-	93,72,70,861	-	-	-
Others current financial assets	-	-	20,44,932	-	-	-
Total	**-**	**-**	**3,40,58,57,678**	**-**	**-**	**-**
Financial Liabilities						
Other Non-current financial liabilities	-	-	5,00,00,000	-	-	-
Short term borrowings	-	-	18,84,25,387	-	-	-
Lease Liability (including current lease liability)	-	-	10,76,15,358	-	-	-
Trade payables	-	-	1,10,32,91,395	-	-	-
Other current financial liabilities	10,27,020		55,51,83,048	-	10,27,020	-
Total	**10,27,020**	**-**	**2,00,45,15,188**	**-**	**10,27,020**	**-**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

i. Credit risk;

ii. Liquidity risk; and

iii. Market risk

(i) Credit risk analysis

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

The Group has significant concentration of credit risk with respect to the sale of goods as the Group sells majority of the productions to the group companies. Management closely monitors the credit quality and collectability of receivables. Since majority of the Group's sales are to the group companies, there is no credit risk attached to the Group's receivables.

Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of ₹ 2,12,28,62,194 at 31 March, 2021 (31 March, 2020: ₹ 93,72,70,861). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade and other receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(Amount in ₹)

Particulars	31 March, 2021	31 March, 2020
Neither past due nor impaired	2,66,07,74,064	2,40,28,07,962
Past due but not impaired		
Past due 0–180 days	5,30,38,573	3,07,09,446

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.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

(ii) Liquidity risk analysis

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March, 2021 the Group's liabilities have contractual maturities which are summarised below:

(Amount in ₹)

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	18,74,00,238	-	-
Trade payable	1,68,66,36,114	-	-
Non Current Financial liabilities		5,00,00,000	-
Lease liability	6,03,66,379	9,23,13,364	9,43,782
Other current financial liabilities	73,08,36,131		
Total	**2,66,52,38,862**	**14,23,13,364**	**9,43,782**

As at 31 March, 2020 the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	18,84,25,387	-	-
Trade payable	1,10,32,91,395	-	-
Non current financial liabilities		5,00,00,000	-
Lease liability	3,24,10,485	7,41,81,455	10,23,418
Other current financial liabilities	55,62,10,068		
Total	**1,88,03,37,335**	**12,41,81,455**	**10,23,418**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

(iii) Market Risk Analysis

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(a) Foreign Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, GBP and Euro, against the functional currency of the Group.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

(Amount in ₹)

Particulars	As at 31 March 2021			As at 31 March 2020		
	USD	GBP	EUR	USD	GBP	EUR
Short term exposure						
Trade receivables	22,31,30,613			17,46,71,854	86,90,313	8,66,962
Other current financial assets						59,65,107
Financial assets	**22,31,30,613**	**-**	**-**	**17,46,71,854**	**86,90,313**	**68,32,069**
Financial liabilities						
Short term borrowings				5,65,39,857		
Trade payables / other	5,47,61,344		1,62,26,969	54,37,361	30,49,409	-
Financial liabilities	**5,47,61,344**	**-**	**1,62,26,969**	**6,19,77,218**	**30,49,409**	**-**
Short term exposure	**16,83,69,269**	**-**	**(1,62,26,969)**	**11,26,94,636**	**56,40,904**	**68,32,069**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.35- FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

(iii) Market Risk Analysis (Contd..)

(a) Foreign Currency risk (Contd..)

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.

(Amount in ₹)

Particulars	As at 31 March 2021			As at 31 March 2020		
	USD	GBP	EUR	USD	GBP	EUR
Strengthening	1,68,36,927	-	-16,22,697	1,12,69,464	5,64,090	6,83,207
Weakening	-1,68,36,927	-	16,22,697	-1,12,69,464	-5,64,090	-6,83,207

(b) Interest rate risk

The Group interest rate risk mainly arises from short term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 31 March, 2021 and 31 March, 2020, the Group borrowings at variable rate were mainly denominated in USD and GBP.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The borrowings profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

(Amount in ₹)

Particulars	Currency	31 March, 2021	31 March, 2020
short term borrowings	USD	16,77,23,573	14,32,86,244
	GBP	1,96,76,665	4,51,39,143
Total		**18,74,00,238**	**18,84,25,387**

In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	Currency	31 March, 2021	31 March, 2020
Strengthening	USD	16,77,236	14,32,862
Weakening	USD	(16,77,236)	(14,32,862)
Strengthening	GBP	1,96,767	4,51,391
Weakening	GBP	(1,96,767)	(4,51,391)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO. 36: RELATED PARTY DISCLOSURES

(a) Related parties where control exists

1. Marksans Pharma (UK) Limited
2. Marksans Holdings Limited
3. Bell, Sons and Co. (Druggists) Limited
4. Relonchem Limited
5. Marksans Pharma Inc.
6. Time-Cap Laboratories Inc.
7. Custom Coatings Inc.
8. Marksans Realty LLC
9. Nova Pharmaceuticals Australasia Pty Ltd

(b) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha	: Managing Director
Mrs. Sandra Saldanha	: Whole-time Director
Mr. Varddhman Vikramaditya Jain	: Whole-time Director
Mr. Jitendra Sharma	: Chief Financial Officer
Mr. Harshavardhan Panigrahi	: Company Secretary
Mr. Abhinna Sundar Mohanty	:Independent Director
Mr. Digant Mahesh Parikh	: Independent Director
Mr. Seetharama Raju Buddharaju	: Independent Director
Mrs. Meena Rani Surana (w.e.f. 04 September, 2020)	:Independent Director

(c) List of related parties with whom transactions have taken place during the year are as follows:

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Rent paid		
Mr. Mark Saldanha	1,06,53,336	1,04,43,336
Managerial remuneration		
Mr. Mark Saldanha	1,04,32,320	1,04,32,320
Mrs. Sandra Saldanha	70,29,564	70,29,564
Mr. Varddhman Vikramaditya Jain	1,46,81,046	1,37,49,828
Mr. Jitendra Sharma	1,18,03,380	1,24,48,380
Mr. Harshavardhan Panigrahi	23,67,060	23,59,308
Mr. Abhinna Sundar Mohanty	25,000	20,000
Mr. Seetharama Raju Bhuddharaju	20,000	30,000
Mr. Digant Mahesh Parikh	1,60,000	25,000
Mrs. Meena Rani Surana	10,000	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.37 SEGMENT INFORMATIONS:

A. Operating Segments

The Group operates under a single operating segment which consists of manufacturing pharmaceutical formulation . The pharmaceutical product is considered as the single operating business segment in which the Group is exclusively engaged. Accordingly, disclosures relating to products information under the Indian Accounting Standard on Operating segments (Ind AS-108) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 are not relevant to the Group.

B. Geographical Information:

(Amount in ₹)

Segment revenue	31 March,2021	31 March,2020
Overseas	82,76,61,729	86,09,54,422
Domestic	12,93,41,56,798	10,48,11,35,104
TOTAL	**13,76,18,18,527**	**11,34,20,89,526**

C. Information about major customers

During the years ended 31 March, 2021 and 31 March, 2020, no revenues from transactions with a single external customer amount to 10% or more of the Group's revenues from external customers

NOTE NO. 38 PROVISIONS, CONTINGENT LIABILITIES& CONTINGENT ASSETS CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	31 March, 2021	31 March, 2020
Contingent liabilities		
Guarantees and letter of credit	19,78,01,582	47,58,98,114
- A.Y 2006-07 Appellate Authority – High Court (Demand for regular assessment)	Uncertain	Uncertain
- A.Y 2006-07 Appellate Authority – High Court (Penalty)	Uncertain	57,99,493
	19,78,01,582	**48,16,97,607**

NOTE NO. 39 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	31 March, 2021	31 March, 2020
Amount required to be spent	83,59,380	56,82,823
Amount spent	84,24,848	24,16,910

*Detailed report on CSR initiative has been provided in directors report

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO. 40 RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount incurred by the Company as Research and Development expenditure during the financial year:-

(Amount in ₹)

R & D Expenditure	31 March,2021	31 March,2020
Capital Expenditure	6,19,66,197	Nil
Revenue Expenditure	12,74,89,878	8,31,46,891
TOTAL	**18,94,56,075**	**8,31,46,891**

NOTE NO. 41(A) - INFORMATION OF SUBSIDIARY PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 AND COMPANIES (ACCOUNTS) AMENDMENT RULES, 2016. (FORM AOC - 1)

Particulars	Currency	Marksans Pharma (UK) Limited	Currency	Nova Pharmaceuticals Australasia Pty Ltd	Currency	Marksans Pharma Inc
Capital	GBP	85,96,941	AUD	150	USD	2,63,81,743
	₹	66,92,37,881	₹	4,781	₹	1,67,55,96,991
Reserve	GBP	2,56,78,337	AUD	84,76,471	USD	22,56,210
	₹	2,48,99,40,351	₹	47,14,15,231	₹	29,17,38,821
Total Assets	GBP	4,44,19,530	AUD	1,40,67,154	USD	5,36,66,915
	₹	4,16,70,09,669	₹	78,22,53,647	₹	3,75,94,09,492
Total Liabilities	GBP	1,01,44,252	AUD	55,90,533	USD	2,50,28,961
	₹	1,00,78,31,436	₹	31,08,33,635	₹	1,79,20,73,679
Turnover	GBP	5,94,17,458	AUD	2,51,44,676	USD	7,75,30,344
	₹	5,76,76,52,648	₹	1,34,19,71,358	₹	5,75,43,02,132
Profit/(Loss) Before Taxation	GBP	1,84,59,469	AUD	16,11,856	USD	27,05,579
	₹	1,79,18,60,656	₹	8,60,24,755	₹	20,08,08,073
Provision for Taxation	GBP	36,69,920	AUD	3,94,450	USD	50,260
	₹	35,62,39,134	₹	2,10,51,797	₹	37,30,297
Profit/(Loss) After Taxation	GBP	1,47,89,549	AUD	12,17,406	USD	26,55,319
	₹	1,43,56,21,521	₹	6,49,72,958	₹	19,70,77,776
Dividend	GBP	10,00,000	AUD	-	USD	-
	₹	9,70,70,000	₹	-	₹	-
Exchange Rate		99.35		55.60		71.60
Reporting Period		01.04.2020 to 31.03.2021		01.04.2020 to 31.03.2021		01.04.2020 to 31.03.2021
% Of Share Holding		100%		60%		100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE NO. 41(B) - DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 :

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As% of consolidated net assets	Amount - ₹	As% of consolidated profit or loss	Amount - ₹	As% of consolidated other Comprehensive Income	Amount - ₹	As% of consolidated Total Comprehensive Income	Amount - ₹
Parent								
Marksans Pharma Limited	67.65	5,99,71,72,091	41.24	98,38,14,857	(42.02)	-19,63,657	41.08	98,18,51,200
Subsidiaries								
Marksans Pharma U.K. Limited	35.64	3,15,91,78,234	60.18	1,43,56,21,521	2,884.37	13,48,02,901	65.71	1,57,04,24,422
Nova Pharmaceuticals Australasia Pty Ltd	5.32	47,14,20,013	2.72	6,49,72,958	1,683.80	7,86,93,496	6.01	14,36,66,454
Marksans Pharma Inc.	22.19	1,96,73,35,812	8.26	19,70,77,776	(644.97)	-3,01,42,889	6.98	16,69,34,887
Sub -Total	**130.80**	**11,59,51,06,150**	**112.41**	**2,68,14,87,112**	**3,881.19**	**18,13,89,851**	**119.78**	**2,86,28,76,963**
Intercompany elimination and Consolidation adjustment	(30.80)	(2,73,01,56,588)	(12.41)	(29,60,98,931)	(3,781.19)	(17,67,16,290)	(19.78)	(47,28,15,221)
Grand Total	**100.00**	**8,86,49,49,562**	**100.00**	**2,38,53,88,181**	**100.00**	**46,73,561**	**100.00**	**2,39,00,61,742**
Minority Interests in Subsidiaries		18,85,68,005		2,59,89,183		-		2,59,89,183

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

NOTE NO.41(C) - SUMMARISED FINANCIAL INFORMATION IN RESPECT OF EACH OF THE GROUP'S SUBSIDIARIES THAT HAS MATERIAL NON-CONTROLLING INTERESTS IS SET OUT BELOW. THE SUMMARISED FINANCIAL INFORMATION BELOW REPRESENTS AMOUNTS BEFORE INTRAGROUP ELIMINATIONS AND ARE BASED ON THEIR STANDALONE FINANCIAL STATEMENTS.

(Amount in ₹)

Particulars	31 March,2021	31 March,2020
Current Assets	72,64,62,150	54,85,99,545
Non Current Assets	5,57,91,497	-
Current Liabilities	31,08,33,635	22,08,45,988
Non Current Liabilities	-	-
Equity Interest Attributable to the owners	28,28,52,007	19,66,52,135
Non Controlling Interest	18,85,68,005	13,11,01,423
Revenue	1,36,31,21,142	1,30,19,89,660
Expenses	1,27,70,96,387	1,17,32,73,386
Profit/(Loss) for the year	6,49,72,958	12,87,16,274
Profit/(Loss) attributable to the owners of the company	3,89,83,775	5,60,01,141
Profit/(Loss) attributable to the Non-Controlling Interest	2,59,89,183	3,73,34,094
Opening Cash & Cash Equivalents	15,12,60,130	4,91,61,664
Closing Cash & Cash Equivalents	9,58,78,808	15,12,60,130
Net Cash inflow/(outflow)	(5,53,81,322)	10,20,98,466

NOTE NO. 42: SUBSEQUENT EVENTS:

There are no subsequent events that occurred after the reporting date.

NOTE NO. 43: RECLASSIFICATION OF PREVIOUS YEAR'S FIGURES:

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2021

(Amount in ₹)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A. Cash Flow from Operating Activities		
Profit before tax	3,02,16,40,965	1,57,17,17,677
Adjustments to profit before tax:		
- Depreciation	36,15,13,532	26,66,15,489
- Exchange Loss on foreign exchange fluctuations	96,74,081	-
- Exchange differences in translating the financial statements of a foreign operation	18,83,03,054	6,40,11,480
- Profit on sale of Property, plant and equipment	(3,66,862)	(2,48,793)
- Finance costs	7,98,64,244	8,74,63,768
- Dividend Income	-	-
- Interest income	(1,00,92,483)	(4,26,838)
- Net gain/(loss) arising on financial assets measured at fair value	(1,77,49,968)	4,52,638
- Remeasurement of the net defined benefit plans	(26,24,087)	25,14,400
- Bad debts written off	14,28,27,127	-
Operating profit before working capital changes	**3,77,29,89,603**	**1,99,20,99,821**
Movements in working capital :		
(Increase)/Decrease in Inventories	(1,62,47,57,946)	51,40,21,467
(Increase)/Decrease in Trade and other receivables	(42,31,22,356)	(66,75,48,024)
(Increase)/Decrease in Other financial assets	99,60,881	(1,93,35,782)
(Increase)/Decrease in Other assets	2,99,08,616	10,67,01,711
Minority Interest	3,14,77,399	(84,01,063)
Increase/(Decrease) in Trade Payable, provisions and Other Non current Liabilities	47,62,55,162	66,57,30,552
Cash generated from operations	**2,27,27,11,359**	**2,58,32,68,682**
Income tax paid (net)	(48,53,02,085)	(25,00,01,014)
Net cash generated from operating activities (A)	**1,78,74,09,274**	**2,33,32,67,668**
B. Cash flow from Investing Activities:		
Payments to acquire property, plant and equipment and intangible assets	(46,42,40,477)	(59,90,85,834)
Proceeds from sale of property, plant and equipment and intangible assets	51,88,634	28,20,254
Interest income	1,00,92,483	4,26,838
Net Cash Flow generated from/ (used in) Investing Activities (B)	**(44,89,59,360)**	**(59,58,38,742)**

Consolidated Cash Flow Statement

for the year ended 31st March, 2021

(Amount in ₹)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
C. Cash flow from Financing Activities:		
Payments for redemption of preference share capital	-	(5,00,00,000)
Dividend paid	(4,09,31,370)	(29,50,32,467)
Repayment of short term borrowing (net)	(10,25,149)	(81,06,61,885)
Repayment of lease liabilities	(3,10,37,818)	10,76,15,358
Finance costs paid (including interest on lease liabilities)	(7,98,64,244)	(8,74,63,768)
Net Cash Flow (used in) Financing Activities (C)	**(15,28,58,581)**	**(1,13,55,42,762)**
Net increase in cash and bank balances (A+B+C)	**1,18,55,91,333**	**60,18,86,164**
Cash & Bank Balances as at 31 March, 2020	**93,72,70,861**	**33,53,84,697**
Cash & Bank Balances as at 31 March, 2021	**2,12,28,62,194**	**93,72,70,861**

Notes :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7,' Statement of Cash Flows'.

2 The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

FOR AND ON BEHALF OF
Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.: 101474W/W100100

TEJAS LALIWALA
Partner
Membership No.: 127487

Place : Mumbai
Date : 31 May, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

JITENDRA SHARMA
Chief Financial Officer

Marksans Pharma Limited
CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053
Phone.No. 022-40012000 **Fax No.** 022-40012011
E-mail: companysecretary@marksanspharma.com **Website:** www.marksanspharma.com

NOTICE

To
The Members of
Marksans Pharma Limited

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of Marksans Pharma Limited will be held on **Thursday, 23rd September, 2021 at 09:00 a.m.** through video conferencing / other audio visual means (VC), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2021 including audited Consolidated Financial Statements for the financial year ended 31st March, 2021, the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares and preference shares for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Mr. Varddhman Vikramaditya Jain (DIN: 08338573) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve re-appointment of and remuneration to Mr. Varddhman Vikramaditya Jain (DIN: 08338573) as a Whole-time Director and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the basis of the recommendation of Nomination and Remuneration Committee, re-appointment of Mr. Varddhman Vikramaditya Jain (DIN: 08338573) as a Whole-time Director in the category of Professional Director designated as Executive Director of the Company be and is hereby approved for a period of Three (3) years with effect from 24th January, 2022 on the following remuneration:

Particulars	Per Month (₹)	Per Annum (₹)
- Basic	5,00,000.00	60,00,000.00
- HRA	2,50,000.00	30,00,000.00
- Conveyance	1,600.00	19,200.00
- Leave Travel Allowance	20,131.00	2,41,572.00
- Medical Reimbursement	1,250.00	15,000.00
- Company's contribution to Provident Fund	60,000.00	7,20,000.00
- Gratuity contribution	24,050.00	2,88,600.00
- Other Allowance	3,92,969.00	47,15,628.00
Total Fixed Pay	**12,50,000.00**	**1,50,00,000.00**

"RESOLVED FURTHER THAT Mr. Varddhman Vikramaditya Jain will be entitled to incentive as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company on the basis of performance of the Company."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Varddhman Vikramaditya Jain shall be subject to deduction of tax as per the provisions of the Income Tax Act."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Varddhman Vikramaditya Jain 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 Mr. Varddhman Vikramaditya Jain, the Company has no profits 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 authorised to increase or revise the remuneration of Mr. Varddhman Vikramaditya Jain during his 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 the above resolutions."

5. To approve appointment of Dr. (Mrs.) Meena Rani Surana (DIN: 08863769) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 149, 152 of the Companies Act, 2013 (hereinafter referred to as "the Act") and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable Regulations, if any, Dr. (Mrs.) Meena Rani Surana (DIN: 08863769), who was appointed as an additional independent director by the Board of Directors at its meeting held on 30th September, 2020 on the recommendation of the Nomination and Remuneration Committee and who 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 in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) consecutive years with effect from 30th September, 2020, whose 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 and things as may be required to give effect to the aforesaid resolution."

6. To approve Marksans Employees Stock Option Scheme 2021 and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be required, "MARKSANS EMPLOYEES STOCK OPTION SCHEMES 2021 (hereinafter referred to as "MARKSANS ESOS 2021") for the benefit of present and future permanent employees of the Company and its directors, whether whole-time director or not but excluding promoters and independent directors, be and is hereby approved as per the salient features mentioned in the Explanatory Statement annexed herewith, provided that the total number of options that can be granted under MARKSANS ESOS 2021 shall not exceed 81,86,273 options, convertible into equivalent number of equity shares of Re. 1/- each face value of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") which term shall be deemed to include the "Compensation Committee" constituted by the Board to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized, on behalf of the Company to grant from time to time in one or more tranches, options to apply for Equity Shares of the face value of Re. 1/- each of the Company under the said MARKSANS ESOS 2021 and consequently create, issue, allocate and allot at any time and from time to time equity shares of Re. 1/- each face value in terms of such options."

"RESOLVED FURTHER THAT options and the consequential issue, allocation and allotment of equity shares under the said MARKSANS ESOS 2021 shall be at such price including at a discount, in such manner, during such period in one or more tranches and on such other terms and conditions as the Board may decide."

"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 the equity shares to be allotted under the said MARKSANS ESOS 2021 shall, upon allotment, rank pari passu in all respects interse as also with the then existing equity shares including dividend entitlement."

"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 2021, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters 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 2021;

(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 2021 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 2021 and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time."

"RESOLVED FURTHER THAT Nomination and Remuneration Committee of Directors of the Company be and is hereby designated as the Compensation Committee referred here in above for MARKSANS ESOS 2021."

"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 2021 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."

7. To approve revision in remuneration of Mr. Mark Saldanha (DIN: 00020983) and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT on the basis of recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company, revision in remuneration of Mr. Mark Saldanha (DIN: 00020983), Managing Director and Promoter of the Company as set out hereunder be and is hereby approved with effect from 1st August, 2021 for the remainder of his tenure as Managing Director i.e. till 5th October, 2025, notwithstanding that such remuneration may exceed 5% (five percent) of net profits of the Company:

Mr. Mark Saldanha will be paid the following remuneration:

Particulars	Amount in Rs. Per Month
Basic Salary	40,00,000.00
Special Allowance	3,41,800.00
Bonus	5,000.00
Provident Fund (12%)	4,80,000.00
Gratuity (4.33%)	1,73,200.00
Total Remuneration Per Month	**50,00,000.00**
Total Remuneration Per Annum	**6,00,00,000.00**

"RESOLVED FURTHER THAT the remuneration payable to Mr. Mark Saldanha shall be subject to deduction of tax as per the provisions of the Income Tax Act."

"RESOLVED FURTHER THAT in case in any financial year during the currency of the tenure of Mr. Mark Saldanha, the Company has no profits 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 save and except as aforesaid, all other terms and conditions of the Special Resolution No. 7 passed by the members in the 28th Annual General Meeting held on 29th September, 2020 shall remain unaltered."

"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 the above resolutions."

8. To approve appointment of Mr. Sunny Sharma (DIN: 02267273) as a Non-Executive Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Sunny Sharma (DIN: 02267273), who was appointed by the Board of Directors as an Additional Director in the category of Non-Executive Director effective from 11th August, 2021 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Non-Executive Director of the Company effective from 11th August, 2021, 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 and things as may be required to give effect to the aforesaid resolution."

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

Mumbai
Dated: 11th August, 2021

Harshavardhan Panigrahi
Company Secretary

Registered Office:
11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai-400 053.

NOTES:

a) The 29th Annual General Meeting (AGM) is being held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") in accordance with the procedure prescribed in General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively "e-AGM circulars"). The Members can attend the AGM through VC by following instructions annexed to this Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai, India. Keeping in view the guidelines to fight COVID-19 pandemic, the Members are requested to attend the AGM from their respective locations by 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 video conferencing / other audio visual means, 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. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, the President of India or the Governor of a State or body corporate who is a Member may appoint such person as it thinks fit to act as its 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 2020-21 including the Notice which includes procedure for e-voting and manner of attending the Annual General Meeting through VC/OAVM, is being sent to all the Members whose e-mail addresses are registered with the Company / Depositories and hence, printed copy of the Annual Report (including the Notice) is not being sent to the Members in view of the e-AGM circulars.

d) The Members who have not registered their e-mail addresses 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 follow the below steps:

   i. Members holding shares in physical mode are requested to provide name, folio number, mobile number, e-mail address, scanned copies of self attested share certificate(s) (both sides) copy of PAN / Aadhaar through email on companysecretary@marksanspharma.com or alternatively do the same through the Registrar and Transfer Agent's website link at: https://www.bigshareonline.com//InvestorRegistration.aspx.

   ii. Members holding shares in dematerialised mode are requested to register their email addresses and mobile numbers with their relevant depositories through their depository participants.

e) The Members may also note that the Notice of the AGM and the Annual Report for 2020-21 are available on the website of the Company at www.marksanspharma.com, which can be downloaded.

f) 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, provided office is not closed due to Covid-19 pandemic. For inspection, physically or electronically, the Members are requested to send a request through e-mail on companysecretary@marksanspharma.com with Depository participant ID and Client ID or Folio number at least three working days in advance.

g) The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on 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.

h) The Register of Members and Share Transfer Books of the Company will be closed from Friday, 17th September, 2021 and will remain closed till Thursday, 23rd September, 2021 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if declared at the Annual General Meeting.

i) Dividend, if declared at the Annual General Meeting, will be credited /dispatched on or after 4th October, 2021 to those members whose names shall appear on the Company's Register of Members on Thursday, 16th September, 2021. In respect of the shares held in dematerialised form, dividend will be paid to the beneficial owners whose names will be furnished by the Depositories as on that date. Members are requested to notify promptly any change in their registered address.

j) Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013 read with of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), dividend declared by the Company for the financial year 2013-14, which remained unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and the corresponding shares on which dividends are unclaimed for seven consecutive years will also be transferred as per the procedure set out in the Rules. Concerned Members are requested to claim their unpaid dividend and avoid the transfer of shares to IEPF on or before 30th September, 2021. The Company has also uploaded full details of such members on the Website at www.marksanspharma.com.

k) Members who have not encashed the dividend warrant(s) for the FY 2013-14 and thereafter are requested to make their claims to the Company's Registrar and Share Transfer Agent, 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
2013-14	0.10	25th September, 2014	31st October, 2021
2014-15	0.12	29th September, 2015	3rd November, 2022
2015-16	0.12	29th September, 2016	3rd November, 2023
2016-17	0.05	26th September, 2017	31st October, 2024
2017-18	0.05	27th September, 2018	2nd November, 2025
2018-19	0.05	26th September, 2019	1st November, 2026
2019-20	0.10	29th September, 2020	1st November, 2027

Note: Shares on which dividend declared for the FY 2013-14 and remaining unclaimed for 7 (Seven) consecutive years, will also be transferred to IEPF by due date 31st October, 2021.

l) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form are requested to intimate their bank particulars and/or change in bank particulars to the Company's Registrar and Transfer Agent.

m) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

n) Members holding shares in physical form are requested to immediately intimate to the Company's Registrar and Transfer Agent, changes, if any, in their registered address along with the PIN code. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.

o) Members holding shares in physical form are informed that SEBI, vide Gazette Notification dated June 8, 2018 and as amended, has mandated that with effect from April 1, 2019, except in case of transmission or transposition of shares, transfer of shares of the Company would be carried out in dematerialised form only. Consequently, no physical shares will be accepted for transfer anymore. Therefore, members who are holding shares in physical form are advised to dematerialise their shares in case they wish to transfer their shares. For the purpose, members should lodge duly filled in and signed demat request form along with Share Certificate with their depository participant.

p) In terms of provisions of the Companies Act, 2013, nomination facility is available to individual members. The members who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Registrar and Transfer Agent Bigshare Services Private Limited for nomination form quoting their folio number. Members holding shares in dematerialized form should write to their Depository Participant for availing this facility.

q) Brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

r) In terms of Section 108 of the Companies Act, 2013 read with Rule 20(2) of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility to its Members, being eligible to vote, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

s) In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered Thursday, 16th September, 2021 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.

t) 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 Monday, 20th September, 2021 at 09:00 a.m.

Conclusion of remote e-voting: On Wednesday, 22nd September, 2021 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 Thursday, 23rd September, 2021.

u) 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. 16th September, 2021 shall follow the same instructions relating to e-voting and attending AGM through VC as given in the accompanying Notice.

v) **Instructions and other information relating to e-voting and attending AGM through VC is annexed to this notice for information of the Shareholders**.

w) 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 of the Company at its meeting held on 24th January, 2019 on the basis of recommendation of Nomination and Remuneration Committee, appointed Mr. Varddhman Vikramaditya Jain as a Whole-time Director of the Company for a period of three (3) years with effect from 24th January, 2019 which was approved by the shareholders at the 28th Annual General Meeting. The said appointment of Mr. Varddhman Vikramaditya Jain will expire on 23rd January, 2022. The Board of Directors at its meeting held on 11th August, 2021 re-appointed Mr. Varddhman Vikramaditya Jain as a whole-time director for a further term of three (3) years with effect from 24th January, 2022.

Mr. Varddhman Vikramaditya Jain is M. Pharm (Pharmaceuticals). He is a Pharmaceutical professional with technical background who has worked with various multinational organizations. He is specialized in the area of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing. In a career span of 26 Years, Mr. Jain has successfully handled several regulatory inspection including USFDA, UKMHRA, PMDA Japan and WHO with good leadership and sound technical knowledge. He has given the organizations very sound systems which are capable of standing up to very tough regulatory inspections of recent years.

Mr. Varddhman Vikramaditya Jain is associated with Marksans Pharrna Limited since May 2016 heading overall operations of the Company's Goa factory. His in-depth knowledge and experience in the aforesaid field shall be of great help to the Company in the long run. The appointment of Mr. Varddhman Vikramaditya Jain is appropriate and in the best interest of the Company.

The remuneration to Mr. Varddhman Vikramaditya Jain has been recommended by the Nomination and Remuneration Committee and is in line with the remuneration package that is necessary to encourage good professionals to important position such as that occupied by Mr. Varddhman Vikramaditya Jain and is commensurate with the functions and responsibilities that is being discharged by him.

Mr. Varddhman Vikramaditya Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and Whole-time Director of the Company. He 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.

Accordingly, the resolutions in the item no. 4 of the notice for approving the re-appointment of and remuneration to Mr. Varddhman Vikramaditya Jain as a Whole-time Director are being proposed for consideration of the members.

Brief resume of Mr. Varddhman Vikramaditya Jain as stipulated under the 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.

1.	**Name**	Mr. Varddhman Vikramaditya Jain (DIN: 08338573)
2.	**Date of Birth**	14.10.1969
3.	**Age**	51 years
4.	**Profession**	Service
5.	**Qualification**	M. Pharm
6.	**6.1 Terms and conditions of appointment and details of remuneration sought to be paid**	As mentioned in the resolution under Item 4 of the notice
	6.2 Remuneration last drawn	₹ 1,37,49,828/-
7.	**Experience**	Has over 27 years of experience in the areas of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing.
8.	**Shareholding of the Director**	Nil
9.	**Relationship with other Directors, Manager and other Key Managerial Personnel of the Company**	None
10.	**Date of first appointment on the Board**	24.01.2019

11. List of other Directorship and membership/Chairmanship of committees of other Boards

Board Meetings attended during the year	Whether attended last AGM	Directorships in other Companies	Board Committee Membership/ Chairmanship in other companies
4	Yes	Nil	Nil

Brief resume of Mr. Varddhman Vikramaditya Jain, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se are also provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Varddhman Vikramaditya Jain and his relative, none of the other Directors and/or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the resolutions set out at Item No. 4 of the Notice.

The Board recommends the resolutions set out at Item No. 4 of the Notice for approval of the members.

Item No. 5

The Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee appointed Dr. Meena Rani Surana (DIN: 08863769) as an Additional Independent Director for a term of Five (5) consecutive years with effect from 30th September, 2020.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature for the office of Independent Director to be appointed as such under the provisions of Sections 149, 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable regulations, if any. Dr. Meena Rani Surana 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 accordingly, in the opinion of the Board of Directors, she fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Meena Rani Surana 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 a Director of the Company.

Dr. Meena Rani Surana is a pharma professional. She is Bachelor of Pharmacy and Ph.D in Pharmaceutics from Indian Institute of Technology, BHU, Varanasi, India and has done a Post Doctoral Fellowship in Pharmaceutics from Department of Pharmaceutics, University of Minnesota, Minneapolis, MN, USA.

She has about 28 years of experience in pharmaceutical regulatory affairs, quality assurance, formulation and pre-formulation.

She has experience of ANDA filings with US FDA for more than 100 drug products and familiarity with CMC section review of INDs and NDAs of several drug products. She has extensive experience & familiarity with eCTD format & software requirements, SPL Labeling, regulatory requirements of pharmaceutical industry, FDA/ICH/EMEA guidelines, CDER guidelines, Code of Federal Regulations (21 CFR part 314, 201, 210 & 211 etc.), Drug approval process for ANDA/IND/NDA, DMF filing, handling of all drug products post-approval activities, SUPAC guidelines/requirements for IR/MR Drug Products, cGMP/cGLP/Compliance requirements, promotional labeling and marketing requirements, requirements & handling of controlled substances (DEA requirements), Pharmacovigilance requirements for approved & GMP products, etc.

She has also experience, knowledge & involvement in preparation of SOPs, policies & procedures, qualification procedures (equipment, raw materials, contract laboratories, CROs), investigation reports (complaints/OOS/deviations/ Incidents etc.) cleaning validation, manufacturing, packaging & warehousing procedures in order to comply GMP requirements at firm, technical reports & protocols, ensuring cGMP training, conducting QA compliance internal audits, ensuring safety regulations etc.

Dr. Meena Rani Surana has published 12 research articles in reputed international journals and presented research work at several conferences. She is reviewer of internationally renowned pharmaceutical journals, including Journal of Pharmacy & Pharmaceutical Sciences (JPPS), AAPS Pharm SciTech and Pharmaceutical Research. She has many awards and honours to her credit.

She is affiliated to American Association of Pharmaceutical Scientists and Indian Pharmaceutical Congress.

Currently, she is practicing as a consultant in the above fields. Her indepth knowledge and experience in the aforesaid field will be of great help to the Company and her continuous association will benefit the Company in the long run.

Brief resume of Dr. Meena Rani Surana as stipulated under the 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.

1.	**Name**	Dr. (Mrs.) Meena Rani Surana (DIN: 08863769)
2.	**Date of Birth**	28.05.1975
3.	**Age**	46 years
4.	**Profession**	Consultant
5.	**Qualification**	Bachelor of Pharmacy, Ph.D in Pharmaceutics and Post Doctoral Fellowship in Pharmaceutics
6.	**6.1 Terms and conditions of appointment and details of remuneration sought to be paid**	As per resolution no.5
	6.2 Remuneration last drawn	--
7.	**Experience**	She has about 28 years of experience in pharmaceutical regulatory affairs, quality assurance, formulation and pre-formulation.
8.	**Shareholding of the Director**	Nil
9.	**Relationship with other Directors, Manager and other Key Managerial Personnel of the Company**	None
10.	**Date of first appointment on the Board**	04.09.2020
11.	**List of other Directorship and membership/Chairmanship of committees of other Boards**	

Board Meetings attended during the year	Whether attended last AGM	Directorships in other Companies	Board Committee Membership/ Chairmanship in other companies
2	No	Nil	Nil

Brief resume of Dr. Meena Rani Surana, nature of her expertise in specific functional areas and names of companies in which she holds directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se are also provided in the Corporate Governance Report forming part of the Annual Report.

A copy of the draft letter of appointment of Dr. Meena Rani Surana setting out the terms and conditions of appointment is available on website of the Company for electronic inspection without any fee by the members.

The Board considers that her association with the Company would be of immense benefit to the Company and it is desirable to continue to avail her service as Independent Director. Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members of the Company.

Except Dr. Meena Rani Surana 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. 6

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 28th Annual General Meeting held on 29th September, 2020, approved Marksans Employees Stock Option Scheme 2020. 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 2021".

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2021 ("Marksans ESOS 2021"). Grant of stock options under Marksans ESOS 2021 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) Regulations, 2014.

The salient features of Marksans ESOS 2021 are as under:-

1. Total number of Options to be granted

(i) A total of 81,86,273 Options would be available for grant to eligible employees under the scheme.

(ii) Number 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.

(iii) Each option when exercised would give the option holder a right to get one fully paid equity share of Re. 1 each face value of the Company.

(iv) The options which will lapse, expire or be forfeited, will be available for further grant to the eligible employees.

2. Implementation of Marksans ESOS 2021

The Scheme shall be implemented by the Company under the supervision of the Compensation Committee constituted by the Board of Directors of the Company for the purpose.

3. Classes of Employees entitled to participate in Marksans ESOS 2021

All present and future permanent employees and directors, whether whole-time director or not but excluding independent directors, shall be eligible to participate in the scheme. The Promoter, the person belonging to promoter group or director/employee, 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 and 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. 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 seven (7) years from the vesting date(s). The employees can exercise stock options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee from time to time.

7. Appraisal process for determining the eligibility of the employees

The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee at its sole discretion from time to time. In case of performance linked stock options, the number of vested stock options may vary from the original number of stock options granted.

8. Maximum number of options to be granted per employee

Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis. However, it is proposed that options not exceeding 81,86,273 equity shares of Re. 1/- each face value in the aggregate can be granted. Further, options under each Grant to an employee shall not be less than fifty (50) and shall not exceed 1% of the total issued capital of the Company in any year provided that the aggregate number of options granted per employee under the total tenure of the scheme in any case shall not exceed 81,86,273 options.

9. 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.

10. Accounting Policies

The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014 in respect of shares issued under Marksans ESOS 2021.

11. 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.

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws from time to time. The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of Marksans ESOS 2021.

In terms of the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, Marksans ESOS 2021 is required to be approved by the Members by way of a Special Resolution.

A copy of the draft Marksans ESOS 2021 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, provided the office is not closed on account of Covid-19 Pandemic.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of the stock options that may be granted to them under Marksans ESOS 2021.

The Board recommends the resolutions set out at Item No. 6 of the Notice for approval of the Members as a Special Resolution.

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.

Item No. 7

The members of the Company at the 28th Annual General Meeting held on 29th September, 2020, have authorized the Board of Directors to revise remuneration of Mr. Mark Saldanha (DIN: 00020983), Managing Director of the Company. Accordingly, the Board of Directors at its meeting held on 23rd July, 2021, on the recommendation of Nomination and Remuneration Committee, has revised the remuneration of Mr. Mark Saldanha (DIN: 00020983). Since Mr. Mark Saldanha (DIN: 00020983) is Promoter of the Company and the revised remuneration is exceeding Rs. 5 Crore per annum, as required by Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, the revision will require approval of the members by a Special Resolution.

The revision in remuneration of Mr. Mark Saldanha (DIN: 00020983) has been recommended by the Nomination and Remuneration Committee and is in line with the remuneration package that is necessary to encourage good professional to important position such that occupied by Mr. Mark Saldanha (DIN: 00020983) and is commensurate with the functions and responsibilities that is being discharged by him.

Accordingly, the resolution in the item no.7 of the notice for approving revision in the remuneration of Mr. Mark Saldanha (DIN: 00020983) is being proposed for consideration of the members.

Mr. Mark Saldanha is holding 19,74,91,553 equity shares and 10,00,000 convertible warrants in the company and accordingly, he may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid share and warrant holding. Mrs. Sandra Saldanha who is his relative and the Whole-time Director of the Company, may be deemed to be concerned or interested in the proposed resolution.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the members.

Item No. 8

The Board of Directors of the Company has on the recommendation of Nomination and Remuneration Committee appointed Mr. Sunny Sharma (DIN: 02267273) as an Additional Director in the category of Non-Executive Director with effect from 11th August, 2021. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Sunny Sharma is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Mr. Sunny Sharma is an M.B.A. from the Indian Institute of Management, Bangalore and an M.B.B.S. from Christian Medical College, Ludhiana. Mr. 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.

Brief resume of Mr. Sunny Sharma as stipulated under the 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 here in below:

1.	**Name**	Mr. Sunny Sharma (DIN: 02267273)		
2.	**Date of Birth**	31.08.1974		
3.	**Age**	47 years		
4.	**Profession**	Professional		
5.	**Qualification**	MBA & M.B.B.S		
6.	**6.1 Terms and conditions of appointment and details of remuneration sought to be paid**	As per resolution no. 8		
	6.2 Remuneration Last drawn	-		
7.	**Experience**	Mr. 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.		
8.	**Shareholding of the Director**	Nil		
9.	**Relationship with other Directors, Manager and other Key Managerial Personnel of the Company**	None		
10.	**Date of first appointment on the Board**	11.08.2021		
11.	**List of other Directorship and membership/Chairmanship of committees of other Boards**			
	Board Meetings attended during the year	**Whether attended last AGM**	**Directorships in other Companies**	**Board Committee Membership/ (Chairmanship)**
	NA	NA	Advanced Enzyme Technologies Limited Laxmi Dental Export Private Limited Eurolife Healthcare Private Limited Blue Sapphire Healthcares Private Limited Suraksha Diagnostic Private Limited	Blue Sapphire Healthcares Private Limited Audit Committee - Member

		Entero Healthcare Solutions Private Limited OrbiMed Advisors India Private Limited Uquifa Sciences (Mascarene) Limited, Mauritius Uquifa Sciences S.L. (formerly Vivimed Labs Spain S.L.), Spain

Brief resume of Mr. Sunny Sharma, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership/chairmanship of Board Committees, shareholding and relationship between directors inter-se are also provided in the Corporate Governance Report forming part of the Annual Report.

The Board is of the view that Mr. Sharma's knowledge and experience will be of immense benefit and value to the Company and it is desirable to continue to avail his service as Non-Executive Director. Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Resolution set out at Item No. 8 of the accompanying Notice for approval of the Members of the Company.

The Articles of Association of the Company are available for inspection by the Members in electronic form without any fee as per the instructions given in the notes of this Notice.

Except Mr. Sunny Sharma and his 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.

The Board recommends the resolution set out at item no. 8 of the Notice for approval of the members.

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

Harshavardhan Panigrahi
Company Secretary

Mumbai
Dated: 11th August, 2021

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) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. In line with the Ministry of Corporate Affairs (MCA) General Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.marksanspharma.com. 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 and 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.

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 and General Circular No. 02/2021 dated January 13, 2021.

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 **Monday, 20th September, 2021 at 09:00 a.m.** and ends on **Wednesday, 22nd September, 2021 at 05:00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Thursday, 16th September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

    In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with **NSDL**	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: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on option available against company name or **e-Voting service provider - CDSL** and you will be re-directed to CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on option available against company name or e-Voting service provider - CDSL and you will be redirected to CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on option available against company name or e-Voting service provider - CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than **individual shareholders & physical shareholders**.

1) The shareholders should log on to the e-voting website 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 and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

Login type	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for Marksans Pharma Limited on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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 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, 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. 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. 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 ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to companysecretary@marksanspharma.com.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Jinesh Dedhia & Associates, Practicing Company Secretaries, has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the voting during the AGM by electronic mode and remote e-voting process in a fair and transparent manner. They have communicated their willingness to be appointed as such and will be available for the said purpose.

The Scrutinizer shall, after the conclusion of voting at the AGM, count the valid e-votes cast at the AGM, thereafter count the valid votes cast through remote e-voting and make, not later than 48 hours 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.

The results along with the Scrutinizer's Report shall be placed on the Company's website www.marksanspharma.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed at www.bseindia.com and www.nseindia.com respectively.

Instructions on Deduction of Tax at Source on Dividend

Dear Shareholder(s),

The Board of Directors of your company at its Meeting held on 31st May, 2021 has recommended dividend of ₹ 0.25 (25%) per Equity Share of Re.1/- each for the Financial Year ended 31st March, 2021. The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to the shareholders holding equity shares of the Company, either in electronic or in physical form as on record date i.e. 16th September, 2021.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by a company is taxable in the hands of shareholders and the company will be required to deduct tax at source ('TDS') at the time of making the payment of the dividend to the shareholders at the applicable rates, if approved at the ensuring annual general meeting.

These instructions summarize the applicable TDS provisions as per the Act, for Resident and Non-Resident shareholder categories.

A. Resident Shareholders:

Resident Individual Shareholders: In terms of the provisions of the Income Tax Act, 1961, tax deductible at source is @ 10% on the amount of dividend declared and paid by the Company in the financial year 2021-22 provided valid PAN is registered by the Shareholder.

No tax shall be deducted on the dividend payable to resident individuals if –

i. Total dividend payable to the shareholder during the Financial Year 2021-22 does not exceed ₹ 5,000/- (Rupees Five Thousand only); or

ii. The shareholder provides a written declaration in prescribed Form 15G (applicable for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (applicable to an Individual above the age of 60 years with no tax liability on total income).

Form 15G and 15H can be downloaded from the website of the R & T Agent of the Company viz. https://bigshareonline.com//dividendTDS.aspx.

Please note that PAN is mandatory. If PAN is not registered/ PAN is invalid, tax would be deducted @20% as per Section 206AA of the Income Tax Act, 1961. **No claim shall lie against the Company for such taxes deducted**.

Resident Shareholders other than individuals: In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Income-tax Act, 1961, no tax shall be deducted at source ('NIL rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. The minimum details required for the aforesaid category are given below:

Insurance Companies: Public and Other Insurance Companies, a declaration that they have a full beneficial interest with respect to the shares owned by them along with PAN.

Mutual Funds: Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.

Alternative Investment Fund (AIF): AIF established / incorporated in India - Self-declaration that their income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.

Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income as per Section 196 of the Act: Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.

Other Resident Non Individual Shareholders: Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit a self-attested copy of the PAN card along with the documentary evidence in relation to the exemption from the provisions of TDS as per Income Tax Act, 1961.

In cases where shareholders provide certificate under section 197 of the Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

Application of NIL rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

Non-resident Shareholders

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case certificate issued under section 197/ 195 of the Income Tax Act, 1961 is given by the non-resident shareholders, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

However, as per Section 90 of the Income tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

1. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident
3. Self-declaration in Form_10F available at https://bigshareonline.com//dividendTDS.aspx if all the details required in this form are not mentioned in the TRC
4. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty
5. Self-declaration of Beneficial ownership by the non-resident shareholder containing the following:
    a. Shareholder is and will continue to remain a tax resident of the country of his residence during the financial year 2021-22;
    b. Shareholder is eligible to claim the beneficial DTAA rate, including having regard to the Principal Purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the company;
    c. Shareholder has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner;
    d. Shareholder is the ultimate beneficial owner of the shareholding in the company and dividend receivable from the company; and
    e. Shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2021-22

The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non- Resident shareholders.

Where the PAN is either not available or is invalid, DTAA benefit shall not be granted and tax shall be deducted at the prescribed rate or 20% (plus applicable surcharge and cess), whichever is higher.

Notwithstanding as mentioned above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ("**FII**") and Foreign Portfolio Investors ("**FPI**") in accordance with the provisions of section 196D of the Act. Such TDS rate shall not be reduced on account of the applicable favourable DTAA rate, if any.

Notwithstanding anything contained herein, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Income-tax Act, 1961 or at the rates in force (plus applicable surcharge and cess), whichever is higher, from the dividend payable to such shareholder in accordance with Section on 94A of the Income Tax Act, 1961.

For all Shareholders

Please note that the aforementioned documents are required to be submitted through post to the Registrar and Transfer Agent viz. Bigshare Services Pvt. Ltd. or online at www.bigshareonline.com by uploading all supporting documents. In case of any query, shareholders can write to investor@bigshareonline.com and copy to companysecretary@marksanspharma.com on or before 10th September, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication on the tax determination / deduction shall be entertained post 10th September, 2021.

Kindly note that where the requisite documents furnished by the shareholders are incomplete or not properly executed, DTAA benefit / lower rate benefit shall not be granted and tax shall be deducted at the prescribed rates as mentioned above (plus surcharge and cess, wherever applicable). In case the requisite documents are submitted by the shareholders through his/ her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts. It is clarified that in such cases the total dividend amount will be clubbed on the basis of the PAN of the shareholder and prescribed tax as applicable will be deducted by the company.

We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend.

It may further be noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with the shareholder to file the return of income in India and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted**

In order to facilitate receipt of dividend directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card, with Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri – East, Mumbai – 400059, India. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company or Bigshare Services Pvt. Ltd. at the abovementioned email IDs.

We request your cooperation in this regard.

Yours faithfully,
For Marksans Pharma Limited

Sd/-
Harshavardhan Panigrahi
Company Secretary

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

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)

Registered Office

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

CIN

L24110MH1992PLC066364

Registrar & Share Transfer Agent

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road, Near Keys Hotel,
Marol, Andheri (East), Mumbai – 400059.

Bankers

State Bank of India
Bank of Baroda

Works

1 L-82 & 83, Verna Industrial Estate, Verna, Goa – 403722.

2 Bell, Sons & Co. (Druggists) Ltd.
Gifford House, Slaidburn Crescent, Southport,
PR9 9AL.

3 Time-Cap Laboratories Inc.
7, Michael Avenue, Farmingdale,
New York- 11735, USA.

29th Annual General Meeting

Day & Date: Thursday, 23rd September, 2021
Time: 09:00 a.m.
The 29th 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. Varddhaman V. Jain – Whole-time Director
Mr. Jitendra Sharma – Chief Financial Officer

Company Secretary

Mr. Harshavardhan Panigrahi

Statutory Auditors

M/s Bhuta Shah & Co. LLP

Secretarial Auditor

M/s KCS & Associates

Marksans Pharma Ltd.

11th Floor Grandeur,
Off Veera Desai Road,
Opp Gundecha Symphony,
Andheri (W), Mumbai 400 053.
Tel no:+ 91 (22) 4001-20-00
Fax:+ 91 (22) 40012099, 40012011
www.marksanspharma.com

a K&A creation | www.kalolwala.co.in