Special Purpose Financial Statements and Independent Auditors' Report

for the period June 1, 2022 to March 31, 2023

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

Contents of the Special Purpose Financial Statements

For the period June 1, 2022 to March 31, 2023

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

Manager's Report for the period June 1, 2022 to March 31, 2023

The Manager has great pleasure in presenting his report together with the audited special purpose financial statements.

BUSINESS

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (the Company) is a limited liability company registered on 12th May 2019 in Dubai, United Arab Emirates under License No. 835814 issued by Government of Dubai.

ACTIVITY

The principal activity of the company is medicinal chemical trading, medical surgical articles and requisites trading, people of determination equipment trading, paper products trading, laboratories tools and requisites trading, baby care requisites trading and para pharmaceutical products trading.

BUSINESS REVIEW

During the period, the ownership of the Company has changed and 100% shares have been transferred to Marksans Pharma Limited(Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange.

During the period June 1, 2022 to March 31, 2023, the results of the Company were as follows:

Particulars	June 1, 2022 March 31, 2023 AED
Revenue	9,990,145
Net profit	5,327,960

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

Manager's Report...continued

EVENT AFTER YEAR END

In the opinion of the Manager, no item, transaction or event of a material and unusual nature arisen in the interval between the end of the financial period and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial period then ended.

MANAGER

During the period, Mr. Wael Aly Selim Mohamed Ayad served as the Manager of the Company.

MANAGER'S RESPONSIBILITIES

The Manager is required to prepare the financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period then ended. The Manager hereby confirms the following:

i. In the preparation of the special purpose financial statements, the applicable accounting standards have been followed;

ii. The special purpose financial statements are prepared for the interim period June 1, 2022 to March 31, 2023. Comparative balances for the corresponding previous period are not available.

iii. The Manager has selected the 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 states of affairs of the Company as at the end of the financial period and of the profit or loss of the company for the period;

iv. The Manager has taken proper and sufficient care for the maintenance of adequate: accounting records relevant to proper safeguarding of the company's assets and for preventing and detecting fraud and other irregularities;

v. The Manager has prepared the special purpose financial statements on going concern basis. The Company earned revenue of AED 9,990,145 and profit of AED 5,327,960 for the period June 1, 2022 to March 31, 2023.

AUDITORS

The auditors, H A A Auditing were appointed as auditor for the period June 1, 2022 to March 31, 2023.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

Manager's Report...continued

DISCLOSURE OF INFORMATION TO AUDITOR

The manager who held office at the date of approval of this Manager's report confirms that, so far they are aware, there is no relevant audit information of which the Auditors are unaware and they have taken all the steps that they ought to have taken as Manager to make themself aware of any relevant audit information and to established that the Auditors are aware of that information.

However, the Manager indemnifies the Auditors for any action taken in respect of UAE laws and acknowledges that the Auditors are absolved from third party claims on the basis that the Company's provision of (or omission to provide) information is an exempting "act of third party".

ACKNOWLEDGMENT

The Manager wish to place on record his appreciation of the services rendered by all the employees of the Company and his gratitude to the various departments of Governments, business associates and auditors for their support.

For and on behalf of Access Healthcare for Medical Products LLC

Manager

Wael Aly Selim Mohamed Ayyad

Date- 16|5|2023

Dubai, United Arab Emirates

HAA Auditing

Auditors & Accountants

Report of the Independent Auditor's to the Members of

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

OPINION

We have audited the special purpose financial statements of **Access Healthcare for Medical Products LLC** ("the Company") for the period June 1, 2022 to March 31, 2023, as described in note 3 of the special purpose financial statement, which comprise the Statement of financial position as on March 31, 2023, Statement of profit and loss and other comprehensive income, Statement of changes in equity, Statement of cash flows for the period then ended and Notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements as described in note 3 of the special purpose financial statements present fairly, in all material respects, the financial position of **Access Healthcare for Medical Products LLC**, as at 31" March, 2023, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the special purpose financial statements section of our report. We are independent of the Company in accordance with the International ethical Standards Board for Accountants Code of Ethics for professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

These special purpose financial statements of the Company are prepared as per fair presentation framework in accordance International Financial Reporting Standards (IFRS), for the limited purpose, solely for the information of the Company and its ultimate holding company for internal use. These special purpose financial statements do not contain certain disclosures and explanatory notes that would otherwise be required for a complete set of financial statements. These are special purpose financial statements, accordingly, should not be construed as the general-purpose financial statements. As a result, these special purpose financial statements may not be suitable for any other purpose.

Our report is intended solely for the preparation of special purpose financial statements of the company and should not be distributed to or used by any other party.

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Report of the Independent Auditor's (continued)

We draw attention to the Note 3 of the special purpose financial statements for 10 month period from June 1, 2022 to March 31, 2023. The previous period comparative balances for 10 month period June 1, 2021 to March 31, 2022 were not available. However, specific audit procedures were performed to obtain the evidence for the brought forward balances on June 1, 2022 and application of appropriate accounting policies for the year ended March 31, 2023. No material misstatements noted affecting the special purpose financial statements for the year ended March 31, 2023

Our opinion is not modified in respect of these matters.

RESPONSIBLITIES OF MANAGER

The manager is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with International Financial Reporting Standards, and for such internal control as the managers determine necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITES FOR THE AUDIT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 special purpose financial statements.

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Report of the Independent Auditor's (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the special purpose financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis of 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transaction 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 Company to express an opinion on the special purpose financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

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Report of the Independent Auditor's (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by UAE Federal Law No (32) of 2021, we further confirm that,

i. we have obtained all the information and explanations which are required for the purpose of our audit;

ii. the financial statements as at March 31, 2023 of **ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC,** include in all material aspects, the application requirements of the UAE Federal Law No (32) of 2021, as amended;

iii. proper financial records have been kept by the Company;

iv. the contents of the Manager's report relating to these financial statements are in agreement with the Company's financial records;

v. the Company has not purchased or invested in any shares as at March 31, 2023;

vi. the financial statement of the Company reflects all the disclosures relating to material related party transactions and the terms under which they are conducted;

vii. based on the information that has been made available to us, we are not aware of any contraventions during the year of the above mentioned laws or the Company's Articles of Association, which may have material effect on the financial position of the Company or the result of its operations for the year.

H A A AUDITING * LICENSE NO. 770664 *

Hussain Ali Abdulla ALAbdouli

For **H A A Auditing**

Chartered Accountants

Audit Licence No 845, United Arab Emirates

Ministry of Economy (Audit Division)

Date: May 16, 2023

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Financial Position as at March 31st 2023

	Notes	March 31, 2023 AED
Non Current Asset		
Property, plant and equipment	5	13,390
Total Non Current Assets		**13,390**
Current Assets		
Cash and cash equivalents	6	5,358,534
Inventory		689,289
Accounts receivable		1,615,862
Other current assets	7	307,844
Total Current Assets		**7,971,529**
Total Assets		**7,984,918**
Shareholders' Fund		
Share capital	8	324,000
Reserves and surplus	9	7,029,468
Total equity		**7,353,468**
Non-current liabilities		
Provision for end of service benefits		31,850
Total non-current liabilities		**31,850**
Current liabilities		
Accounts payable		114,882
Accrued expenses and provisions	10	484,719
Total current liabilities		**599,601**
Total Equity and Liabilities		**7,984,918**

The Special purpose financial statements were approved and authorized for issue by the management on May 16, 2023 and signed on its behalf by

Manager

Wael Aly Selim Mohamed Ayyad

Date- 16/5/2023

The accompanying notes are an integral part of the Special purpose financial statements

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Profit and Loss and Comprehensive Income for the period June 1, 2022 to March 31, 2023

	Notes	June 1, 2022 to March 31, 2023 AED
Revenue		9,990,145
Other Income		7,993
		9,998,138
Less:		
Cost of sales		2,849,540
Gross profit		**7,148,598**
General and administrative expenses	11	1,794,700
Depreciation and amortisation	5	8,671
Earnings before interest and tax		**5,345,227**
Finance cost		5,266
Net Income		**5,339,960**
Transfer to statutory reserve		12,000
Net comprehensive income		**5,327,960**

The results of operations are from continuing operations

The accompanying notes are an integral part of the Special purpose financial statements.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

	Share capital AED	Share premium AED	Statutory reserve AED	Accumulated profit AED	Total equity AED
As at June 1, 2022	**300,000**	**-**	**150,000**	**563,508**	**1,013,508**
Additional share capital	24,000				24,000
Total comprehensive income for the period June 1, 2022 to March 31, 2023.		976,000	12,000	5,327,960	6,315,960
As at March 31, 2023	**324,000**	**976,000**	**162,000**	**5,891,468**	**7,353,468**

The ownership of the Company has been 100% transferred to Marksans Pharma Limited(Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange on June 6, 2022. The previous owners of the Company transferred, 300 (nos) of shares to Marksans on June 6, 2022. Subsequently, the Company issued additional 24 (nos) of AED 1,000 each to Marksans. The Company is in process of updating the authorized share capital with the Licence Issuing Authority, Department of Economic Development (DED), UAE.

The total shares of the Company were issued for total consideration for transfer being AED 1,300,000.

The previous shareholder's of the Company were

Name	**No of shares**	**Value (AED)**	**Amount(AED)**
Ms Alia Yousf Mohd	153	1000	153,000
Mr. Wael Aly Selim Mohamed	75	1000	75,000
Ms Seham Elkhodary	72	1000	72,000
	300		**300,000**

The accompanying notes are an integral part of the Special purpose financial statements.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Cash flows for the period June 1 2022 to March 31, 2023

	June 1, 2022 to March 31, 2023 AED
Cash flow from operating activities	
Profit Before Tax	**5,327,960**
Depreciation and amortisation	8,671
Transfer to statutory reserve	12,000
Working capital adjustments	
Decrease in inventories	196,396
Decrease in other current assets	24,898
(Increase) in accounts receivable	(1,456,827)
(Decrease) in current liabilities	(338,604)
Increase in accounts payable	111,038
Increase in provision for end of service benefits	31,850
Net cash flows from operating activities	**3,917,382**
Cash flow from Investing Activities	
Purchase of property, plant and equipment	(1,809)
Net cash used in Investing Activities	**(1,809)**
Cash flow from Financing Activities	
Additional share capital received	24,000
Share premium	976,000
Net cash used in financing activities	**1,000,000**
Net Increase in cash and cash equivalents	**4,915,573**
Cash and cash equivalents at the beginning of the period	442,961
Cash and cash equivalents at the end of the period	**5,358,534**

The accompanying notes are an integral part of the financial statement

AUDITING
H A A
LICENSE NO. 770664

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates
Notes forming part of the financial statements for the period ended March 31, 2023.

1. CORPORATE INFORMATION

ACCESS HEALTHCARE MEDICAL PRODUCTS LLC (the Company) is a limited liability company registered on 12th May 2019 in Dubai, United Arab Emirates under License No. 835814 issued by Government of Dubai.

The principal activity of the company is medicinal chemical trading, medical surgical articles and requisites trading, people of determination equipment trading, paper products trading, laboratories tools and requisites trading, baby care requisites trading and para pharmaceutical products trading.

The company is a 100% subsidiary of Marksans Pharma Limited (Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange, which was acquired by Marksans Pharma Limited on June 6, 2022.

Location

The registered office of the company is situated Mazaya center, office 2009 , Sheikh Zayeed Road, Dubai, UAE.
The Company is managed by Mr. Wael Aly Selim Mohamed Ayyad, Egypt National.

2. SHAREHOLDING

The authorized Share Capital of the company as at March 31, 2023 is as follows

	Nos	Value per share	Share capital (AED) March 31, 2023
Authorised share capital	**300**	**1,000**	**300,000**
Issued and paid up share capital	300	1000	300,000
Additional paid up share capital	24	1000	24,000
	324		**324,000**

The ownership of the Company has been 100% transferred to Marksans Pharma Limited(Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange on June 6, 2022. The previous owners of the Company transferred, 300 (nos) of shares to Marksans on June 6, 2022. Subsequently, the Company issued additional 24 (nos) of AED 1,000 each to Marksans. The Company is in process of updating the authorized share capital with the Licence Issuing Authority, Department of Economic Development (DED), UAE.

The shares have been issued at premium of AED 3,012 per share with total consideration for transfer being AED 1,300,000.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

i. This special purpose financial statement is prepared for inclusion in the consolidated financial statement of the Ultimate Holding Company (Marksans Pharma Limited). Since, the Company was acquired on June 6,2022, the financial information is provided only for the period June 1, 202 to March 31, 2023, for which the Company was subsidiary of Marksans Pharma Limited. The comparative financial information have not been presented as the Company was not part of the Marksans Pharma Limited Group for the year ended March 31, 2022.

ii. These special purpose financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRSs') and UAE Federal Laws and its latest wherever applicable.

iii. These special purpose financial statements have been prepared under the historical cost convention. The fair/ net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRS.

iv. The special purpose financial statements of the Company has been prepared on going concern basis.

v. These special purpose financial statements do not contain certain disclosures and explanatory notes that would otherwise be required for a complete set of financial statements.

b. Basis of accounting

These special purpose financial statements are prepared under the accrual basis of accounting except provision for employee entitlement to annual leave. Under the accrual basis of accounting, transactions and events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Special purpose financial statements of the periods to which they relate.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property plant and equipment is their purchase price together with any incidental expenses.

During the period, the company has office equipment, furniture and fixtures and computer and accessories as property, plant and equipment. Depreciation is calculated on the straight line method for a period of 4 years from the date of purchase to reduce the cost of assets to their estimated residual values over their expected useful lives.

d. Receivables

Provision for doubtful recovery is based on estimation, however, reliability is re-assessed at the end of every financial period and additional provisions are created on the basis of risks involved. Management considers that all the receivables are fully realizable, hence no provision is created.

e. Current or Non-current classification

The entity presents assets and liabilities in statement of financial position based on current/ noncurrent classification

An asset is current when it is:

Expected to be realized or intended to be sold or consumed In normal operating cycle or held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

f. Revenue recognition

Revenue is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods and when there are no longer any unfulfilled obligations.

g. Functional and presentation currency

Items included in the Special purpose financial statements of the entity are measured using the currency of the primary economic environment in which the Company operates ('the Functional currency'). The Special purpose financial statements of the Company are presented in UAE Dirhams ('AED'), which is the Company's functional and presentation currency. All the amounts represented in 'AED' have been rounded off to the nearest AED.

h. Foreign currency transactions

Foreign currency transactions are recorded in U.A.E Dirhams at the approximate rate of exchange ruling at the time of the transactions. Assets and liabilities expressed in foreign currencies at the statement of financial position date are translated into U.A.E Dirhams at the year end rate of exchange. All foreign currency gains or losses are booked in the statement of comprehensive income as and when they arise.

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i. Impairment of tangible assets

At the end of each reporting period , the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimating to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

j. End-of-service benefits

The Company provides end-of-service benefits to its expatriate employees' last year drawn salary and length of service, subject to the completion of a minimum service year. The expected costs of these benefits are accrued over the year of employment in accordance with the provisions of UAE Labor Law.

k. Provisions, contingent liabilities and contingent assets

i. Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a consolidated asset only when the reimbursement is virtually certain.

ii. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

iii. Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

l. Cash and cash equivalents

For the purpose of the Statement of cash flows, the Company considers bank balances and deposits with a maturity of less than 3 months from the date of placement to be a part of cash and cash equivalents.

m. Financial Instruments

Financial Assets

Initial Recognition and measurement

Financial Assets are classified, at initial recognition, as:

a) amortized cost
b) fair value through other comprehensive income OCI and ,
c) fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCE, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, this assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement:

Financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments}
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect-contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective Interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial asset at amortised cost includes refundable deposits.

Financial assets at its fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

a. The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and;

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment Losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company has no debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments; Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no designated financial assets at fair value as at 31 March 2023.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit of loss Include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or Loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established. The Company's AFS investments, refundable deposits, due from related parties, trade/ accounts and other receivables and bank balances/current accounts with banks.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when;

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks. and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows, from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership when it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the. Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12- month ECL). for those credit exposures for which there has been a significant Increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging Instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include employees' end of service benefits and accrued expenses and provision.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below;

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair Value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied, The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the HR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability Is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another-from the same fonder on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there IS an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Inventories

i. Inventories are valued at lower of cost or net realizable value.
ii. The costs of inventories are determined on weighted average basis. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs incurred in bringing the inventories to their present location and
iii. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

o. Value Added Tax ("VAT")

The Company is subject to a value added tax ("Vat") of 5% for sale of products. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of products (output VAT) less VAT paid on purchases made with the relevant supporting invoices (input Vat). The Company reports revenue net value added tax for all the periods presented in the Special purpose financial statements.

p. Use of estimates and judgments and assumptions

i. The presentation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
ii. The estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

a) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where the management determines that the useful; life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life

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b) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment, all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Impairment of accounts receivables

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made on variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customer's financial conditions. Based on the review, assumptions are made regarding the extent of impairment allowance required.

d) Going Concern

These special purpose financial statements are prepared on a going concern basis which is assumed that the Company will continue to operate as a going concern in a foreseeable future. In order to support the continuance of the Company's operations, the Directors confirm that sufficient funds will be made available as may be necessary.

4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS.

4.1 Issued and effective

Following are amendments to standards that are effective for annual periods beginning after 1 January, 2021 and earlier applications permitted

<u>Amendments to IFRS 3 – Definition of a business</u>

Entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

The amendments specify that if a set of activities and assets does not have outputs at the acquisition date, an acquired process must be considered substantive only if: (a) it is critical to the ability to develop or convert acquired inputs into outputs; and (b) the inputs acquired include both an organised workforce with the necessary skills, knowledge, or experience to perform that process, and other inputs that the organised workforce could develop or convert into outputs. In contrast, if a set of activities and assets has outputs at that date, an acquired process must be considered substantive if: (a) it is critical to the ability to continue producing outputs and the acquired inputs include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or (b) it significantly contributes to the ability to continue producing outputs and either is considered unique or scarce, or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

<u>Covid 19 related rent concessions-amendments to IFRS 16,</u>
In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.
The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the conditions are met

- The change in lease payment results in revised consideration for the lease that is substantially the same as, or less than the consideration for the lease immediately preceding the change.

- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.

- There is no substantive change to other terms and conditions of the lease.

<u>Interest rate Benchmark Reform-Phase 2-amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</u>
Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.
<u>Amendments are consistent with those for IFRS 9, but with the following differences:</u>
- Prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.
- Retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

<u>Amendments to IAS 1 & IAS 8 - Definition of Material</u>
The materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments replaced the threshold 'could

influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

The Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected significantly affect the current or future periods

4.2 Issued but not effective

Certain new Accounting Standards, amendments to Accounting Standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these Special purpose financial statements, the entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

An entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. A 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Annual IFRS Improvements

The following improvements were finalised in last years:

- IFRS 1 - The entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

- IFRS 9 - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. 1 January 2022. Earlier application is permitted.

- IFRS 16 - This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

- IAS 41 - An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

<u>Amendments to IFRS 10 and IAS 28 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</u>

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

5 Property, plant and equipment

	Furniture and fittings	AED Computer and Equipments	Total
Cost			
Opening	34,277	5,534	39,811
Additions	-	1,809	1,809
Closing	34,277	7,343	41,620
Depreciation			
Opening	19,559	-	19,559
Charge during the year	7,141	1,530	8,671
Closing	26,700	1,530	28,230
Net			
Closing -March 31, 2023	**7,577**	**5,813**	**13,390**

6 Cash and cash equivalents	**March 31 ,2023** **AED**
Cash at bank	5,358,005
Cash in hand	529
	5,358,534

7 Other current assets	**March 31 ,2023** **AED**
Vendor advances	239,907
Prepaid expenses	67,222
VAT balance (net)	715
	307,844

8 Share capital	**March 31 ,2023** **AED**
Authorized share capital	
300 shares of AED 1000 each	300,000
Issued and paid up share capital	
300 shares of AED 1000 each	300,000
Additional paid up share capital	
24 shares of AED 1000 each	24,000
	324,000

The shares of the company were acquired by Marksans Pharma Limited on June 6, 2022. Additional share capital of AED 24,000 for 24nos of shares of AED 1,000 each was paid by Marksans Pharma Limited. The increase in authorized share capital of the Company is in progress with the Licence Issuing Authority, Department of Economic Development (DED), UAE.

The shares have been issued at premium with total consideration for transfer being AED 1,300,000.

		March 31, 2023
		AED
9	Reserves and surplus	
	Retained earnings	5,891,468
	Statutory reserve	
	Balance at the beginning	150,000
	Transfer during the period	12,000
	Balance at the end of the period	162,000
	Share Premium	976,000
		7,029,468

Share premium - Refer Note 8

		March 31, 2023
		AED
10	Accrued expenses and provisions	
	Accrued liabilities	304,443
	Salary and allowances	180,276
		484,719

		June 1, 2022 to March 31, 2023
		AED
11	General and administrative expenses	
	Rent (short term lease)	63,996
	Salaries and wages	1,235,805
	Professional fees	76,766
	Regulatory expenses	7,161
	Advertisement and marketing cost	305,460
	Dues and subscriptions	2,944
	Office expenses	58,308
	Telephone and internet	10,251
	Stationery and printing	3,678
	Travel and accommodation expenses	4,425
	Other expenses	1,313
	Foreign exchange loss	24,594
		1,794,700

12. LEASE AGREEMENTS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillments of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made alter inception of the lease only if one of the following applies:

i. There is a change in contractual terms, other than a renewal or extension of the arrangements.
ii. a renewal option is exercised or extension granted, unless that term of the renewal or extension was Initially included in the lease term;
iii. there is a change in the determination of -whether fulfillment is dependent on a specified asset; or
iv. there is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3 or 4 above and at the date of renewal or extension period for scenario 2.
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Company lease: Company's operating lease is categorized as short-term lease and hence not been reclassified as per IFRS 16 as asset and liability. Lease charges are charged to profit and loss account.

The Company leases an office. The lease typically runs for a period of one year, with an option to renew the lease after that date. Lease contract can contain terms to allow for annual increase to reflect market rentals.

During the period, AED 63,996 was recognized as an expense in the statement of profit or loss and other comprehensive income in respect of operating lease.

13. FAIR VALUE MEASUREMENT

The table set forth the carrying values and estimated fair values of financial assets and liabilities recognised as at 31st March, 2023. There are no unrecognized financial assets and liabilities at the financial position date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: a) In the principal market for the asset or liability, or b} In the absence of a principal market, In the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non- financial asset takes into account. a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following methods and assumptions were used to estimate the fair values:

- **Accrued Expenses and provision** – carrying amounts approximate fair values due to short-term nature of the accounts.
- **Employees end of service benefits** – the fair value is estimated at the present value of the amount of estimated future cash flows expected to be paid. As at financial position date, the carrying amounts of these instruments are not materially different from their calculated fair values.

	Carrying value	**Fair value**
	31st March 2023	**31st March 2023**
	AED	AED
Accrued expenses and provisions	484,719	484,719
Employees' end of service benefits	31,850	31,850

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management Structure

The Company oversees and manages its exposure to market risk, credit risk and liquidity risk. The Company's policies on these risks arising from the Company's financial instruments follow:

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of the changes in the market prices. Market prices comprise risks such as foreign currency risk and interest rate risk.

Foreign currency risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. There are no significant exchange rate risks as substantially all financial Instruments are denominated in AED.

Interest rate risk

It is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. Since the as no interest-bearing financial instruments, it is not exposed to interest rate risk.

Liquidity risk

It is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The tables summarize the maturity profile of the Company's financial liabilities as of 31 March, 2023 based on contractual undiscounted payments.

	As at 31st March, 2023				
	Within 3 months AED	3 to 6 months AED	6 to 12 months AED	More than 1 year AED	Total AED
Accrued expenses and provisions	484,719				484,719
Employees' end of service benefits				31,850	31,850
	484,719	-	-	31,850	516,569

Credit risk

It is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amounts of refundable deposits represent the Company's maximum exposure to credit risk in relation to the financial asset. Since there are no financial assets, it is not exposed to credit risk.

<u>High grade</u> - accounts with counterparties that have consistently displayed prompt settlement practices, with little or no Instances of defaults or discrepancies in payments,

<u>Medium grade</u> - active accounts with reasonable instances of default, often due to common collection but where the likelihood of collection is moderately high as the counterparties are responsive to communication or credit actions of the Company.

<u>Low grade</u> - accounts with a low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms.

15. RELATED PARTY TRANSACTIONS

The Company has transactions with related parties in the normal course of the business. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. If an entity has had related party transactions during the periods covered by the Special purpose financial statements, IAS 24 requires it to disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the Special purpose financial statements.

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Management of the Company believes that the terms of such transactions are not significantly different from prevailing market rates.

Compensation of key management personnel

Key management of the Company is the Manager of the Company. The remuneration includes the following:

	June 1, 2022 to March 31, 2023
Manager compensation	AED 390,000

16. DECLARATION OF DIVIDEND

During the period June 1, 2022 to March 31, 2023, the Company has not declared or paid any dividend.

17. NUMBER OF EMPLOYEES

During the period June 1, 2022 to March 31, 2023, there were average 6 employees in the Company.

18. STATUTORY RESERVE

In accordance with article 103 of UAE Federal Law No.32 of 2021, a transfer minimum of 5% of the net profit of the Company is required to be allocated every year subject to 50% of paid up share capital. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital. The reserve is not available for distribution except as provided for in the UAE Federal Law. During the period June 1, 2022 to March 31, 2023, the Company has transferred AED 12,000 to the statutory reserve.

19. CONTINGENCIES AND COMMITMENTS

Except the on-going Service commitments in the normal course of business against which no Loss is expected, there has been no other known contingent liability or commitment on the Company's account.

20. COMPARATIVE FIGURES

Comparative information has not been provided as this is the first financial year end for entity post acquisition by parent Marksans Pharma Limited.

21. EVENT AFTER THE FINANCIAL POSITION DATE

There were no significant events occurring after the financial position date that would have any material on the Special purpose financial statements of the Company.

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

Bell,Sons & Co.(Druggists) Limited

Registered No: 00351951 (England and Wales)

Contents of the Financial Statements
for the Year Ended 31 March 2023

Bell,Sons & Co.(Druggists) Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:	Mr. Sathish Kumar Mrs. S Saldanha Mr. M Saldanha Mr.J Sharma Mr S R Buddharaju Mr C Hunter
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Gifford House Slaidburn Crescent Southport Merseyside PR9 9AL
REGISTERED NUMBER:	00351951 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Statutory Auditors 65 Delamere Road Hayes, Middlesex UB4 0NN
BANKERS:	Barclays Bank PLC

Strategic Report
for the Year Ended 31 March 2023

The directors present the strategic report and financial statement for the year ended 31 March 2023.

FAIR REVIEW OF BUSINESS

The directors consider the result for the period to be excellent. During the period sales increased from £36,293,092 to £45,768,318 and the profit on ordinary activities before taxation was £4,917,810 (2022: £4,996,780).

The sales have increased year on year by 26% due to high demand in the market and the company increasing its market share. The company is actively engaged in developing new products to introduce into the market to widen its product range and further increase the company's revenue. Profit for the year was slightly lower than 2022 due to high raw material costs and an increase in manpower costs due to increased headcount and remuneration.

Bell's manufactures licensed products - both as own branded products and, for certain customers, in own label from together with a range of unlicensed products. The company owns a state-of-the-art manufacturing facility in Southport and is an established manufacturer of over 200 OTC pharmaceuticals having full approval of the UK MHRA.

Bell's customers include retailers, pharmacies, chemist wholesalers and cash and carry outlets. The company enjoys a significant stronghold in the export markets. With more than 80 years of experience and a reach across 50+ countries, the brand is recognized and respected globally. Its key markets are West Africa and Middle East.

Principle risk and uncertainties arise from a competitive market.
Company is able to manage risks by utilising manufacturing capabilities of parent company which also secures reliable supplies.

In addition, production methods are consistently being reviewed to ensure the most efficient operations are in place.

SECTION 172(1) STATEMENT

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:

a. the Directors are satisfied that the current business activity is in the long term interest of the Company and its Shareholder;

b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success,

c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;

d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;

e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals, manufacture and sale of Pharmaceuticals in the UK The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and

f. The Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business.

Bell,Sons & Co.(Druggists) Limited

Strategic Report
for the Year Ended 31 March 2023

Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1.07 GWH of electricity (a 15% increase on previous year) and 0.46 GWH of gas (a 7% increase on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2023 were 145 tonnes of CO_2. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption. Energy saving initiatives have been progressed with 347 LED lighting units installed to replace all filament and historical lighting units. This gives a saving from 211,812.17 KwH's of electricity to 59,987.98 KwH's - a 72% reduction. A further energy reduction initiative will be installed during the financial year through 379 self-consumption photovoltaic units (solar panels) across 979m2 of the roof space giving 204 kWp. This is forecast to deliver a further electricity saving of 27%.

The company will continue to develop its products range to meet market needs.

The profit for the year, after taxation before dividend amounting to £ 3,981,753 (2022: £3,962,285).

ON BEHALF OF THE BOARD:

....
Mr. Sathish Kumar - Director

Date: ......19/05/23......

Bell,Sons & Co.(Druggists) Limited

Report of the Directors
for the Year Ended 31 March 2023

The directors present their annual report and financial statement for the year ended 31 March 2023.

PRINCIPAL ACTIVITY
The principal activity of the company continued to be that of Manufacturer and sale of pharmaceuticals.

DIVIDENDS
Dividend declared during the year amounting £1.25 million for the year ended 2023 (2022- £ 0.6mn).

DIRECTORS
The directors who holds office during the year and up to the date of signature of financial statement were as follow:

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr. S Jayanna
Mr Colin Hunter
Mr. Buddharaju, Seetharama Raju

RESULTS AND DIVIDENDS
The results for the year are set out on page 11.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Bell,Sons & Co.(Druggists) Limited

Report of the Directors
for the Year Ended 31 March 2023

AUDITORS
The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr. Sathish Kumar - Director

Date: 19/05/23

Report of the Independent Auditors to the Members of
Bell,Sons & Co.(Druggists) Limited

Opinion
We have audited the financial statements of Bell, Sons & Co. (Druggists) Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Bell,Sons & Co.(Druggists) Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

we have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

- The Company's principal activity was that of manufacturer and sale of pharmaceuticals. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Arora

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: 19 May 2023

Bell,Sons & Co.(Druggists) Limited

Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
TURNOVER	3		45,768,318		36,293,092
Cost of sales			37,719,335		28,564,544
GROSS PROFIT			8,048,983		7,728,548
Distribution costs		1,485,265		1,198,898	
Administrative expenses		1,777,953		1,672,689	
			3,263,218		2,871,587
			4,785,765		4,856,961
Other operating income	4		153,011		140,965
OPERATING PROFIT	6		4,938,776		4,997,926
Loss on disposal of fixed asset	11		20,966		-
Interest payable and similar expenses	7		-		1,146
PROFIT BEFORE TAXATION			4,917,810		4,996,780
Tax on profit	8		936,057		1,034,495
PROFIT FOR THE FINANCIAL YEAR			3,981,753		3,962,285

Bell,Sons & Co.(Druggists) Limited

Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		3,981,753	3,962,285
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,981,753	3,962,285

Bell,Sons & Co.(Druggists) Limited (Registered number: 00351951)

Statement of Financial Position
31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Intangible assets	10		6,217		10,040
Tangible assets	11		3,529,179		3,362,695
			3,535,396		3,372,735
CURRENT ASSETS					
Stocks	12	8,929,695		7,920,903	
Debtors	13	10,903,268		10,089,907	
Cash in hand		7,516,546		4,165,761	
		27,349,509		22,176,571	
CREDITORS					
Amounts falling due within one year	14	8,873,535		6,278,479	
NET CURRENT ASSETS			18,475,974		15,898,092
TOTAL ASSETS LESS CURRENT LIABILITIES			22,011,370		19,270,827
PROVISIONS FOR LIABILITIES	15		289,690		280,900
NET ASSETS			21,721,680		18,989,927
CAPITAL AND RESERVES					
Called up share capital	16		6,334		6,334
Revaluation reserve	17		1,037,692		1,037,692
Retained earnings	17		20,677,654		17,945,901
SHAREHOLDERS' FUNDS			21,721,680		18,989,927

The financial statements were approved by the Board of Directors and authorised for issue on 19/05/23
and were signed on its behalf by:

....

Mr. Sathish Kumar - Director

Bell,Sons & Co.(Druggists) Limited

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	6,334	14,583,616	1,037,692	15,627,642
Changes in equity				
Dividends	-	(600,000)	-	(600,000)
Total comprehensive income	-	3,962,285	-	3,962,285
Balance at 31 March 2022	6,334	17,945,901	1,037,692	18,989,927
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	3,981,753	-	3,981,753
Balance at 31 March 2023	6,334	20,677,654	1,037,692	21,721,680

1. **STATUTORY INFORMATION**

Bell, Sons & Co.(Druggists) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Cash flow exemption
The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Going concern
At the time of approving the financial statement, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover
Turnover compromise fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes based on the date they are dispatched.

Revenue from sale of goods to be recognized when significant risk and reward of ownerships of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transactions will flow to the entity and the cost incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from business are recognized at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets acquired in business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.
Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Product licence - 5 to 20 years Straight Line Method

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.
Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on Freehold land. Depreciation provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follow;

2. **ACCOUNTING POLICIES - continued**

Freehold Building - 2% cost or valuation
Plant and machinery - 20% Straight Line Method

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceed and carrying value of the asset, and is credited and charged to profit or loss.

Capital work in progress consists of asset under construction. It will be capitalised when the property is ready to use and will be depreciated over its expected useful life.

Impairment of Fixed Asset
At each reporting end date, the company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss (if any).

Whether it is not possible to estimate recoverable amount of an individual asset, the company estimate the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued at their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decreases.

Stocks
Stocks are stated at lower of cost and estimated selling price less costs to complete sell. Cost comprises direct materials and, where applicable, direct labour costs those overheads that have been incurred in bringing the stock to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less cost to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

2. **ACCOUNTING POLICIES - continued**

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.
Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

De-recognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities include trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

De-recognition of Financial Liability
Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

2. **ACCOUNTING POLICIES - continued**

Taxation
The tax expenses represent the sum of the tax currently payable and deferred tax.

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged of credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax asset and liabilities relate to taxes levied by the same tax authority.

Foreign exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

Employee benefits
The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed asset. Termination benefit are recognized immediately as an expense when company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as the fall due.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company. These amounts are recognised in the statement of changes in equity.

2. ACCOUNTING POLICIES - continued

Judgement and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

3. TURNOVER

An analysis of company's turnover is as follows:

	31.3.23 £	31.3.22 £
Turnover		
Sale of goods	45,768,318	36,293,092

The analysis of turnover by geographical markets:

	31.3.23 £	31.3.22 £
United Kingdom	40,503,085	31,468,169
Europe	453,409	408,147
Rest of the world	4,811,824	4,416,776
Total	**45,768,318**	**36,293,092**

4. OTHER OPERATING INCOME

	31.3.23 £	31.3.22 £
Bank interest	63,231	807
Grant Income	-	139,446
Other Income	89,780	712
	153,011	140,965

5. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Production	125	99
Sales and Administration	62	65
Total	187	164

Their aggregate remuneration comprised

	2023	2022
	£	£
Wages and Salaries	4,636,267	3,774,478
Social Security Cost	464,410	352,131
Other Pension Cost	143,861	126,345
Total	5,244,538	4,252,954

Directors Remuneration

	2023	2022
	£	£
Remuneration for qualifying services	-	-
Company pension contributions to defined contribution schemes	-	-
Total	-	-

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022-Nil)

(Directors Remuneration amounting to £307,007 (2022: £427,126) is recharged from Relonchem Limited)

6. OPERATING PROFIT

The operating profit is stated after charging/ (crediting):

	31.3.23	31.3.22
	£	£
Other operating leases	74,428	73,258
Depreciation - owned assets	357,041	399,625
Patents and licences amortisation	3,823	3,825
Bad Debts	32,824	
Cost of stock recognised as an expenses	29,270,005	22,051,643
Auditors' remuneration:		
for audit services	9,000	8,000
for other services	1200	1,000
Foreign exchange differences	1,456	(4,091)

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank overdraft interest payable	-	1,146

8. TAXATION

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax on profit	910,997	897,905
Short provision of prior years	16,270	4,178
UK Corporation tax on profits for the current period	927,267	902,083
Deferred tax:		
Originating and reversal timing differences	8,790	132,412
	936,057	1,034,495

The charges for the year can be reconciled to the profit and loss account as follow:

	31.3.23	31.3.22
	£	£
Profit before taxation on continued operations	4,917,810	4,996,780
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 19% (2022-19%)	934,384	949,388
Tax effect of expenses that are not deductible in determining taxable profit	3,989	-
R & D claims credit	(28,431)	-
Short provision of earlier years	16,270	4,178
Difference of Capital allowances and depreciation	9,845	80,929
	1,673	85,107
Tax expenses for the year	936,057	1,034,495

9. DIVIDENDS

	31.3.23	31.3.22
	£	£
Ordinary shares of £1 each		
Final	1,250,000	600,000

10. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2022 and 31 March 2023	68,882
AMORTISATION	
At 1 April 2022	58,842
Amortisation for year	3,823
At 31 March 2023	62,665
NET BOOK VALUE	
At 31 March 2023	6,217
At 31 March 2022	10,040

11. TANGIBLE FIXED ASSETS

	Freehold property £	Capital work in progress £	Plant and machinery £	Totals £
COST				
At 1 April 2022	2,391,319	73,552	5,672,827	8,137,698
Additions	-	320,264	224,257	544,521
Transfers	-	(64,465)	64,465	-
Disposals	-	-	(766,513)	(766,513)
At 31 March 2023	2,391,319	329,351	5,195,036	7,915,706
DEPRECIATION				
At 1 April 2022	518,111	-	4,256,892	4,775,003
Charge for year	82,705	-	274,336	357,041
Eliminated on disposal	-	-	(745,517)	(745,517)
At 31 March 2023	600,816	-	3,785,711	4,386,527
NET BOOK VALUE				
At 31 March 2023	1,790,503	329,351	1,409,325	3,529,179
At 31 March 2022	1,873,208	73,552	1,415,935	3,362,695

11. TANGIBLE FIXED ASSETS - continued

Comparable historical cost for the land and building included at valuation:

	2023	2022
Cost	1,796,527	1,796,527
Accumulated depreciation	970,941	935,011
Carrying value	825,586	861,516

The Property was externally valued on 31st March 2013 at £2,300,000 by Eddisons Chartered Surveyors on an open market basis. The Directors are not aware of any material changes in value subsequently.

12. STOCKS

	31.3.23	31.3.22
	£	£
Stocks of Raw materials and Consumables	3,428,995	2,206,491
Finished goods	5,500,700	5,714,412
	8,929,695	7,920,903

During the year £ 438,298 (2022: £ 125,998) was recognized as an expense in Profit and Loss account in respect of the write down of inventory.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	7,182,153	6,551,443
Provision for bad debts	(23,897)	-
Amounts owed by group undertakings	3,205,055	3,366,347
Prepayments and accrued income	539,957	172,117
	10,903,268	10,089,907

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	2,524,239	1,294,259
Dividend payable	1,250,000	600,000
Amounts owed to group undertakings	2,723,195	1,987,632
Corporation tax payable	237,256	327,335
Social security and other taxes	773,377	729,089
Other creditors	28,009	21,051
Accruals and deferred income	1,337,459	1,319,113
	8,873,535	6,278,479

15. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax (Accelerated Capital Allowances)	289,690	280,900

These are the major deferred tax liabilities and assets recognised by the company and in the current year there were movement amounting £ 8,790 (2022: £132,412)

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23	31.3.22
			£	£
6,334	Ordinary	£1	6,334	6,334

17. RESERVES

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2022	17,945,901	1,037,692	18,983,593
Profit for the year	3,981,753	-	3,981,753
Dividends	(1,250,000)	-	(1,250,000)
At 31 March 2023	20,677,654	1,037,692	21,715,346

18. PENSION COMMITMENTS

Defined contribution schemes
The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £-143,861 (2022-£ 126,346)

19. CAPITAL COMMITMENTS

	31.3.23	31.3.22
	£	£
Contracted but not provided for in the financial statements	464,404	33,870

20. RELATED PARTY TRANSACTIONS EXEMPTION

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

21. CONTROLLING PARTY

The immediate parent undertaking is Marksans Holdings Limited, a company incorporated in England and Wales. The company is controlled by Marksans Pharma U.K. Limited by virtue of its 100% ownership of Marksans Holdings Limited.

The parent undertaking of smallest group for which consolidated accounts are prepared is Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.The parent undertaking of largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the registrar of Companies, Everest 100, Marine Drive, Mumbai-400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

22. OPERATING LEASE COMMITMENTS

Lessee

At 31 March 2023 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	51,939	40,290
Between two and five years	78,212	124,681

23. PREVIOUS YEAR FIGURES

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

Bell,Sons & Co.(Druggists) Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Sales		45,768,318		36,293,092
Cost of sales				
Purchases	29,270,005		22,051,643	
Wages	3,933,389		3,216,114	
Social security	390,046		305,683	
Pensions	114,607		98,157	
Sundry expenses	37,202		46,020	
Direct Manufacturing costs	800,684		603,539	
Carriage Inwards and import duty	1,409,857		863,020	
Light heat and power	336,834		234,864	
Repairs and maintenance	466,498		235,291	
Product development	155,734		119,244	
Discounts allowed	55,205		19,360	
Temporary recruitment	133,007		147,944	
Sales rebate	270,105		238,264	
Amortisation of intangible fixed assets				
Patents and licences	3,823		3,825	
Depreciation of tangible fixed assets				
Depreciation of plant and equipment	342,339		381,576	
		37,719,335		28,564,544
GROSS PROFIT		8,048,983		7,728,548
Other income				
Bank interest receivable	63,231		807	
Grant Income	-		139,446	
Other Income	89,780		712	
		153,011		140,965
		8,201,994		7,869,513
Expenditure				
Wages	296,252		247,755	
Social security	34,347		27,633	
Pensions	13,219		12,452	
Vehicle leasing	4,999		10,305	
salesman expenses	26,750		15,442	
Carriage outwards	1,104,448		870,736	
Advertising and promotions	5,250		14,575	
Rent	74,428		73,258	
Life and medical insurance	26,718		17,722	
Wages	484,260		351,249	
Carried forward	2,070,671	8,201,994	1,641,127	7,869,513

Bell,Sons & Co.(Druggists) Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	2,070,671	8,201,994	1,641,127	7,869,513
Social security	40,016		40,840	
Telephone	43,923		28,559	
Post and stationery	54,628		42,682	
Motor expenses	11,658		16,278	
Motor running costs	839		1,771	
Repairs and renewals	99,211		88,706	
Staff recruitment costs	50,558		99,535	
Staff training and welfare	24,080		24,981	
Premises insurance	191,324		170,007	
Staff pension costs defined co contribution	16,036		15,737	
Management recharge- Directors remuneration	307,007		427,126	
Sundry expenses	23,569		14,761	
Bank charges	45,561		39,466	
Professional subscriptions	3,425		3,168	
Rates	83,958		83,958	
Other professional service	53,934		44,753	
Auditors' remuneration	9,000		8,000	
Foreign exchange losses	1,456		(4,091)	
Depreciation of tangible fixed assets	14,702		18,049	
Bad debts	32,824		-	
Employee expenses	8,561		376	
Canteen	2,455		1,806	
Product registrations and trademark	73,792		63,992	
		3,263,188		2,871,587
		4,938,806		4,997,926
Loss On disposal of fixed asset		20,996		-
Finance costs				
Bank overdraft interest payable		-		1,146
NET PROFIT		4,917,810		4,996,780

Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

Marksans Holdings Limited

Registered No: 05591744 (England and Wales)

Contents of the Financial Statements
for the Year Ended 31 March 2023

Marksans Holdings Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:	Mr. Sathish Kumar Mrs. S Saldanha Mr. M Saldanha Mr.J Sharma Mr S R Buddharaju Mr C Hunter
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House Gorsey Lane Widnes Cheshire WA8 0RP
REGISTERED NUMBER:	05591744 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Statutory Auditors 65 Delamere Road Hayes, Middlesex UB4 0NN

Marksans Holdings Limited

Report of the Directors
for the Year Ended 31 March 2023

The directors present their annual report and financial statement for the year ended 31 March 2023.

PRINCIPAL ACTIVITY
The principal activity of the company continued to be that of a holding company. The company holds the entire share capital of Bell, Sons & Co. (Druggists) Limited, a company that Manufactures pharmaceuticals products.

The company had not traded during the year.

DIVIDENDS
Dividend declared amounted to £1.25 million for the year ended 2023.

DIRECTORS
The directors who holds office during the year and up to the date of signature of financial statement were as follow

Mr. M Saldanha
Mr. S Jayanna
Mr. J Sharma
Mrs. S Saldanha
Mr. C Hunter
Mr. Buddharaju, Seetharama Raju

RESULTS AND DIVIDENDS
The results for the year are set out on page 9.

STATEMENT OF DISCLOSURE TO AUDITORS
So far as each person who has a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr. Sathish Kumar - Director

Date: 19/05/23

Marksans Holdings Limited

Directors' Responsibilities Statement
for the Year Ended 31 March 2023

The directors are responsible for preparing annual report and financial statement in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statement for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for the period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for tacking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors to the Members of
Marksans Holdings Limited

Opinion
We have audited the financial statements of Marksans Holdings Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2023;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Marksans Holdings Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

- The Company's principal activity was that a holding company of Bell, Sons & Co. (Druggists) Limited, a company that Manufactures pharmaceuticals products. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Arora

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: 19 May 2023

Marksans Holdings Limited

Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER		-	-
Other operating income		1,250,000	-
OPERATING PROFIT and PROFIT BEFORE TAXATION		1,250,000	-
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		1,250,000	-

Marksans Holdings Limited

Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		1,250,000	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,250,000	-

Marksans Holdings Limited (Registered number: 05591744)

Balance Sheet
31 March 2023

	Notes		31.3.23		31.3.22
			£		£
FIXED ASSETS					
Investments	6		1,490,874		1,490,874
CURRENT ASSETS					
Debtors	7	1,250,000		-	
CREDITORS					
Amounts falling due within one year	8	1,250,000		-	
NET CURRENT ASSETS			-		-
TOTAL ASSETS LESS CURRENT LIABILITIES			1,490,874		1,490,874
CAPITAL AND RESERVES					
Called up share capital	9		1,000		1,000
Share premium	10		1,489,874		1,489,874
SHAREHOLDERS' FUNDS			1,490,874		1,490,874

The financial statements were approved by the Board of Directors and authorised for issue on 19/05/23 and were signed on its behalf by:

....

Mr. Sathish Kumar - Director

Marksans Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2021	1,000	-	1,489,874	1,490,874
Changes in equity	-	-	-	-
Balance at 31 March 2022	1,000	-	1,489,874	1,490,874
Changes in equity				
Dividends	-	-	1,250,000	1,250,000
Total comprehensive income	-	-	(1,250,000)	(1,250,000)
Balance at 31 March 2023	1,000	-	1,489,874	1,490,874

1. STATUTORY INFORMATION

Marksans Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Accounting policies
Company information

Marksans Holdings Limited is a company limited by shares incorporated in England and Wales. The register office is Cheshire House, Gorsey Lane, Widnes, WA8 ORP.

Cash flow exemption
The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

The company has taken advantage of exemption under section 400 of Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Marksans Holdings Limited is a Wholly subsidiary of Marksans Pharma U.K. Limited and the results of Marksans Pharma U.K. Limited are included in the consolidated Financial Statement of Marksans Pharma U.K. Limited which are available from Companies House, Cardiff, CF 14 3UZ.

Going concern
At the time of approving the financial statement, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts are shown within borrowings in current liabilities.

Fixed asset investment
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognized immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2. ACCOUNTING POLICIES - continued

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments. Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Other financial asset
Other financial assets including investment in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value are recognize in profit or loss, except that investment in equity instruments that are not publicly traded and whose fair values can not be measured reliably are measured at cost less impairment.

Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.
Interest is recognized by applying the effective interest rate, except for short term receivable when the recognition of interest would be immaterial. The effective interest rate method is a method of calculating the amortize cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the effective expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

2. **ACCOUNTING POLICIES - continued**

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities including trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest.
Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.

Other Financial Liability
Derivatives, including interest rate swap and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re measured at fair value. Changes in the fair values of derivatives are recognized in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Derecognition of Financial Liability
Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company. These amounts are recognised in the statement of changes in equity.

Dividend income
Dividend income is recognised when the right to receive payment is established.

3. **EMPLOYEES AND DIRECTORS**

The average monthly number of persons (including directors) employed by the company during the year was nil (2022: Nil).

4. **OPERATING PROFIT**

The auditor's remuneration for the year was borne by a fellow group undertaking.

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022.

6. FIXED ASSET INVESTMENTS

	2023	2022
	£	£
Investments in subsidiaries	1,490,874	1,490,874

The company has not designed any financial assets that are not classified as financial assets as fair value through profit or loss.

Movement in Fixed assets investments

	Investment in Subsidiary Company
	£
Cost	
At 1 April 2022 & 31 March 2023	1,490,874
Carrying amount	
At 31 March 2023	1,490,874
At 31 March 2022	1,490,874

Subsidiaries

These financial statements are separate company financial statements for Marksans Holdings Limited.

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Country of Incorporation	Nature of business	Class of Shareholding	% Held Direct indirect
Bell, Sons & Co (Druggists) Limited	England and Wales	Pharmaceutical	Ordinary	100.00

The aggregate capital and reserve and the result for the year of the subsidiaries noted above was as follow:

Name of undertaking	Profit/(Loss)	Capital and Reserve
	£	£
Bell, Sons & Co.(Druggists) Limited	3,981,753	21,721,680

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Dividends receivable	1,250,000	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Dividend payable	1,250,000	-

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23 £	31.3.22 £
1,000	Ordinary Share Capital	£1	1,000	1,0008.

10. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2022	-	1,489,874	1,489,874
Profit for the year	1,250,000	-	1,250,000
Dividends	(1,250,000)	-	(1,250,000)
At 31 March 2023	-	1,489,874	1,489,874

11. DIVIDENDS

	31.3.23 £	31.3.22 £
Ordinary shares of £1 each		
Final	1,250,000	-

12. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma U.K. Limited, a company registered in England and Wales.

In the opinion of directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

The parent undertaking of the smallest group for which consolidated accounts are prepared in Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The parent undertaking of the largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai-400 002, Maharashtra.

Marksans Holdings Limited

Detailed Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Income		1,250,000		
NET PROFIT		1,250,000		

MARKSANS PHARMA INC.

CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2023

MARKSANS PHARMA INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022

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601, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali Railway Colony
Ram Nagar, Goregaon (E), Mumbai 400063, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Marksans Pharma Inc.,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Marksans Pharma Inc. and its subsidiaries ('the Group'), which comprise the consolidated Balance Sheet as at March 31, 2023, and the related consolidated statement of income (including consolidated other comprehensive income), consolidated statement of changes in stockholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and the results of its operations and its consolidated cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated financial statements, which include the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Group's Board of Directors is responsible for the other information. As informed to us, the Group does not have any other information to be included in the annual report.

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

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated financial statements in accordance with US GAAP and the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

BDO

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended March 31, 2022, were audited by another auditor whose report dated May 23, 2022, expressed an unmodified opinion.

Our opinion is not modified in respect of above matter.

BDO India LLP

BDO India LLP

Mumbai, India

May 29, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARKSANS PHARMA INC.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with ISAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and related disclosures made by management, as well as evaluate the overall presentation of the Consolidated financial statements.

- 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 Group'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 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.

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.

BDO India LLP

BDO India LLP

Mumbai, India

May 29, 2023

MARKSANS PHARMA INC.
CONSOLIDATED BALANCE SHEET
AS ON MARCH 31, 2023 AND 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,648,319	$ -
Accounts receivable, net (Allowance for doubtful accounts was $347,221 and $358,642 as of March 31, 2023 and 2022)	21,902,803	22,291,822
Inventory	17,369,251	15,411,936
Inventory in transit	4,171,175	6,314,884
Prepaid expenses	570,651	622,643
Deferred tax assets, short-term	-	470,834
Other current assets	366,449	301,110
Total current assets	**46,028,648**	**45,413,229**
Property, plant and equipment, net	16,339,465	15,804,486
Right-of-use assets	4,638,018	-
Intangibles	2,275,000	2,275,000
Goodwill, net	657,447	928,551
Total non current assets	**23,909,930**	**19,008,037**
Total assets	**$ 69,938,578**	**$ 64,421,266**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 28,187,201	$ 27,624,097
Accrued liabilities	697,239	592,353
Line of credit	5,061,809	4,621,567
Checks written in excess of cash balance (Book overdraft)	-	198,517
Lease liabilities	767,973	-
Short-term debt	169,783	57,065
Current tax liability	82,268	-
Due to stockholder	1,043,000	1,043,000
Total current liabilities	**36,009,273**	**34,136,599**
Noncurrent liabilities:		
Deferred tax liabilities, net	1,075,348	1,363,699
Lease liabilities	3,996,022	-
Long term debt	27,822	100,757
Total noncurrent liabilities	**5,099,192**	**1,464,456**
Total liabilities	**41,108,465**	**35,601,055**
Stockholders' equity		
Common stock , $.01 par value; 200 shares authorized and 100 issued	1	1
Additional paid-in capital	26,381,742	26,381,742
Retained earnings	2,448,370	2,438,468
Total stockholders' equity	**28,830,113**	**28,820,211**
Total liabilities and stockholders' equity	**$ 69,938,578**	**$ 64,421,266**

The accompanying notes are an integral part of these consolidated financial statements.

MARKSANS PHARMA INC.
CONSOLIDATED STATEMENT OF INCOME
AS ON MARCH 31, 2023 AND 2022

	2023	2022
Revenue		
Sale of goods	$ 94,783,689	$ 84,391,626
Other income	389,428	926,178
Net revenue	**95,173,117**	**85,317,804**
Cost of goods sold	80,974,974	73,242,785
Gross profit	**14,198,143**	**12,075,019**
Selling, general, & administrative expenses	2,782,308	1,675,514
Depreciation and amortisation expenses	2,033,817	1,161,998
Other operating expenses	9,007,943	7,761,597
Income before income taxes	**374,075**	**1,475,910**
Income taxes		
Income tax expense	364,187	246,671
Net Income	$ **9,888**	$ **1,229,239**
Other comprehensive income	-	-
Total comprehensive income	$ **9,888**	$ **1,229,239**

The accompanying notes are an integral part of these consolidated financial statements.

MARKSANS PHARMA INC.
CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY
AS ON MARCH 31, 2023 AND 2022

	Common Stock	Paid-in Capital	Retained Earnings
Balance, March 31, 2021	$ 1	$ 26,381,742	$ 1,209,229
Net income	-	-	1,229,239
Balance, March 31, 2022	1	26,381,742	2,438,468
Net income	-	-	9,888
Balance, March 31, 2023	$ 1	$ 26,381,742	$ 2,448,356

The accompanying notes are an integral part of these consolidated financial statements.

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MARKSANS PHARMA INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
AS ON MARCH 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Net income	$ 9,888	$ 1,229,239
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and Amortisation	2,033,817	1,161,998
Finance Cost	460,999	176,591
Bad Debts	805,461	-
Allowance for doubtful accounts receivables	347,221	358,642
Deferred taxes	182,483	163,450
Changes in operating assets and liabilities:		
Inventories (including inventories in transit)	186,394	(3,586,885)
Accounts Receivables	(763,663)	(6,904,603)
Other non-current/current assets	16,243	(186,877)
Other non-current/current liabilities	(205,891)	8,087,680
Taxes, net	52,678	39,075
Net cash provided by operating activities	**3,125,630**	**538,310**
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(1,453,334)	(2,029,939)
Net cash used in investing activities	**(1,453,334)**	**(2,029,939)**
Cash flows from financing activities		
Net proceeds from Line of Credit	440,242	2,279,059
Payments on notes payable	-	(1,350,000)
Principal obligations / (payments) under finance leases	39,783	(6,862)
Interest paid	(305,485)	(176,591)
Net cash provided by financing activities	**174,540**	**745,606**
Net change in cash and cash equivalents	1,846,836	(746,023)
Cash and cash equivalents		
Beginning of year	(198,517)	547,506
End of year	**$ 1,648,319**	**$ (198,517)**
Componets of cash and cash equivalents		
Cash In Bank - Citi Bank	1,647,319	(199,517)
Cash - Petty Cash	1,000	1,000
Total cash and cash equivalents at the end of the period	**$ 1,648,319**	**$ (198,517)**
Supplemental Information		
Taxes paid	$ 65,675	$ 14,361
Interest paid	$ 305,485	$ 103,831

The accompanying notes are an integral part of these consolidated financial statements.

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MARKSANS PHARMA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022

NOTE 1. ORGANIZATION

Marksans Pharma Inc. (the Company), a New York corporation, is a wholly owned subsidiary of Marksans Pharma, Ltd, India (Parent). On June 22, 2015, the Company acquired the stock of Time-Cap Laboratories Inc. (Time-Cap) and its wholly owned subsidiary Custom Coating Inc. (Coatings). Simultaneously, Marksans Realty LLC (Realty), a wholly owned subsidiary of Time-Cap, was formed and acquired the real estate in which Time-Cap and Coatings have their operations. On November 08, 2022, Marise Ann Inc. was incorporated, a wholly owned subsidiary of Marksans Pharma Inc. Time-Cap and Coatings are engaged primarily in the manufacture, coating, distribution and sales of pharmaceutical products in the continental United States. Marise Ann Inc. is engaged in the marketing & promotion of Branded OTC products.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Subsequent events have been evaluated through May 29, 2023, the date the financial statements were available to be issued.

b. Principles of Consolidation - These consolidated financial statements include the accounts of Marksans Pharma Inc. and its wholly owned subsidiaries Time-Cap, Coatings, Marise, and Realty (collectively, the Company). All intercompany balances and transactions have been eliminated in the consolidated financial statements.

c. Functional Currency - The consolidated financial statements are reported in U.S. Dollars, which is the Company's functional currency.

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d. Use of Estimates - The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. The most significant estimates relate to the selection of useful lives of property and equipment, intangible assets and associated useful lives, allowances for doubtful accounts and impairment of long-lived assets. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

e. Cash and Cash Equivalents - For purposes of balance sheet presentation and reporting of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held at one financial institution.

f. Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivables are stated at an amount the Company expects to collect from outstanding balances. The Company's exposure to credit risk is dependent, to a large extent, on the pharmaceutical industry. The Company routinely addresses the financial strength of its customers, and as a consequence, believes that its receivable credit risk is limited. The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current creditworthiness, as determined by a review of their current credit information. While credit losses have historically been within the Company's expectations, the Company cannot guarantee that the same credit loss rates will be experienced in the future. The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the accounts receivable balance. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. The Company generally does not require any security or collateral to support its receivables. Management has a policy of providing 100% of the allowance for doubtful accounts for anything outstanding for more than one year. Additionally, for anything outstanding for more than 180 days, Management provides 50% of the allowance for doubtful accounts.

Accounts receivable are written off when they are determined to be uncollectible. Based on management's evaluation of collectability, the allowance for doubtful accounts was $ 347,221 and $ 358,642 as of March 31, 2023 and 2022, respectively.

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g. Inventories - Inventories are included in the financial statements at the lower of cost (including raw materials, direct labour, other direct costs and related production overheads) and net realisable value. Cost is generally determined on a first in, first out basis.

h. Property and Equipment - Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives of assets are as follows:

Building	39 years
Plant and Machinery	5 - 15 years
Furniture and fixtures	5 - 15 years
Vehicles	5 years
Office Equipment	5 – 15 years

Leasehold improvements are amortized over the shorter of the lease-term or the estimated useful life of the related asset.

Property and equipment are reviewed for impairment if indicators of impairment arise. There were no impairment charges related to property and equipment recognized during fiscal year ended 2023 and 2022.

i. Intangibles - Intangibles consist of marketing rights with an indefinite life which are not being amortized but will be evaluated for impairment on an annual basis or at other times during the year if events and circumstances indicate that it is more likely than not that the fair value of the marketing rights is below the carrying value.

j. Goodwill - Goodwill represents the excess of the purchase price of a business over the fair value of the identifiable net assets acquired. The Company has elected the accounting alternative to amortize goodwill on a straight-line basis over ten years and elected to test goodwill for impairment at the entity level upon occurrence of a triggering event.

k. Impairment of Long-Lived Assets - The Company assesses long-lived assets for impairment in accordance with the provisions of the Financial Accounting Standards Board ASC 360, Property, Plant and Equipment. Long-lived assets (asset group), such as property and equipment and intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. The amount of impairment loss, if any, is measured as the difference between the carrying value of the asset and its estimated fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. As of March 31, 2023 and 2022, no impairment charge has been recorded.

l. Leases - The Company has operating & Finance leases. On April 01, 2022 the Company adopted ASU No. 2016-02 "Leases (topic 842)" and subsequent amendments thereto, which requires the Company to recognise leases on the balance sheet. The Company adopted the standard under a modified retrospective approach. Adoption of the leasing standard resulted in the recognition of operating right-of-use assets and operating lease liabilities as on April 1, 2022. These amounts were determined based on the present value of remaining minimum lease payments, discounted using the practical expedient of a risk-free rate. The Company recognises right of use assets under lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). Rights to use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised on the consolidated balance sheet. The corresponding liability to the lessor is recognised as a lease obligation within short and long-term borrowings. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. If modifications or reassessments of lease obligations occur, the lease liability and right of use asset are remeasured. Disclosures about the Company's leasing activities are presented in Note 10 " Lease Commitments".

m. Fair Value Measurements - The Company's financial instruments consist primarily of cash, accounts receivable and accounts payable. The carrying value of all financial instruments and receivables are representative of their fair value due to short-term maturity. Only customer accounts that are deemed uncollectible at the balance sheet date are set up as allowance for bad debt.

n. Revenue Recognition –

The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical and consumer healthcare products. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenue is recorded net of volume discounts, work credits, cash discounts, rebates and similar charges. Revenue is recognized using the five-step approach required by Accounting Standards Codification (ASC) Topic 606, as follows:

1. Identification of the contract with a customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; and
5. Recognition of revenue when, or as, performance obligations are satisfied.

Performance Obligations and Significant Judgements

A performance obligation is a promise in a contract to transfer a distinct good to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good and recognized as revenue when, or as, the performance obligation *is satisfied. Sales* and other transactions provide the customer with a particular good or bundle of goods and are considered a single performance obligation provided at a point in time upon the sale date.

Contract Balances

The timing of cash collections and revenue recognition can result in contract assets reported in the balance sheets. Contract assets consist entirely of accounts receivable, which is recognized only to the extent that it is probable that the Company will collect substantially all of the consideration to which it is entitled to in exchange for the goods or services that will be or have been transferred. At March 31, 2023 and 2022, there were no contract assets related to contracts with customers.

o. Employee Benefit Plan - The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. There were no employer contributions under this plan for 2023 and 2022.

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p. Advertising Expense - Advertising costs, included in selling expenses, are expensed as incurred.

Recent Accounting Pronouncements - In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements" ("ASU 2016-13"). ASU 2016-13 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation amount that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. In November 2018, the FASB issued ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses," which clarifies ASC Topic 326, "Financial Instruments - Credit Losses" and corrects unintended application of the guidance, and in November 2019, the FASB issued ASU No. 2019-11, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses," which clarifies or addresses specific issues about certain aspects of ASU 2016-13. In March 2020, the FASB issued ASU No. 2020-03, "Codification Improvements to Financial Instruments," which modifies the measurement of expected credit losses of certain financial instruments. ASU 2016-13 is effective for certain smaller reporting companies for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Company does not expect that the adoption of the new guidance will have a material impact on the Company's consolidated financial statements. Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the Group's financial statements.

NOTE 3. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company accounts for tax benefits from an uncertain tax position taken or expected to be taken only if it is "more likely than not" that the position is sustainable upon tax authority examination, based on its technical merits. The tax benefit of a qualifying position under this guidance would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement with a taxing authority having full knowledge of all the relevant information. A liability is established in the consolidated financial statements to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. In the opinion of management, the Company has no uncertain tax positions. The Company's policy is to recognize interest and penalties on recognized tax benefits in income tax expense, if any, in the consolidated income statements.

NOTE 4. DEFERRED TAXES

Significant components of the Company's deferred tax assets and liabilities at March 31, 2023 are as follows:

	2023	2022
Deferred tax assets (liabilities)		
Net operating loss carryovers	-	$ 99,201
Goodwill and other intangibles	$ (145,696)	$ (97,130)
Property, equipment, and capital leases	$ (1,382,225)	$ (1,266,569)
Accruals and reserves not currently deductible	$ 93,815	$ 66,070
Section 481(a) Adjustment	$ (194,847)	-
Capitalized inventory costs	$ 460,801	$ 209,707
Allowance for bad debt	$ 92,804	$ 95,856
Net deferred tax assets (liabilities)	**$ (1,075,348)**	**$ (892,865)**

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2023 and 2022:

	2023	2022
Land	$ 62,080	$ 62,080
Building and improvements	$ 11,398,099	$ 11,003,585
Machinery and equipment	$ 9,181,948	$ 8,184,455
Furniture and fixtures	$ 63,635	$ 63,635
Vehicles	$ 155,873	$ 94,546
	$ 20,861,635	$ 17,378,362
Accumulated depreciation	$ (4,522,170)	$ (3,603,815)
Total property, plant, and equipment, net	**$ 16,339,465**	**$ 15,804,486**

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Depreciation expense for the years ended March 31, 2023 and 2022 was $918,355 and $890,894, respectively.

NOTE 6. GOODWILL AND INTANGIBLES

Goodwill and intangibles consist of the following at March 31, 2023:

	Goodwill	Intangibles
Balance - March 31, 2022	$ 4,517,141	$ 2,275,000
Accumulated amortization and adjustment	$ (3,859,694)	-
Balance - March 31, 2023	$ 657,447	$ 2,275,000

During the year ended March 31, 2019, the Company had received a settlement agreement with the original sellers, whereby, the Company received cash of $4,000,182 towards the original purchase price and hence the original Goodwill amounting to $ 8,517,322 was adjusted by the same amount as of March 31, 2019. This amount totaled $4,517,141 and is being amortized over 10 years. Amortization expense for the years ended March 31, 2023 and 2022 were $271,104 and $271,104, respectively.

The Company acquired transferable marketing rights of various patent products from a third party for an aggregate amount of $1,925,000. On July 31, 2018, the Company purchased an intangible asset in the amount of $350,000 as an Abbreviated New Drug Application (ANDA) and laboratories. Management has determined that as of March 31, 2023 and 2022, respectively, the intangibles were not impaired.

NOTE 7. DEBT

As of March 31, 2023, the Company has an outstanding liability on a line of credit of $5,061,809 with the Bank of Baroda. The total line of credit available through this agreement is $7,000,000. The loan is secured by the land and building located at 7 Michael Avenue in Farmingdale, New York, as well as by all property and equipment owned by Marksans Pharma Inc. subsidiary i.e., Time Cap Laboratories Inc.

NOTE 8. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents and trade accounts receivable.

Concentrations of credit risk with respect to trade receivables are limited due to the diverse group of customers to whom the Company sells. The Company reviews a customer's credit history before extending credit, and will establish an allowance for possible losses, if necessary, based upon factors such as the credit risk of specific customers, historical trends and other information.

Major Customers - As of March 31, 2023 and 2022, five customers accounted for approximately 71.9% and 64.3%, respectively, of total accounts receivable. Revenues from these customers were approximately 71.8% and 58.5%, respectively, of total revenues.

NOTE 9. LEASES

On April 01, 2022 the Company adopted ASU No. 2016-02 "Leases (topic 842)" and subsequent amendments thereto, which requires the Company to recognise leases on the balance sheet. The Company adopted the standard under a modified retrospective approach.

The Company has entered into operating leases in the normal course of business primarily for storing inventories at warehouses across United States, with lease periods majorly expiring in 2024 and 2029. The determination on whether an arrangement is lease or not, is carried out at the inception of the lease.

Right of Use Assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Right of Use Assets and lease liabilities are recognised at the lease commencement date based on the estimated present value of lease payments over the lease term.

Operating lease assets and liabilities are included in our consolidated balance sheet. The current portion of the operating lease liabilities is included under "Lease Liability" under "Current Liabilities" and the long term portion is included under the "Noncurrent Liabilities".

Operating lease cost recognised in the consolidated statement of income is $873,895 for the year ended March 31, 2023.

Other information about lease amounts recognized in the consolidated financial statements is summarized as follows:

	2023
Weighted average remaining lease term	46.5 months
Weighted average discount rate	3.01%

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Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized in the balance sheet:

		2023
Right-of use assets	$	4,638,018
Lease liabilities		
Current lease liabilities		$ 767,973
Non-current lease liabilities		$ 3,996,022

Undiscounted maturities of lease liabilities are as follows:

	Operating Leases
Periods ending March 31,	
2024	$ 903,116
2025	$ 825,441
2026	$ 798,357
2027	$ 810,155
2028	$ 822,307
Thereafter	$ 1,061,850
Total lease payment	$ 5,221,226

Supplemental cash flow information related to leases was as follows:

		2023
Cash paid for amounts included in measurement of lease liabilities: -		
Operating cash flows from operating leases	$	873,895

NOTE 10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended March 31, 2023 and 2022.

	2023	2022
Performance obligations satisfied at a point in time		
Sale of Goods	$ 94,783,689	$ 84,391,626

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Other revenue *		
Miscellaneous income	$ 389,428	$ 926,178
Total	**$ 95,173,117**	**$ 85,317,804**

*Due to the nature of these revenue streams, these items are excluded from required disaggregation under ASC Topic 606. They are included here to provide a reconciliation to total revenue reported in the consolidated statements of income.

The nature of the Company's operations does not typically give rise to variable consideration. When variable consideration arises, estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience with customers and comparable projects as well as known trends within the Company and its industry.

Contract Balances

All of the Company's contract assets are considered accounts receivable and are included within the trade accounts receivable balance in the consolidated balance sheets. The Company has no contract liabilities. Balances in these accounts as of March 31, 2023 and 2022 are as follows.

	2023	**2022**
Accounts receivable, net	$ 21,902,803	$ 22,291,822

NOTE 11. COST OF GOODS SOLD

	2023	2022
Purchases	$ 65,421,863	$57,768,408
Direct wages	$ 6,685,292	$ 64,03,151
Payroll taxes	$ 633,345	$ 7,04,895
Other direct costs	$ 5,673,780	$ 54,01,886
Allocated overhead	$ 2,560,694	$ 29,64,445
TOTAL	**$ 80,974,974**	**$ 73,242,785**

NOTE 12. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023	**2022**
Commissions	$ 1,449,809	$ 1,318,412
Bad debt expense, net of allowance for doubtful accounts	$ 1,152,682	$ 218,912
Advertising and promotion	$ 179,817	$ 138,190
TOTAL	**$ 2,782,308**	**$ 1,675,514**

NOTE 13. DEPRECIATION AND AMORTISATION EXPENSES

	2023	2022
Depreciation on tangible assets	$ 918,355	$ 890,894
Depreciation on intangible assets	$ 271,104	$ 271,104
Depreciation on right-of use assets	$ 844,358	$ 0
TOTAL	$ 2,033,817	$ 1,161,998

NOTE 14. OPERATING EXPENSES

	2023	2022
Utilities	$ 1,143,357	$ 981,049
Travel expenses	$ 170,151	$ 129,663
Salaries and wages	$ 3,691,472	$ 3,479,740
Repairs and maintenance	$ 119,080	$ 70,068
Rentals for short term leases	$ 229,847	$ 222,446
Property taxes	$ 180,037	$ 190,366
Professional fees	$ 476,016	$ 574,872
Office expenses	$ 61,444	$ 83,970
Membership and licenses	$ 376,782	$ 284,846
Interest and bank charges	$ 467,492	$ 185,371
Insurance	$ 1,331,215	$ 755,211
Computer-related expenses	$ 259,206	$ 284,439
Payroll taxes	$ 201,380	$ 190,624
Other operating expenses	$ 113,786	$ 79,593
Miscellaneous expense	$ 186,678	$ 249,339
TOTAL	$ 9,007,943	$ 7,761,597

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NOTE 15. RELATED PARTY TRANSACTIONS

(a) Related parties where control exists

1. Time-Cap Laboratories Inc. (wholly owned subsidiary)
2. Marise Ann Inc. (with effect from November 08, 2022)
3. Custom Coating Inc. (Step down subsidiary)
4. Marksans Realty LLC (Step down subsidiary)

(b) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha: Director
Mr. Jitendra Sharma: Director
Mr. Seetharama Raju Buddharaju: Director
Mr. Anjani Kumar: COO

(c) List of related parties with whom transactions have taken place during the year are as follows:

Nature of Transactions	2023	2022
Purchase of goods		
Marksans Pharma Limited	$ 38,633,348	$ 42,893,939

(d) Balances outstanding at the end of the year

Particulars	2023	2022
Accounts payable		
Marksans Pharma Limited	$ 26,181,847	$ 25,524,083
Capital advance received		
Marksans Pharma Limited	$ 80,000	-
Due to stockholders		
Mr. Mark Saldanha	$ 1,043,000	$ 1,043,000

NOTE 16. RETIREMENT PLAN

The Company has a defined contribution retirement plan covering all employees with over 60 days of continuous service. Participants are allowed to contribute up to the Federal maximum to this plan each year, which is $22,500 for 2023 and was $20,500 for 2022. The Company does not make any matching contributions to the plan.

NOTE 17. LITIGATION CONTINGENCIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also 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 a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Liabilities for loss contingencies arising from claims, tax assessments, litigations, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with the same are expensed as incurred.

From time to time, the Company may be a party to litigation arising in the normal course of its business operations. In the opinion of management, it is not anticipated that the settlement or resolution of any such matters will have a material adverse impact on the Company's financial condition, liquidity, or results of operations. There are no contingent liabilities as at March 31, 2023 and 2022.

NOTE 18. SUBSEQUENT EVENTS

The Company evaluated subsequent events from March 31, 2023, the date of these consolidated financial statements, through May 29, 2023, which represents the date the financial statements were available for issuance, for events requiring recording or disclosure in the consolidated financial statements for the year ended March 31, 2023. The Company concluded that no events have occurred that would require recognition or disclosure in the consolidated financial statements.

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2023

for

Marksans pharma U.K. Limited

Registered Number: 05467597 (England and Wales)

Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2023

Marksans pharma U.K. Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:	Mr. M Saldanha Mrs. S Saldanha Mr.J Sharma Mr C Hunter Mr S R Buddharaju Mr. Sathish Kumar
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House Gorsey Lane Widnes WA8 ORP
REGISTERED NUMBER:	05467597 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Statutory Auditors 65 Delamere Road Hayes, Middlesex UB4 0NN
BANKERS:	Barclays Bank PLC

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

FAIR REVIEW OF BUSINESS

The company holds entire ordinary share capital of Marksans Holdings Limited and Relonchem Limited. Marksans Holdings Limited owns 100% of the ordinary share capital of Bell, Sons & Co. (Druggists) Limited.

The directors consider the results of Bell, Sons & Co. (Druggists) Limited for the year to be excellent. During the period sales increased from £36,293,092 to £45,768,318. The directors expect an increase in the level of activity in the forthcoming year.

Bell, Sons & Co. (Druggists) Limited sales have increased year on year by 26% due to high demand in the market and the company increasing its market share. The company is actively engaged in developing new products to introduce into the market to widen its product range and further increase the company's revenue. Profit for the year was slightly lower than 2022 due to high raw material costs and an increase in manpower costs due to increased headcount and remuneration.

The directors consider the results of Relonchem Limited for the year to be excellent. During the period sales increased from £29,079,189 to £41,424,228.

Relonchem Limited sales have increased year on year by 42% due to a variety of reasons, including an increase in customer demand. The utilisation of the manufacturing capability of the parent company allows the company to take full advantage of these opportunities. During the year there was also an increase in selling prices. This also improved the profitability of the company throughout the year.

The group is able to manage risks by utilising manufacturing capabilities of parent company (Marksans Pharma Limited) which also secures reliable supplies. In addition, production methods are constantly being reviewed to ensure the most efficient operation are in place. The directors there for expect the performance of the company to continue to be improved in the next financial year.

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:

a. the Directors are satisfied that the current business activity is in the long term interest of the Company and its Shareholder;

b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success,

c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;

d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;

e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals , manufacture and sale of Pharmaceuticals in the UK The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and

f. The Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business.

Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1.07 GWH of electricity (a 15% increase on previous year) and 0.46 GWH of gas (a 7% increase on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2023 were 145 tonnes of CO2. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption. Energy saving initiatives have been progressed with 347 LED lighting units installed to replace all filament and historical lighting units. This gives a saving from 211,812.17 KwH's of electricity to 59,987.98 KwH's - a 72% reduction. A further energy reduction initiative will be installed during the financial year through 379 self-consumption photovoltaic units (solar panels) across 979m2 of the roof space giving 204 kWp. This is forecast to deliver a further electricity saving of 27%.

The group will continue to develop its product range through new product development and acquisition of licences, to meet market needs.

The group profit for the year, after taxation before dividend amounted to £17,173,798 (2022: £9,195,857)

ON BEHALF OF THE BOARD:

....
Director
Name: Mr. Sathish Kumar

Date: ....19/05/23....

The directors present their group annual report and financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITY
The principal activity of the company continued to be that of a holding company.

The principal activity of Bell, sons & Co. (Druggists) Limited is the manufacture and sale of pharmaceuticals, while the principal activity of Relonchem Limited continued to be the development, registration and distribution of generic prescription pharmaceuticals in the UK.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 is £2,500,000 (2022- £1.2Mn).

DIRECTORS
The directors who held office during the year and up to the date of signature of financial statements were as follow:

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr S Jayanna
Mr Colin Hunter
Mr. Buddharaju, Seetharama Raju

RESULTS AND DIVIDENDS
The results for the year are set out on page 11.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr. Sathish Kumar - Director

Date: 19/05/23

Report of the Independent Auditors to the Members of
Marksans pharma U.K. Limited

Opinion

We have audited the financial statements of Marksans pharma U.K. Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditors to the Members of
Marksans pharma U.K. Limited

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

- The Company's principal activity was that of a holding company in the pharmaceuticals industry. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Arora

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: 19 May 2023

Marksans pharma U.K. Limited

Consolidated Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
TURNOVER	4		79,158,767		59,701,635
Cost of sales			51,612,582		43,120,416
GROSS PROFIT			27,546,185		16,581,219
Distribution costs		1,485,265		1,198,898	
Administrative expenses		5,051,472		3,989,080	
			6,536,737		5,187,978
			21,009,448		11,393,241
Other operating income	5		372,094		141,668
OPERATING PROFIT	7		21,381,542		11,534,909
Loss on disposal of asset	14		20,996		-
Interest payable and similar expenses	9		-		3,947
PROFIT BEFORE TAXATION			21,360,546		11,530,962
Tax on profit	10		4,186,748		2,335,105
PROFIT FOR THE FINANCIAL YEAR			17,173,798		9,195,857
Profit attributable to:					
Owners of the parent			17,173,798		9,195,857

Marksans pharma U.K. Limited

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		17,173,798	9,195,857
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		17,173,798	9,195,857
Total comprehensive income attributable to:			
Owners of the parent		17,173,798	9,195,857

Marksans pharma U.K. Limited (Registered number: 05467597)

Consolidated Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
FIXED ASSETS					
Intangible assets	13		4,070,472		4,757,254
Tangible assets	14		3,619,401		3,529,454
Investments	15		-		-
			7,689,873		8,286,708
CURRENT ASSETS					
Stocks	16	14,390,289		13,193,454	
Debtors	17	24,723,802		19,083,656	
Investments	18	4,000,000		-	
Cash in hand		20,299,878		11,336,209	
		63,413,969		43,613,319	
CREDITORS					
Amounts falling due within one year	19	13,869,219		9,347,992	
NET CURRENT ASSETS			49,544,750		34,265,327
TOTAL ASSETS LESS CURRENT LIABILITIES			57,234,623		42,552,035
PROVISIONS FOR LIABILITIES	20		289,690		280,900
NET ASSETS			56,944,933		42,271,135
CAPITAL AND RESERVES					
Called up share capital	21		8,596,941		8,596,941
Retained earnings			48,347,992		33,674,194
SHAREHOLDERS' FUNDS			56,944,933		42,271,135

The financial statements were approved by the Board of Directors and authorised for issue on 19/05/23 and were signed on its behalf by:

....
Mr. Sathish Kumar - Director

Marksans pharma U.K. Limited (Registered number: 05467597)

Company Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		-		-
Investments	15		20,326,514		20,326,514
			20,326,514		20,326,514
CURRENT ASSETS					
Debtors	17	2,500,000			
CREDITORS					
Amounts falling due within one year	19	7,906,725		5,176,115	
NET CURRENT LIABILITIES			(5,406,725)		(5,176,115)
TOTAL ASSETS LESS CURRENT LIABILITIES			14,919,789		15,150,399
CAPITAL AND RESERVES					
Called up share capital	21		8,596,941		8,596,941
Retained earnings			6,322,848		6,553,458
SHAREHOLDERS' FUNDS			14,919,789		15,150,399
Company's profit/(loss) for the financial year			2,269,390		(6,590)

The financial statements have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 19/05/23 and were signed on its behalf by:

....
Director: Mr. Satish Kumar

Marksans pharma U.K. Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	8,596,941	25,678,337	34,275,278
Changes in equity			
Dividends	-	(1,200,000)	(1,200,000)
Total comprehensive income	-	9,195,857	9,195,857
Balance at 31 March 2022	8,596,941	33,674,194	42,271,135
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	17,173,798	17,173,798
Balance at 31 March 2023	8,596,941	48,347,992	56,944,933

Marksans pharma U.K. Limited

Company Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	8,596,941	6,560,048	15,156,989
Changes in equity			
Deficit for the year	-	(6,590)	(6,590)
Total comprehensive income	-	(6,590)	(6,590)
Balance at 31 March 2022	8,596,941	6,553,458	15,150,399
Changes in equity			
Profit for the year	-	2,269,390	2,269,390
Dividend	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	(230,610)	(230,610)
Balance at 31 March 2023	8,596,941	6,322,848	14,919,789

1. STATUTORY INFORMATION

Marksans pharma U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.
As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £ 2,269,390 (2022- 6,590 loss).

Cash flow exemption
The group and company, being member of the group wherein the ultimate parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Basis of consolidation
The consolidated financial statements incorporate those of Marksans Pharma U.K. Limited and all of its subsidiaries (i.e. entities that Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2023.

All intra group transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred and assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

2. **ACCOUNTING POLICIES - continued**

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover
Turnover compromise fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes based on the date they are dispatched.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of transactions can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the group. These amounts are recognised in the statement of changes in equity.

Employee benefits
The cost of short-term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets.
The costs of any unused holiday entitlement is recognized in the period in which the employee's services are received. Termination benefits are recognized immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Intangible fixed assets - goodwill
Goodwill, being the amount paid in connection with the acquisition of a business is nil, is being amortised evenly over its estimated useful life of nil years.

Goodwill is provided as the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortized to the profit and loss account over its estimated economic life of 20 years.

2. **ACCOUNTING POLICIES - continued**

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired on business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Patents, Prescription product licenses & Development costs	5-20 years Straight Line Method

Amortization of Product Licenses

The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 9 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on free hold land. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follows;

Freehold Building	2% Costs or Valuation
Plant and machinery	20% Reducing Method
Fixtures and Fittings	25% Straight Line Method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Capital work in progress of tangibles consists of asset under construction. It will be capitalized when the property is ready to use and will be depreciated over the tenure of the property.

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of impairment loss (if any).

Where it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

2. **ACCOUNTING POLICIES - continued**

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Stocks
Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Financial instruments
The group has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the group became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Other Financial Assets
Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognized in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

2. **ACCOUNTING POLICIES - continued**

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual rights to the cash flow from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

De-recognition of Financial Liability
Financial liabilities are derecognized when the group's contractual obligations expire or are discharged or cancelled.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2. **ACCOUNTING POLICIES - continued**

Deferred tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged or credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset if, and only if there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Retirement benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Current asset Investment
Current asset investment includes short term deposits held with banks with maturity more than three months up to twelve months.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Critical judgements
The following judgements (apart from those involving estimates) had the most significant effect on amount recognized in the financial statements.

3. **JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

4. TURNOVER

An analysis of company's turnover is as follows:	2023 £	2022 £
Turnover		
Sale of goods	79,158,767	59,701,635

The analysis of turnover by geographical markets:

	31.3.23 £	31.3.22 £
United Kingdom	73,688,053	54,660,097
Europe	579,053	537,299
Rest of the world	4,891,661	4,504,239
Total	**79,158,767**	**59,701,635**

5. OTHER OPERATING INCOME

	31.3.23 £	31.3.22 £
Bank Interest Income	167,148	807
Grant Income	-	139,446
Other Income	204,946	1,415
	372,094	141,668

6. EMPLOYEES AND DIRECTORS

The average number of employees (including directors) employed by the company during the year was as follows:

	2023	2022
Production	125	99
Sales and Administration	75	78
	200	178

Their aggregate remuneration comprised of:

	2023 £	2022 £
Wages and salaries	5,706,586	5,276,919
Social security costs	626,108	566,220
Other pension costs	215,458	87,533
	6,548,152	5,930,672

During the year, director remuneration was £ 696,726 (2022- £734,131) of Marksans Pharma U.K. Limited received emoluments from Marksans Pharma U.K. Limited or any of its subsidiaries

During the year, retirement benefits were accruing to no directors (2022-none) of Marksans Pharma U.K. Limited in respect of defined contribution pension schemes.

7. OPERATING PROFIT

The operating profit is stated after charging/ (crediting):

	2023	2022
	£	£
Depreciation - owned assets	433,578	479,050
Amortisation of intangible assets	548,585	519,851
Foreign exchange difference	(72,655)	(4,091)
Bad Debts	380,387	-
Impairment of Intangibles	254,107	109,511

8. AUDITORS' REMUNERATION

Fees payable to the company's auditors

	2023	2022
	£	£
For audit services		
Audit of the financial statements of the group and company	5,400	4,000
Audit of the company's subsidiaries	22,600	18,000
For other services	3,600	2,000

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank overdraft and Interest payable	-	3,947
	-	3,947

10. TAXATION

Analysis of the tax credit
The tax credit on the profit/(loss) for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	4,225,680	2,335,105
Tax on profit/ (loss)	4,225,680	2,335,105

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	4,107,578	2,197,044
Short provision of prior years	70,380	5,649
Deferred tax	8,790	132,412
	4,186,748	2,335,105

The charge for the year can be reconciled to the (loss)/profit per the profit and Loss account as follows:

	2023	2022
	£	£
Profit before Taxation on continued operations	21,360,546	11,530,962
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2022-19%)	4,058,504	2,190,883
Tax effect of expenses that are not deductible in determining taxable profit	52,812	37,337
Amortisation on assets not qualifying for tax allowances	54,313	54,312
R & D Credits	(65,286)	-
Difference of Capital allowances and depreciation	16,025	59,939
Short provision for earlier years	70,380	5,649
Other tax adjustment	-	(13,015)
Tax Expense for the year	4,186,748	2,335,105

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

12. DIVIDENDS

	31.3.23	31.3.22
	£	£
Ordinary share capital £1 each	2,500,000	1,200,000

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	CWIP £	Product License £	Totals £
COST				
At 1 April 2022	5,717,140	191,027	5,944,773	11,852,940
Additions	-	119,733	-	119,733
Disposals	-	-	-	-
At 31 March 2023	5,717,140	310,760	5,944,773	11,972,673
AMORTISATION				
At 1 April 2022	4,035,395	-	3,060,291	7,095,686
Amortisation for year	285,857	-	266,551	552,408
Impairments	-	52,171	201,936	254,107
At 31 March 2023	4,321,252	52,171	3,528,778	7,721,327
NET BOOK VALUE				
At 31 March 2023	1,395,888	258,589	2,415,995	4,070,472
At 31 March 2022	1,681,745	191,027	2,884,482	4,757,254

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £	CWIP £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2022	2,391,319	73,552	5,672,827	402,164	8,539,862
Additions	-	320,264	224,257	-	544,521
Transfers	-	(64,465)	64,465	-	-
Disposals	-	-	(766,513)	(3,295)	(769,808)
At 31 March 2023	2,391,319	329,351	5,195,036	398,869	8,314,575
DEPRECIATION					
At 1 April 2022	518,111	-	4,256,892	235,405	5,010,408
Charge for year	82,705	-	274,336	76,537	433,578
Eliminated on disposal	-	-	(745,517)	(3,295)	(748,812)
At 31 March 2023	600,816	-	3,785,711	308,647	4,695,174
NET BOOK VALUE					
At 31 March 2023	1,790,503	329,351	1,409,325	90,222	3,619,401
At 31 March 2022	1,873,208	73,552	1,415,935	166,759	3,529,454

15. FIXED ASSET INVESTMENTS

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries		-	-	20,326,514	20,326,514

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Country of incorporation of residency	Nature of business	Class of shareholding	% Held		Profit/ (Loss)	Capital and Reserve
				Direct	Indirect		
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	-	1,250,000	1,490,874
Bell, Sons &Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100	3,981,753	21,721,680
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-	13,692,835	39,659,952

16. STOCKS

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables		3,003,133	1,764,950	-	-
Finished goods and goods for resale		11,387,156	11,428,504	-	-
		14,390,289	13,193,454	-	-

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.3.23 £	31.3.22 £	Company 31.3.23 £	31.3.22 £
Trade debtors	15,990,079	12,992,422	-	-
Provision for doubtful debts	(40,401)	-	-	-
Amounts owed by group undertakings	7,935,183	5,748,091	-	-
Other debtors	40,000	40,000	-	-
Dividends Receivable	-	-	2,500,000	-
Prepayments and accrued income	798,941	303,143	-	-
	24,723,802	19,083,656	2,500,000	-

18. CURRENT ASSET INVESTMENT

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Short term deposit	4,000,000	-	-	-
	4,000,000	-	-	-

Short term deposits have an original maturity at the balance sheet date of 182 days and interest rate of 3.55%pa.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		**Company**	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade creditors	3,670,952	2,753,842	-	-
Dividend payable	2,500,000	1,200,000	2,500,000	-
Amounts owed to group undertakings	-	-	5,399,325	5,168,715
Corporation tax Payable	1,834,846	1,010,680	-	-
Social security and other taxes	819,221	767,445	-	-
Other creditors	1,751,288	753,722	-	-
Accruals and deferred income	3,292,912	2,862,303	7,400	7,400
	13,869,219	9,347,992	7,906,725	5,176,115

20. PROVISIONS FOR LIABILITIES

	Notes	Group		Company	
		2023	2022	2022	2021
		£	£	£	£
Deferred tax liabilities		289,690	280,900	-	-

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23 £	31.3.22 £
8,596,941	Ordinary Share Capital	£1	8,596,941	8,596,941

22. CAPITAL COMMITMENTS

	31.3.23 £	31.3.22 £
Contracted but not provided for in the financial statements	494,279	63,745

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

24. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma Limited, a company incorporated in India.
Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent Company and ultimate controlling party.

25. RETIREMENT BENEFIT SCHEMES

	2023 £	2022 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	215,458	185,690

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26. OPERATING LEASES COMMITMENTS

Leases
Operating lease payments represent rental payable in respect of property, equipment and vehicles.
At 31 March 2023 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Within one year	348,455	336,806	-	-
Between two and five years	1,552,882	1,607,259	-	-
After five years	144,303	432,912	-	-

27. DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the group or company has legal enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purpose.

Group	2023 £	2022 £
Accelerated capital allowances	289,690	280,900

The company has no deferred tax assets or liabilities.

There were deferred tax movements in the group amounting £ 8,790 in the year.

28. CASH FLOW EXEMPTION

The group and company, being member of the group wherein the ultimate parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

29. PREVIOUS YEAR FIGURES

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Sales		79,158,767		59,701,635
Cost of sales				
Purchases	40,382,321		34,135,349	
Wages	3,933,389		3,216,114	
Social security	390,046		305,683	
Pension	114,607		-	
Pharmaceuticals license fees	215,269		388,777	
Sundry expenses	-		46,020	
Laboratory testing	431,893		414,606	
Storage	725,441		606,939	
Direct Manufacturing costs	800,684		603,539	
Carriage Inwards and import duty	1,934,257		1,351,945	
Power, light and heat	336,834		234,864	
Property repairs and maintenance	466,498		235,291	
Product development	155,734		119,244	
Regulatory & Vigilance Fees	921,130		671,076	
Sundry expenses	55,205		19,360	
Temporary recruitment	133,007		147,944	
Sales rebate	270,105		238,264	
Amortisation of intangible fixed assets				
Patents and licences	3,823		3,825	
Depreciation of tangible fixed assets				
Plant and machinery	342,339		381,576	
		51,612,582		43,120,416
GROSS PROFIT		27,546,185		16,581,219
Other income				
Bank Interest Income	167,148		807	
Grant Income	-		139,446	
Other Income	204,946		1,415	
		372,094		141,668
		27,918,279		16,722,887
Expenditure				
Wages	296,252		247,755	
Social security	34,347		27,633	
Pensions	13,219		12,452	
Vehicles Leasing	4,999		10,305	
Salesman expenses	26,750		15,442	
Carried forward	375,567	27,918,279	313,587	16,722,887

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	375,567	27,918,279	313,587	16,722,887
Carriage inwards and import duty	1,104,448		870,736	
Advertising	5,250		14,575	
Rent	100,716		95,919	
Insurances (not premises)	156,213		121,815	
Wages	1,248,676		1,042,610	
Social security	201,714		232,904	
Pensions	87,633		59,344	
Telecommunications	53,596		43,159	
Printing & Stationery	60,877		49,218	
Post and Courier	1,988		6,123	
Travelling	68,403		11,362	
Leasing Motor expenses	11,658		16,278	
Motor running expenses	3,662		3,844	
Property repairs and maintenance	99,211		92,695	
Staff recruitment costs	60,318		122,235	
Waste Disposal Expenses	23,754		(2,106)	
Staff training	24,080		24,981	
Premises insurance	191,324		170,007	
Staff pension	-		15,737	
Sundry expenses	272,238		25,098	
Conference Cost	10,375		-	
Bank charges	62,432		57,304	
Professional subscriptions	4,051		6,342	
Rates	83,958		83,958	
Accountancy fee	14,820		51,618	
Directors' remuneration	696,726		620,398	
Legal and Professional fees	83,174		133,289	
Auditors' remuneration	28,000		24,000	
Profit or loss on foreign exchange	(72,655)		(4,091)	
Amortisation of intangible fixed assets	548,585		516,026	
Depreciation of tangible fixed assets	91,239		97,474	
Impairment losses for intangible fixed assets	254,107		109,511	
Computer software	14,988		11,542	
Entertaining	50,416		34,312	
Bad and doubtful debts	380,387		-	
Consultancy fees	50,000		50,000	
Employee Expenses	8,561		376	
Canteen expenses	2,455		1,806	
Product registrations and trade	73,792		63,992	
Carried forward	6,536,737	27,918,279	5,187,978	16,722,887

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	6,536,737	27,918,279	5,187,978	16,722,887
		6,536,737		5,187,978
		21,381,542		11,534,909
Loss on disposal of fixed asset		20,996		-
Finance costs				
Bank overdraft and Interest payable		-		3,947
NET PROFIT		21,360,546		11,530,962

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

A.C.N 104 838 440

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

CONTENTS

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 31st March 2023 as follows:-

1. DIRECTORS

   The names of the Directors in office since the start of the financial year to the date of this report, unless otherwise stated, are:

H Mohammed	O Mohammed
M Saldanha	J M P Sharma

2. PRINCIPAL ACTIVITY

   The principal activity of the Company during the financial year was that of Medicines Wholesaling.No significant change in the nature of these activities occurred during the year.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

   No significant changes in the company's state of affairs occurred during the year.

4. REVIEW OF OPERATIONS

   During the year the company incurred a loss of $448,996.

5. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

   No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or state of affairs of the company in future financial years.

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

   Likely developments in the operations of the company and the expected results of those operations in the future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

7. ENVIRONMENTAL REGULATION

   The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

8. DIVIDENDS

   No dividends were paid during the year,and the Directors have decided that no final dividend be declared for the year ended 31st March 2023.

9. OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

10. INDEMNIFICATION OF OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

11. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Signed by a Director.

.... Director

Dated at Bella Vista this 21st day of April 2023.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity. The directors have determined that this special purposes financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 31st March 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

.... Director

Dated at Bella Vista this 21st day of April 2023.

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

DARSHAN DHILLON
Bsc(Hons), DMA,CA
Chartered Accountant, Tax Agent

Telephone: (02)9876 2678
Facsimile: (02)9876 1164
Email: darshan.info@bigpond.com

INDEPENDENT ACCOUNTANT'S REPORT TO

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

Scope

I have prepared the acompanying special purpose financial statements of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, which comprise the statement of financial position as at 31st March 2023, the statement of comprehensive income, the statement of profit or loss, the trading account, the notes to the financial statements, and the statement of cashflows for the year then ended.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

The directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

My Responsibility

On the basis of information provided by the directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, I have prepared the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements.

Dated at Epping, this 21st day of April 2023

D. Dhillon
Darshan Dhillon

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

	NOTE		2022
CURRENT ASSETS			
Cash	2	485,697	2,530,991
Receivables	3	5,698,352	4,595,325
Inventories	4	9,208,649	8,689,943
		15,392,698	15,816,259
NON-CURRENT ASSETS			
Investments	5	94	94
PROPERTY PLANT AND EQUIPMENT	6	151,427	107,955
INTELLECTUAL PROPERTY	7	1,393,333	1,393,333
		1,544,854	1,501,382
TOTAL ASSETS		16,937,552	17,317,641
CURRENT LIABILITIES			
Creditors & Borrowings	8	7,890,839	7,821,932
TOTAL LIABILITIES		7,890,839	7,821,932
NET ASSETS	$	9,046,713$	9,495,709
SHARE CAPITAL AND RESERVES			
Share Capital		150	150
Reserves	9	322,888	322,888
Accumulated Profit		8,723,675	9,172,670
TOTAL CAPITAL & RESERVES	$	9,046,713$	9,495,708

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2023

	NOTE		2022
Profit			
Before Income Tax		(448,996)	1,289,955
Income Tax Expense		-	270,867
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(448,996)	1,019,088
Retained Profits at July 1		9,172,671	8,376,470
PROFIT AVAILABLE FOR APPROPRIATION		8,723,675	9,395,558
Transfer To Reserves		-	222,888
RETAINED PROFITS	$	8,723,675	$ 9,172,670

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2023

	NOTE	2022
INCOME		
Gross Profit Trading	12,117,517	11,064,726
Interest Received	9,433	3,023
Cash Boost-Tax-Free	-	222,888
TOTAL INCOME	12,126,950	11,290,637
EXPENSES		
Accountancy	9,060	10,290
Advertising & Selling	1,678,522	1,695,009
Audit & Inspections	-	3,217
Bad Debts	6,771	-
Bank Charges	2,928	2,085
Cleaning	7,080	6,360
Consultants Fees	1,038,889	756,615
Computer Supplies	20,505	17,811
Electricity	4,927	2,461
Filing Fees	4,327	2,754
Freight & Cartage	1,988,855	1,541,260
Insurance	102,800	87,148
Interest	41,198	29,005
Legal Costs	6,819	28,531
Licences & Registrations	689,245	467,478
Motor Vehicle Expenses	11,907	67,395
Office Expenses	27,663	14,649
Payroll Tax	86,150	84,871
Printing & Stationery	25,809	14,411
Product Development Fees	1,340,685	562,103
Rent	223,541	223,931
Repairs & Maintenance	43,841	19,318
Salaries	3,393,062	2,895,868
Staff Recruitment&Amenities	34,576	34,010
Storage	813,801	786,756
Superannuation	349,626	285,223
Telephone & Internet	16,632	18,009
Testing Fees	27,512	74,890
Travelling Expenses	224,339	36,335
Warehouse Expenses	354,876	232,889
TOTAL EXPENSES	12,575,946	10,000,682
TOTAL OPERATING LOSS	448,996	(1,289,955)
Income Tax Expense	-	270,867
OPERATING LOSS FOR YEAR	448,996	(1,019,088)

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2023

	NOTE		2022
OPERATING LOSS AND EXTRAORDINARY ITEMS		448,996	(1,019,088)
Retained Profits at July 1		9,172,671	8,376,470
PROFIT AVAILABLE FOR APPROPRIATION		8,723,675	9,395,558
Transfer To Reserves			
Transfer to Cash Flow Boost Reserve		-	222,888
RETAINED PROFITS		$ 8,723,675	$ 9,172,670

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

	NOTE		2022
Sales		35,065,724	30,523,152
LESS COST OF SALES			
Opening Stock		8,689,943	7,973,635
Purchases		23,053,423	19,867,889
Foreign Exchange		413,490	306,845
		32,156,856	28,148,369
Closing Stock		9,208,649	8,689,943
		22,948,207	19,458,426
TOTAL TRADING PROFIT	$	12,117,517	11,064,726
		$	

NOTE 1 - Statement of Significant Accounting Policies

Nova Pharmaceuticals Australasia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity beacause there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members and to meet the requirements of the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.Such accounting policies are consistent with the previous period.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values. The amounts presented in the financial statements have been rounded to the nearest dollar.

The significant accounting policies that have been adopted in the preparation of the financial statements are as follows:

1) Income Tax

The income tax expense,if any, for the year comprises current income tax expense. Current income tax charged to the profit or loss is the tax payable on income calculated using applicable income tax rates appicable at the end of the reporting period.

2) Property, Plant & Equipment

All depreciable assets are depreciated in accordance with rates prescribed by the Australian Tax Office.

3) Trade and Other Receivables

Trade receivables at measured at transaction price less any provision for impairment.

4) Inventories

The inventories held at the balance sheet date are measured at lower of cost and the net realisable value.

5)Provisions

Provisions are recognised when the company has a legal or constructive obligation, for which it is probable that an outflow of economic benefits will result.The provision is the best estimate of the amounts required to settle the obligation at the end of the reporting period.

6) Revenue

All revenue is stated net of, if any, goods and services tax. Revenue is measured at the value of the consideration received or receivable.

7) Leases

Lease payments for operating leases are recognised as expenses on a straight-line basis over the lease term.

8) Critical Accounting Estimates

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

The registered office and the principal place of business of the company is at Suite 305, 10 Norbrik Drive, Bella Vista, NSW, 2153.

		2022
NOTE 2 - Cash		
Cash in Hand	858	906
Westpac Cheque account	216,439	418,025
Westpac Maxi Business	266,724	2,110,292
USD account	1,676	1,768
	$ 485,697	$ 2,530,991

NOTE 3 - Current		
Trade Debtors	4,267,484	3,180,071
Income Tax Refund due	348,254	560,612
Prepayments	476,400	280,066
Payments-in-Advance	602,914	571,276
Deposits Refundable	3,300	3,300
	$ 5,698,352	$ 4,595,325

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

		2022
NOTE 4 - Current		
Stock	$ 9,208,649	$ 8,689,943
NOTE 5 - Non Current		
Shares in Nova Pharmaceuticals Ltd-Wholly owned subsidiary	$ 94	$ 94

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 6 - PROPERTY PLANT AND EQUIPMENT

		2022
Office Equipment - at Cost	90,085	46,613
Less Prov'n for Depreciation	46,613	46,613
	43,472	-
Motor Vehicles - at Cost	256,147	309,908
Less Prov'n for Depreciation	148,192	201,953
	107,955	107,955
Warehouse Equipment-at Cost	30,000	30,000
Less Prov'n for Depreciation	30,000	30,000
	-	-
	$ 151,427	$ 107,955

NOTE 7 - INTELLECTUAL PROPERTY

Intellectual Property	$ 1,393,333	$ 1,393,333

NOTE 8 - Current

Credit Cards	-	26,771
Trade Creditors	7,677,710	7,551,699
Accrued Expenses	213,129	243,462
	$ 7,890,839	$ 7,821,932

NOTE 9 - Reserves

Cash Flow Boost Reserve	$ 322,888	$ 322,888

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
A.C.N 104 838 440
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH 2023

		A$ 2023		A$ 2022
Cashflows used by Operating Activities:				
Receipts from Customers		33,978,311		30,782,719
Payments to Suppliers & Employees		-35,948,368		-29,673,073
Government Subsidies		0		222,888
Interest Received		9,433		3,023
Interest Paid		-41,198		-29,005
Net Cash used by Operating Activities(per Note below):		2,001,822		1,306,552
Cashflows to Investing Activities:				
Payments for Equipment	43,472		0	
Payments for Intellectual Property	0		500,000	
		-43,472		500,000
Net decrease in Cash		2,045,294		806,552
Cash at the beginning of the financial year		2,530,991		1,724,439
		485,697		2,530,991
Cash at the end of the Financial year:				
Petty Cash	858		906	
Cheque account	216,439		418,025	
USD account	1,676		1,768	
Business Saver account	266,724	485,697	2,110,292	2,530,991

Note to the Statement of Cashflows

Reconciliation of Net Cash used by Operating Activities to Loss after Income Tax for the financial year:

Loss after Income Tax	448,996	1,019,088
Increase in Inventory	518,706	-716,308
Increase in Trade Creditors & Accruals	-68,907	1,958,536
Decrease in Income Tax Refund due	-212,358	-287,749
Increase in Trade Debtors & Prepayments	1,315,385	-667,015
Net Cash used by Operating Activities	2,001,822	1,306,552

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

Relonchem Limited

Registered No. 04773758 (England and Wales)

Contents of the Financial Statements
for the Year Ended 31 March 2023

Relonchem Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:	Mr. M Saldanha Mrs. S Saldanha Mr.J Sharma Mr. Sathish Kumar Mr C Hunter Mr S R Buddharaju
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House, Gorsey Lane, Widnes, Cheshire, England, WA80RP
REGISTERED NUMBER:	04773758 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Statutory Auditors 65 Delamere Road Hayes, Middlesex UB4 0NN
BANKERS:	Barclays Bank PLC

Relonchem Limited

Strategic Report
for the Year Ended 31 March 2023

The directors present the strategic report and financial statement for the year ended 31 March 2023.

FAIR REVIEW OF THE BUSINESS

During the period sales increased from £29,079,189 to £41,424,228 and company's profit on ordinary activities before taxation was £16,943,526 (2022: £6,879,315). The sales have increased year on year by 42% due to a variety of reasons, including an increase in customer demand. The utilisation of the manufacturing capability of the parent company allows the company to take full advantage of these opportunities. During the year there was also an increase in customer demand and selling prices. This also improved the profitability of the company throughout the year.

The company develops, registers and distributes prescription generic pharmaceuticals in the UK.
Principle risk and uncertainties arise from a competitive market.
The company is able to manage the risk by utilizing the low-cost manufacturing capability of the parent company, which also secures reliable supplies.

SECTION 172(1) STATEMENT

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:
a. the Directors are satisfied that the current business activity is in the long term interest of the Company and its Shareholder;
b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success,
c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;
d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;
e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals, manufacture and sale of Pharmaceuticals in the UK The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and
f. The Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business.

Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1.07 GWH of electricity (a 15% increase on previous year) and 0.46 GWH of gas (a 7% increase on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2023 were 145 tonnes of CO_2. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption. Energy saving initiatives have been progressed with 347 LED lighting units installed to replace all filament and historical lighting units. This gives a saving from 211,812.17 KwH's of electricity to 59,987.98 KwH's - a 72% reduction. A further energy reduction initiative will be installed during the financial year through 379 self-consumption photovoltaic units (solar panels) across 979m2 of the roof space giving 204 kWp. This is forecast to deliver a further electricity saving of 27%.

The company will continue to develop its product range through new product development and acquisition of licenses, to meet market needs.
The profit for the year, after taxation, before dividend amounting to £13,692,835 (2022: £5,578,705 Profit)

ON BEHALF OF THE BOARD:

....
Director: Sathish Kumar

Date: 19/05/23

Report of the Directors
for the Year Ended 31 March 2023

The directors present their annual report and financial statement for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES
The principal activity of the company continued to be that of development, registration and distribution of generic prescription pharmaceuticals in the UK.

DIVIDENDS
Dividend declared during the year amounting £ 1.25 million for the year ended 2023 (2022-£ 0.6mn).

DIRECTORS
The directors who hold office during the year and up to the date of signature of financial statement were as follow:

Mr. M Saldanha
Mr. J Sharma
Mr. S Jayanna
Mrs. S Saldanha
Mr Colin Hunter
Mr. Buddharaju, Seetharama Raju

RESULTS AND DIVIDENDS
The results for the year are set out on page 10.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to established that the company's auditor are aware of that information.

AUDITORS
The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr. Sathish Kumar - Director

Date: ....19/05/23....

Report of the Independent Auditors to the Members of
Relonchem Limited

Opinion
We have audited the financial statements of Relonchem Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

- The Company's principal activity was that of development, registration and distribution of generic prescription pharmaceuticals. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Relonchem Limited

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Arora

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: 19 May 2023

Relonchem Limited

Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER	3	41,424,228	29,079,189
Cost of sales		21,942,703	20,173,832
GROSS PROFIT		19,481,525	8,905,357
Administrative expenses		2,757,082	2,023,944
		16,724,443	6,881,413
Other operating income	4	219,083	703
OPERATING PROFIT	6	16,943,526	6,882,116
Interest payable and similar expenses	8	-	2,801
PROFIT BEFORE TAXATION		16,943,526	6,879,315
Tax on profit	9	3,250,691	1,300,610
PROFIT FOR THE FINANCIAL YEAR		13,692,835	5,578,705

Relonchem Limited

Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		13,692,835	5,578,705
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,692,835	5,578,705

Relonchem Limited (Registered number: 04773758)

Balance Sheet
31 March 2023

		31.3.23		31.3.22	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	12		2,668,367		3,065,469
Tangible assets	13		90,222		166,759
			2,758,589		3,232,228
CURRENT ASSETS					
Stocks	14	5,886,456		5,714,092	
Debtors	15	23,518,062		16,150,096	
Investment	16	4,000,000		-	
Cash in hand		12,783,332		7,170,448	
		46,187,850		29,034,636	
CREDITORS					
Amounts falling due within one year	17	9,286,487		5,049,747	
NET CURRENT ASSETS			36,901,363		23,984,889
TOTAL ASSETS LESS CURRENT LIABILITIES			39,659,952		27,217,117
CAPITAL AND RESERVES					
Called up share capital	18		2,300		2,300
Share premium	19		6,909,121		6,909,121
Retained earnings	19		32,748,531		20,305,696
SHAREHOLDERS' FUNDS			39,659,952		27,217,117

The financial statements were approved by the Board of Directors and authorised for issue on 19/05/23 and were signed on its behalf by:

....

Mr. Sathish Kumar - Director

Relonchem Limited

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2021	2,300	15,326,991	6,909,121	22,238,412
Changes in equity				
Dividends	-	(600,000)	-	(600,000)
Total comprehensive income	-	5,578,705	-	5,578,705
Balance at 31 March 2022	2,300	20,305,696	6,909,121	27,217,117
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	13,692,835	-	13,692,835
Balance at 31 March 2023	2,300	32,748,531	6,909,121	39,659,952

1. **STATUTORY INFORMATION**

Relonchem Limited is a company limited by shares incorporated in England and Wales. The register office is Cheshire House, Gorsey Lane, Widnes, Cheshire, England WA8 0RP.

2. **ACCOUNTING POLICIES**

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Cash flow exemption
The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Related party exemption
The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Going concern
At the time of approving the financial statement, the directors have a reasonable explanation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover
Turnover compromise fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes based on the date they are dispatched.

Revenue from sale of goods to be recognized when significant risk and reward of ownerships of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transactions will flow to the entity and the cost incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from business are recognized at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets acquired in business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis;

Product licenses 5 to 20 years Straight Line Method

2. **ACCOUNTING POLICIES - continued**

Intangible work in progress
Capital work in progress represents costs incurred for which the marketing authorisation is yet to be obtained. Once the marketing authorisation is obtained, the accumulated cost is transferred to intangible assets. In circumstances where marketing authorisations are not granted or the applications are withdrawn, the accumulated costs are charged to the profit and loss account.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of asset less their residual values over their useful lives on the following basis;

Fixtures, Fittings and Equipment 20% Straight Line Method

The gain or loss arising on the disposal of a fixed assets is determined as the difference between the sale proceed and carrying value of the asset, and is credited and charged to profit or loss.

Impairment of Fixed Assets
At each reporting end date, the company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extant of impairment loss (if any). Whether it is not possible to estimate recoverable amount of an individual asset, the company estimate the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued at their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decreases.

Stocks
Stocks are stated at lower of cost and estimated selling price less costs to complete sell. Cost comprises direct materials and, where applicable, direct labour costs those overheads that have been incurred in bringing the stock to their present location and condition.

stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less cost to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

2. **ACCOUNTING POLICIES - continued**

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.
Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

2. **ACCOUNTING POLICIES - continued**

Derecognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.
Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities include trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at cost, using effective interest rate method.

Derecognition of Financial Liability
Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company. These amounts are recognised in the statement of changes in equity.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

Retirement benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as the fall due.

Employee benefits
The cost of short-term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed asset. Termination benefit are recognized immediately as an expense when company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. **ACCOUNTING POLICIES - continued**

Foreign Exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Judgement and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset Investment
Current asset investment includes short term deposits held with banks with maturity more than three months up to twelve months.

Critical Judgements
The following judgements (apart from those involving estimates) had the most significant effect on amount recognized in the financial statements.

Amortization of Product Licenses
The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 12 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

2. ACCOUNTING POLICIES - continued

3. TURNOVER

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover		
Sale of goods	41,424,228	29,079,189

The analysis of turnover by geographical markets:

	31.3.23 £	31.3.22 £
United Kingdom	41,218,747	28,862,573
Europe	125,644	129,153
Rest of the world	79,837	87,463
Total	**41,424,228**	**29,079,189**

4. OTHER OPERATING INCOME

	31.3.23	31.3.22
	£	£
Bank Interest	103,917	703
Other income	115,166	-

5. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
	13	14

Their aggregate remuneration comprised of:

Wages and salaries	1,070,319	884,633
Social security costs	161,698	192,064
Other pension costs	71,597	59,344
	1,303,614	1,136,041

Director's Remuneration

	2023	2022
	£	£
Remuneration for qualifying services	696,726	734,131

Directors remuneration amounting to £307,007 (2022: £427,126) is recharged to Bell, Sons Co. (Druggists) Limited

6. OPERATING PROFIT

The operating profit is stated after charging/ (crediting):

	2023	2022
	£	£
Operating lease rents	26,288	22,661
Depreciation of owned tangible fixed assets	76,537	79,425
Amortisation of Intangible assets	262,728	230,169
Impairment of intangible assets	73,233	109,511
Foreign exchange losses	(74,111)	-
Bad debts	347,563	-
Cost of stock recognised as expenses	21,942,703	20,301,939

7. AUDITORS' REMUNERATION

Fees payable to the company's auditor and its associates:

	2023	2022
	£	£
For audit services		
Audit of the company's financial statements	9,000	8,000
For other services	1,200	1,000

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank interest on loans and overdraft	-	2,801
	-	2,801

9. TAXATION

	2023	2022
	£	£
Current tax		
UK corporation tax on profit	3,196,581	1,299,139
Short provision of prior year	54,110	1,471
UK corporation tax on profits for the current period	3,250,691	1,300,610

The charge for the year can be reconciled to the profit as per the profit and Loss account as follows:

	2023	2022
	£	£
Profit before Taxation on continued operations	16,943,526	6,879,315
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2022-19%)	3,219,270	1,307,070
Tax effect of expenses that are not deductible in determining taxable profit	9,578	27,326
Tax effect of income that are not deductible in determining taxable profit		
Research & Development Relief	(36,855)	(13,015)
Group relief	(1,592)	(1,252)
Short provision of prior years	54,110	1,471
Capital allowances for period in excess of depreciation	6,180	(20,990)
	31,421	(6,460)
Tax expense for the year	3,250,691	1,300,610

10. DIVIDENDS

	31.3.23	31.3.22
	£	£
Ordinary share capital shares of £1 each	1,250,000	600,000

11. OPERATING LEASES COMMITMENTS

At 31 March 2022 the company had annual commitments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Expiry Date:		
Within one year	296,516	296,516
Between two and five years	1,474,670	1,482,578
After five years	144,304	432,912
	1,915,490	2,212,006

12. INTANGIBLE FIXED ASSETS

	Capital work in progress £	Product License £	Totals £
COST			
At 1 April 2022	191,027	5,875,891	6,066,918
Additions	119,733	-	119,733
Disposals	-	-	-
At 31 March 2023	310,760	5,875,891	6,186,651
AMORTISATION			
At 1 April 2022	-	3,001,449	3,001,449
Amortisation for year	-	262,728	262,728
Impairments	52,171	201,936	254,107
At 31 March 2023	52,171	3,466,113	3,518,284
NET BOOK VALUE			
At 31 March 2023	258,589	2,409,778	2,668,367
At 31 March 2022	191,027	2,874,442	3,065,469

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2022	402,164
Disposals	(3,295)
At 31 March 2023	398,869
DEPRECIATION	
At 1 April 2022	235,405
Charge for year	76,537
Eliminated on disposal	(3,295)
At 31 March 2023	308,647
NET BOOK VALUE	
At 31 March 2023	90,222
At 31 March 2022	166,759

14. STOCKS

	2023	2022
	£	£
Finished goods and goods for resale	5,886,456	5,714,092

During the year £163,844 (2022: £42,254) was recognized as an expense in Profit and Loss account in respect of the write down of inventory to net realizable value.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	8,807,926	6,440,979
Provision for bad debts	(16,504)	-
Amounts owed by group undertakings	14,427,656	9,538,091
Other debtors	40,000	40,000
Prepayments and accrued income	258,984	131,026
	23,518,062	16,150,096

16. CURRENT ASSET INVESTMENT

	31.3.23	31.3.22
	£	£
Short term deposit	4,000,000	-
	4,000,000	-

Short term deposits have an original maturity at the balance sheet date of 182 days and interest rate of 3.55%pa.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	1,146,713	1,459,583
Amounts owed to group undertakings	1,575,008	-
Dividend payable	1,250,000	600,000
Corporation tax payable	1,597,590	683,345
Social security and other taxes	45,844	38,356
Other creditors	1,723,279	732,673
Accruals and deferred income	1,948,053	1,535,790
	9,286,487	5,049,747

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23	31.3.22
			£	£
2,300	Ordinary share capital	£1	2,300	2,300

19. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2022	20,305,696	6,909,121	27,214,817
Profit for the year	13,692,835	-	13,692,835
Dividends	(1,250,000)	-	(1,250,000)
At 31 March 2023	32,748,531	6,909,121	39,657,652

20. **PENSION COMMITMENTS**

Defined contribution schemes
The company operated a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.
The charge to profit and loss in respect of defined contribution schemes was -£ 71,597 (2022-£ 59,344)

21. **CAPITAL COMMITMENTS**

	31.3.23 £	31.3.22 £
Contracted but not provided for in the financial statements	29,875	29,875

22. **CONTROLLING PARTY**

The immediate parent undertaking is Marksans Pharma U.K Limited. The parent undertaking of the smallest group for which consolidated accounts are prepared is Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF 14 3 UZ.

The Parents undertaking of the largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's Ultimate parent Company and ultimate controlling party.

23. **PREVIOUS YEAR FIGURES**

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

Relonchem Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Sales		41,424,228		29,079,189
Cost of sales				
Purchases	19,161,772		17,701,666	
Pharmaceuticals license fees	215,269		290,620	
Laboratory testing	431,893		414,606	
Storage	725,441		606,939	
Carriage Inwards and import duty	524,400		488,925	
Regulatory & Vigilance Fees	883,928		671,076	
		21,942,703		20,173,832
GROSS PROFIT		19,481,525		8,905,357
Other income				
Other operating income		219,083		703
		19,700,608		8,906,060
Expenditure				
Rent	26,288		22,661	
Insurance	129,495		104,093	
Wages	764,416		691,361	
Social security	161,698		192,064	
Pensions	71,597		59,344	
Telephone	9,673		14,600	
Printing & Stationery	6,249		6,536	
Post and Courier	1,988		6,123	
Travelling	68,403		11,362	
Motor running expenses	2,823		2,073	
Repairs and renewals	-		3,989	
Recruitment expense	9,760		22,700	
Waste Disposal Expenses	23,754		(2,106)	
Management recharge- Director's remuneration	(307,007)		(427,126)	
Sundry expenses	28,859		10,337	
Conference cost	10,375		-	
Bank charges	16,871		17,838	
Subscriptions	626		3,174	
Accountancy fees	14,820		6,865	
Directors' remuneration	696,726		620,398	
Legal and professional fees	28,440		134,699	
Auditors remuneration	9,000		8,000	
Foreign exchange losses	(74,111)		-	
Amortisation of intangible fixed assets	262,728		230,169	
Depreciation of tangible fixed assets	76,537		79,425	
Carried forward	2,040,008	19,700,608	1,818,579	8,906,060

This page does not form part of the statutory financial statements

Relonchem Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	2,040,008	19,700,608	1,818,579	8,906,060
Impairment losses for intangible fixed assets	254,107		109,511	
Computer software expense	14,988		11,542	
Entertainment & advertising	50,416		34,312	
Bad debts	347,563		-	
Consultancy fees	50,000		50,000	
		2,757,082		2,023,944
		16,943,526		6,882,116
Finance costs				
Bank interest on loans and overdraft		-		2,801
NET PROFIT		16,943,526		6,879,315

Special Purpose Consolidated Financial Information for the Year Ended 31 March 2023

for

Marksans pharma U.K. Limited

Independent Auditors Report on the Special Purpose Consolidated Financial Information of Marksans Pharma UK Limited prepared for Consolidation Purpose

To,
MSKA & Associates
408, 4th Floor Manish Chambers,
Sonawala Rd, Jay Prakash Nagar,
Goregaon,
Mumbai 400 063

Opinion

We have audited, for the purpose of your audit of the consolidated financial statements of Marksana Pharma Limited, the accompanying special purpose consolidated financial information of Marksans Pharma U.K. Limited (the 'parent company') and its subsidiaries (the 'group') as of 31 March 2023 and for the year then ended which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial information, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying Special purpose consolidated financial information for Marksans Pharma UK Limited as of 31 March 2023 and for the year then ended has been prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice; and the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the special purpose consolidated financial information section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the special purpose consolidated financial information in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of directors

The directors are responsible for the preparation of the special purpose consolidated financial information and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of special purpose consolidated financial information that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial information, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the special purpose consolidated financial information

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 special purpose consolidated financial information.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Independent Auditors Report on the Special Purpose Consolidated Financial Information prepared for Consolidation Purpose

Restriction of use and distribution

This special purpose consolidated financial information has been prepared for purposes of providing information to Marksans Pharma Limited to enable it to prepare the consolidated financial statement. The special purpose consolidated financial information is not a complete set of financial statement of Marksans Pharma UK Limited.

This report is intended solely for MSKA & Associates and should not be used by (or distributed to) other parties.

D. Arora

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: ....19 May 2023....

Marksans pharma U.K. Limited

Consolidated Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
TURNOVER	4		79,158,767		59,701,635
Cost of sales			51,612,582		43,120,416
GROSS PROFIT			27,546,185		16,581,219
Distribution costs		1,485,265		1,198,898	
Administrative expenses		5,051,472		3,989,080	
			6,536,737		5,187,978
			21,009,448		11,393,241
Other operating income	5		372,094		141,668
OPERATING PROFIT	7		21,381,542		11,534,909
Loss on disposal of asset	14		20,996		-
Interest payable and similar expenses	9		-		3,947
PROFIT BEFORE TAXATION			21,360,546		11,530,962
Tax on profit	10		4,186,748		2,335,105
PROFIT FOR THE FINANCIAL YEAR			17,173,798		9,195,857
Profit attributable to:					
Owners of the parent			17,173,798		9,195,857

Marksans pharma U.K. Limited

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
PROFIT FOR THE YEAR		17,173,798	9,195,857
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		17,173,798	9,195,857
Total comprehensive income attributable to: Owners of the parent		17,173,798	9,195,857

Marksans pharma U.K. Limited (Registered number: 05467597)

Consolidated Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
FIXED ASSETS					
Intangible assets	12		4,070,472		4,757,254
Tangible assets	13		3,619,401		3,529,454
Investments	14		-		-
			7,689,873		8,286,708
CURRENT ASSETS					
Stocks	15	14,390,289		13,193,454	
Debtors	16	24,723,802		19,083,656	
Investments	17	4,000,000		-	
Cash in hand		20,299,878		11,336,209	
		63,413,969		43,613,319	
CREDITORS					
Amounts falling due within one year	18	13,869,219		9,347,992	
NET CURRENT ASSETS			49,544,750		34,265,327
TOTAL ASSETS LESS CURRENT LIABILITIES			57,234,623		42,552,035
PROVISIONS FOR LIABILITIES	19		289,690		280,900
NET ASSETS			56,944,933		42,271,135
CAPITAL AND RESERVES					
Called up share capital	20		8,596,941		8,596,941
Retained earnings			48,347,992		33,674,194
SHAREHOLDERS' FUNDS			56,944,933		42,271,135

The special purpose consolidated financial information were approved by the Board of Directors and authorised for issue on ......19/05/23...... and were signed on its behalf by:

....

Mr. Sathish Kumar - Director

Marksans pharma U.K. Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	8,596,941	25,678,337	34,275,278
Changes in equity			
Dividends	-	(1,200,000)	(1,200,000)
Total comprehensive income	-	9,195,857	9,195,857
Balance at 31 March 2022	8,596,941	33,674,194	42,271,135
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	17,173,798	17,173,798
Balance at 31 March 2023	8,596,941	48,347,992	56,944,933

1. **STATUTORY INFORMATION**

Marksans pharma U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the special purpose consolidated financial information
This special purpose consolidated financial information have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The special purpose consolidated financial information have been prepared under the historical cost convention.

Accounting convention
This special purpose consolidated financial information have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006. The special purpose consolidated financial information are prepared in sterling, which is the functional currency of the company. Monetary amounts in this special purpose consolidated financial information are rounded to the nearest pound.

The special purpose consolidated financial information have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Basis of consolidation
The consolidated special purpose consolidated financial information incorporate those of Marksans Pharma U.K. Limited and all of its subsidiaries (i.e. entities that Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All special purpose consolidated financial information are made up to 31 March 2023.

All intra group transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the special purpose consolidated financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred and assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Going concern
At the time of approving the special purpose consolidated financial information, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing special purpose consolidated financial information.

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover compromise fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes based on the date they are dispatched.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of transactions can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the group. These amounts are recognised in the statement of changes in equity.

Employee benefits
The cost of short-term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets.
The costs of any unused holiday entitlement is recognized in the period in which the employee's services are received. Termination benefits are recognized immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Intangible fixed assets - goodwill
Goodwill, being the amount paid in connection with the acquisition of a business is nil, is being amortised evenly over its estimated useful life of nil years.

Goodwill is provided as the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortized to the profit and loss account over its estimated economic life of 20 years.

2. **ACCOUNTING POLICIES - continued**

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired on business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Patents, Prescription product licenses & Development costs	5-20 years Straight Line Method

Amortization of Product Licenses

The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 12 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on free hold land. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follows;

Freehold Building	2% Costs or Valuation
Plant and machinery	20% Reducing Method
Fixtures and Fittings	25% Straight Line Method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Capital work in progress of tangibles consists of asset under construction. It will be capitalized when the property is ready to use and will be depreciated over the tenure of the property.

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of impairment loss (if any).

Where it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

2. **ACCOUNTING POLICIES - continued**

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Stocks
Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Financial instruments
The group has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the group became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the special purpose consolidated financial information, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Other Financial Assets
Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognized in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

2. **ACCOUNTING POLICIES - continued**

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual rights to the cash flow from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

De-recognition of Financial Liability
Financial liabilities are derecognized when the group's contractual obligations expire or are discharged or cancelled.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2. ACCOUNTING POLICIES - continued

Deferred tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged or credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset if, and only if there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Retirement benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Current asset Investment
Current asset investment includes short term deposits held with banks with maturity more than three months up to twelve months.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Critical judgements
The following judgements (apart from those involving estimates) had the most significant effect on amount recognized in the special purpose consolidated financial information.

3. JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

4. TURNOVER

An analysis of company's turnover is as follows:	2023 £	2022 £
Turnover		
Sale of goods	79,158,767	59,701,635

The analysis of turnover by geographical markets:

	31.3.23 £	31.3.22 £
United Kingdom	73,688,053	54,660,097
Europe	579,053	537,299
Rest of the world	4,891,661	4,504,239
Total	**79,158,767**	**59,701,635**

5. OTHER OPERATING INCOME

	31.3.23 £	31.3.22 £
Bank Interest Income	167,148	807
Grant Income	-	139,446
Other Income	204,946	1,415
	372,094	141,668

6. EMPLOYEES AND DIRECTORS

The average number of employees (including directors) employed by the company during the year was as follows:

	2023	2022
Production	125	99
Sales and Administration	75	78
	200	178

Their aggregate remuneration comprised of:

	2023 £	2022 £
Wages and salaries	5,706,586	5,276,919
Social security costs	626,108	566,220
Other pension costs	215,458	87,533
	6,548,152	5,930,672

During the year, director remuneration was £ 696,726 (2022- £734,131) of Marksans Pharma U.K. Limited received emoluments from Marksans Pharma U.K. Limited or any of its subsidiaries

During the year, retirement benefits were accruing to no directors (2022-none) of Marksans Pharma U.K. Limited in respect of defined contribution pension schemes.

7. OPERATING PROFIT

The operating profit is stated after charging/ (crediting):

	2023	2022
	£	£
Depreciation - owned assets	433,578	479,050
Amortisation of intangible assets	548,585	519,851
Foreign exchange difference	(72,655)	(4,091)
Bad Debts	380,387	-
Impairment of Intangibles	254,107	109,511

8. AUDITORS' REMUNERATION

Fees payable to the company's auditors

	2023	2022
	£	£
For audit services		
Audit of the financial statements of the group and company	5,400	4,000
Audit of the company's subsidiaries	22,600	18,000
For other services	3,600	2,000

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank overdraft and Interest payable	-	3,947
	-	3,947

10. TAXATION

Analysis of the tax credit
The tax credit on the profit/(loss) for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	4,225,680	2,335,105
Tax on profit/ (loss)	4,225,680	2,335,105

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	4,107,578	2,197,044
Short provision of prior years	70,380	5,649
Deferred tax	8,790	132,412
	4,186,748	2,335,105

The charge for the year can be reconciled to the (loss)/profit per the profit and Loss account as follows:

	2023	2022
	£	£
Profit before Taxation on continued operations	21,360,546	11,530,962
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2022-19%)	4,058,504	2,190,883
Tax effect of expenses that are not deductible in determining taxable profit	52,812	37,337
Amortisation on assets not qualifying for tax allowances	54,313	54,312
R & D Credits	(65,286)	-
Difference of Capital allowances and depreciation	16,025	59,939
Short provision for earlier years	70,380	5,649
Other tax adjustment	-	(13,015)
Tax Expense for the year	4,186,748	2,335,105

11. DIVIDENDS

	31.3.23	31.3.22
	£	£
Ordinary share capital £1 each	2,500,000	1,200,000

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	CWIP £	Product License £	Totals £
COST				
At 1 April 2022	5,717,140	191,027	5,944,773	11,852,940
Additions	-	119,733	-	119,733
Disposals	-	-	-	-
At 31 March 2023	5,717,140	310,760	5,944,773	11,972,673
AMORTISATION				
At 1 April 2022	4,035,395	-	3,060,291	7,095,686
Amortisation for year	285,857	-	266,551	552,408
Impairments	-	52,171	201,936	254,107
At 31 March 2023	4,321,252	52,171	3,528,778	7,721,327
NET BOOK VALUE				
At 31 March 2023	1,395,888	258,589	2,415,995	4,070,472
At 31 March 2022	1,681,745	191,027	2,884,482	4,757,254

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	CWIP £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2022	2,391,319	73,552	5,672,827	402,164	8,539,862
Additions	-	320,264	224,257	-	544,521
Transfers	-	(64,465)	64,465	-	-
Disposals	-	-	(766,513)	(3,295)	(769,808)
At 31 March 2023	2,391,319	329,351	5,195,036	398,869	8,314,575
DEPRECIATION					
At 1 April 2022	518,111	-	4,256,892	235,405	5,010,408
Charge for year	82,705	-	274,336	76,537	433,578
Eliminated on disposal	-	-	(745,517)	(3,295)	(748,812)
At 31 March 2023	600,816	-	3,785,711	308,647	4,695,174
NET BOOK VALUE					
At 31 March 2023	1,790,503	329,351	1,409,325	90,222	3,619,401
At 31 March 2022	1,873,208	73,552	1,415,935	166,759	3,529,454

14. FIXED ASSET INVESTMENTS

	Notes	Group 2023 £	2022 £
Investments in subsidiaries		-	-

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Country of incorporation of residency	Nature of business	Class of shareholding	% Held		Profit/ (Loss)	Capital and Reserve
				Direct	Indirect		
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	-	1,250,000	1,490,874
Bell, Sons &Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100	3,981,753	21,721,680
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-	13,692,835	39,659,952

15. STOCKS

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables		3,003,133	1,764,950	-	-
Finished goods and goods for resale		11,387,156	11,428,504	-	-
		14,390,289	13,193,454	-	-

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.3.23 £	31.3.22 £	Company 31.3.23 £	31.3.22 £
Trade debtors	15,990,079	12,992,422	-	-
Provision for doubtful debts	(40,401)	-	-	-
Amounts owed by group undertakings	7,935,183	5,748,091	-	-
Other debtors	40,000	40,000	-	-
Dividends Receivable	-	-	2,500,000	-
Prepayments and accrued income	798,941	303,143	-	-
	24,723,802	19,083,656	2,500,000	-

17. CURRENT ASSET INVESTMENT

	Group	
	31.3.23	31.3.22
	£	£
Short term deposit	4,000,000	-
	4,000,000	-

Short term deposits have an original maturity at the balance sheet date of 182 days and interest rate of 3.55%pa.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31.3.23	31.3.22
	£	£
Trade creditors	3,670,952	2,753,842
Dividend payable	2,500,000	1,200,000
Amounts owed to group undertakings	-	-
Corporation tax Payable	1,834,846	1,010,680
Social security and other taxes	819,221	767,445
Other creditors	1,751,288	753,722
Accruals and deferred income	3,292,912	2,862,303
	13,869,219	9,347,992

19. PROVISIONS FOR LIABILITIES

	Notes	Group		Company	
		2023	2022	2022	2021
		£	£	£	£
Deferred tax liabilities		289,690	280,900	-	-

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23 £	31.3.22 £
8,596,941	Ordinary Share Capital	£1	8,596,941	8,596,941

21. CAPITAL COMMITMENTS

	31.3.23 £	31.3.22 £
Contracted but not provided for in the financial statements	494,279	63,745

22. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent Company and ultimate controlling party.

23. RETIREMENT BENEFIT SCHEMES

	2023 £	2022 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	215,458	185,690

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24. OPERATING LEASES COMMITMENTS

Leases
Operating lease payments represent rental payable in respect of property, equipment and vehicles.
At 31 March 2023 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	348,455	336,806
Between two and five years	1,552,882	1,607,259
After five years	144,303	432,912

25. DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the group or company has legal enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purpose.

Group	2023 £	2022 £
Accelerated capital allowances	289,690	280,900

There were deferred tax movements in the group amounting £ 8,790 in the year.

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Sales		79,158,767		59,701,635
Cost of sales				
Purchases	40,382,321		34,135,349	
Wages	3,933,389		3,216,114	
Social security	390,046		305,683	
Pension	114,607		-	
Pharmaceuticals license fees	215,269		388,777	
Sundry expenses	-		46,020	
Laboratory testing	431,893		414,606	
Storage	725,441		606,939	
Direct Manufacturing costs	800,684		603,539	
Carriage Inwards and import duty	1,934,257		1,351,945	
Power, light and heat	336,834		234,864	
Property repairs and maintenance	466,498		235,291	
Product development	155,734		119,244	
Regulatory & Vigilance Fees	921,130		671,076	
Sundry expenses	55,205		19,360	
Temporary recruitment	133,007		147,944	
Sales rebate	270,105		238,264	
Amortisation of intangible fixed assets				
Patents and licences	3,823		3,825	
Depreciation of tangible fixed assets				
Plant and machinery	342,339		381,576	
		51,612,582		43,120,416
GROSS PROFIT		27,546,185		16,581,219
Other income				
Bank Interest Income	167,148		807	
Grant Income	-		139,446	
Other Income	204,946		1,415	
		372,094		141,668
		27,918,279		16,722,887
Expenditure				
Wages	296,252		247,755	
Social security	34,347		27,633	
Pensions	13,219		12,452	
Vehicles Leasing	4,999		10,305	
Salesman expenses	26,750		15,442	
Carried forward	375,567	27,918,279	313,587	16,722,887

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	375,567	27,918,279	313,587	16,722,887
Carriage inwards and import duty	1,104,448		870,736	
Advertising	5,250		14,575	
Rent	100,716		95,919	
Insurances (not premises)	156,213		121,815	
Wages	1,248,676		1,042,610	
Social security	201,714		232,904	
Pensions	87,633		59,344	
Telecommunications	53,596		43,159	
Printing & Stationery	60,877		49,218	
Post and Courier	1,988		6,123	
Travelling	68,403		11,362	
Leasing Motor expenses	11,658		16,278	
Motor running expenses	3,662		3,844	
Property repairs and maintenance	99,211		92,695	
Staff recruitment costs	60,318		122,235	
Waste Disposal Expenses	23,754		(2,106)	
Staff training	24,080		24,981	
Premises insurance	191,324		170,007	
Staff pension	-		15,737	
Sundry expenses	272,238		25,098	
Conference Cost	10,375		-	
Bank charges	62,432		57,304	
Professional subscriptions	4,051		6,342	
Rates	83,958		83,958	
Accountancy fee	14,820		51,618	
Directors' remuneration	696,726		620,398	
Legal and Professional fees	83,174		133,289	
Auditors' remuneration	28,000		24,000	
Profit or loss on foreign exchange	(72,655)		(4,091)	
Amortisation of intangible fixed assets	548,585		516,026	
Depreciation of tangible fixed assets	91,239		97,474	
Impairment losses for intangible fixed assets	254,107		109,511	
Computer software	14,988		11,542	
Entertaining	50,416		34,312	
Bad and doubtful debts	380,387		-	
Consultancy fees	50,000		50,000	
Employee Expenses	8,561		376	
Canteen expenses	2,455		1,806	
Product registrations and trade	73,792		63,992	
Carried forward	6,536,737	27,918,279	5,187,978	16,722,887

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2023

	31.3.23		31.3.22	
	£	£	£	£
Brought forward	6,536,737	27,918,279	5,187,978	16,722,887
		6,536,737		5,187,978
		21,381,542		11,534,909
Loss on disposal of fixed asset		20,996		-
Finance costs				
Bank overdraft and Interest payable		-		3,947
NET PROFIT		21,360,546		11,530,962