

Independent Auditor's report on Quarterly and year-to-date Standalone Financial Results of Marksans Pharma Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

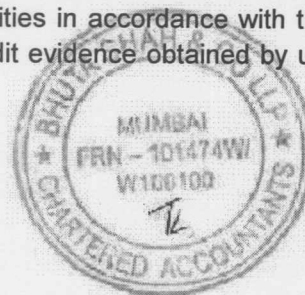
**To The Board of Directors of
Marksans Pharma Limited**

Opinion

1. We have audited the accompanying statement of Standalone Financial Results of **Marksans Pharma Limited** (the "Company") for the quarter and year ended 31 March, 2020 together with the notes thereon (the "Statement") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March, 2019.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:
 - a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIF/CFD/FAC/621/2016 dated 5 July 2016 ("the SEBI Circular"); and
 - b) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March, 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter

4. Note 6 to the financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the financial year ended 31 March, 2020. Further, management expect normal level of sales during the 1st quarter of current financial year. The Company carries sufficient liquidity as of date and there is no need to raise any debt to meet the standing costs or working capital. In a nutshell, the COVID-19 pandemic has no major impact on the Company's business.

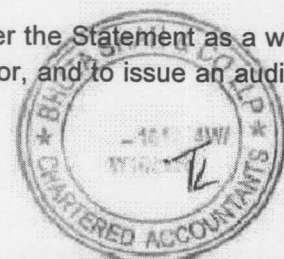
Our opinion is not modified in respect of these matters.

Management's and Those Charged with Governance responsibilities for the Statement

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

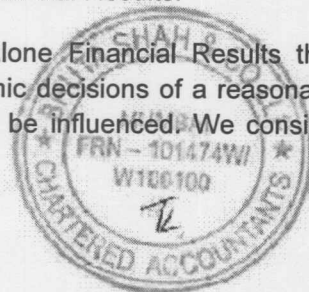


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report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.
10. Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider



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quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

11. 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.
12. 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.

Other Matter

13. The Statement includes the financial results for the quarter ended 31 March, 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W / W100100

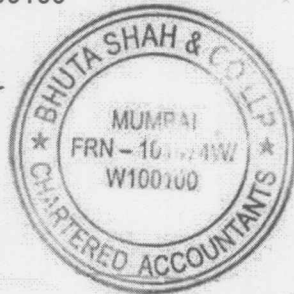
T. C. Laliwala

Tejas Laliwala

Partner

Membership No.: 127487

UDIN: 20127487AAAABH7332



Mumbai, 2 June, 2020

Independent Auditor's report on Quarterly and year-to-date Consolidated Financial Results of Marksans Pharma Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

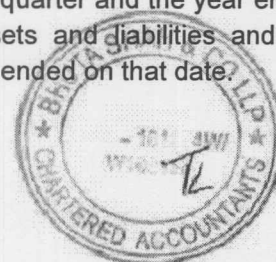
Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results ("the Statement") of **Marksans Pharma Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the quarter and year ended 31 March, 2020, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March, 2019.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements / financial information of the subsidiaries referred to in Other Matter section below, the Statement:

- a) includes the results of the following subsidiaries:

Sr. No.	Name of Subsidiaries
1	Marksans Pharma (UK) Limited
2	Marksans Pharma Inc.
3	Nova Pharmaceuticals Australasia Pty. Ltd.

- b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with the SEBI Circular No. CIF/CFD/FAC/621/2016 dated 5 July, 2016 (the "SEBI Circular"); and
- c) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and the year ended 31 March, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.



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Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

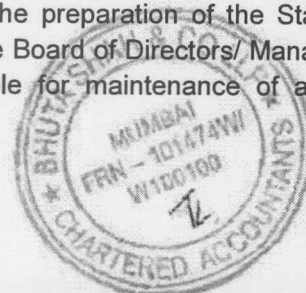
Emphasis of Matter

4. Reference is drawn to Note no. 6 to the financial results which describe the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. The management believes that no adjustments are required in the financial statements as it does not impact the financial year ended 31 March, 2020. Further, management expect normal level of sales during the first quarter of current financial year. The Group carries sufficient liquidity as of date and there is no need to raise any debt to meet the standing costs or working capital. In a nutshell, the COVID-19 pandemic has no major impact on the Company's business.

Our opinion is not modified in respect of this matter.

Management's and Those Charged with Governance Responsibilities for the Statement

5. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared on the basis of the annual consolidated financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Consolidated Financial Results that gives a true and fair view of the consolidated net profit and consolidated other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, including SEBI Circular.
6. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ Management of the companies included in the Group, are responsible for maintenance of adequate



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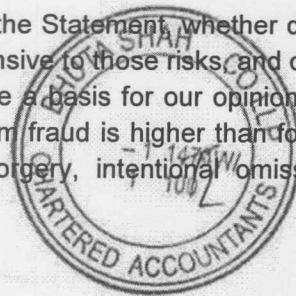
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accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Company, as aforesaid.

7. In preparing the Statement, the respective Board of Directors of the companies included in the Group 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 respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.
8. The respective Boards of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

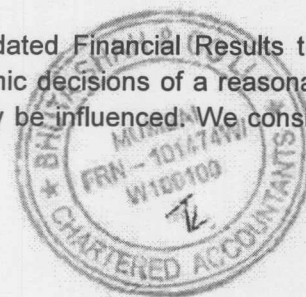
9. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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.



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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
 - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Results of which we are independent auditors. For the other entities or business activities included in the Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.
11. Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider



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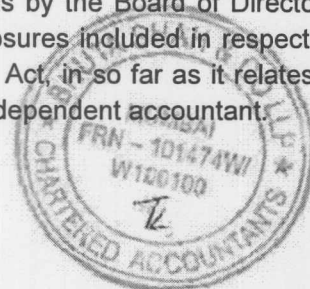
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quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

12. We communicate with those charged with governance of the Group included in the Statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. 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.

Other Matters

14. We did not audit the financial statements / financial information of the two subsidiaries (and step down subsidiaries), whose financial statements / information reflect total assets of INR 6,275.49 million as at 31 March, 2020, total revenue of INR 2,629.46 million and INR 9,111.83 million, total net profit after tax of INR 341.07 million and INR 769.30 million and total comprehensive income of INR 341.07 million and INR 769.30 million for the quarter and the year ended on that date respectively, and net cash flows INR 484.26 million for the year ended that date, as considered in the Statement. These annual financial statements of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
15. We did not audit the financial statements / financial information of the one subsidiary, whose financial statements / information reflect total assets of INR 548.60 million as at 31 March, 2020, total revenue of INR 447.91 million and INR 1,301.84 million, total net profit after tax of INR 46.38 million and INR 93.34 million and total comprehensive income of INR 46.38 million and INR 93.34 million for the quarter and the year ended on that date respectively, and net cash flows INR 102.10 million for the year ended that date, as considered in the Statement. These annual financial statements of the subsidiary have been based on Independent accountant's report whose report have been furnished to us by the Board of Directors and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such independent accountant.



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Subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its respective countries and which have been reviewed and audited by the other auditor as applicable, under generally accepted auditing standards applicable in its respective countries. The Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in those countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

Our opinion on the consolidated financial results is not modified in respect of above matter with respect to or reliance on the work done and reports of the other auditors and or independent accountant.

16. The Statement includes the consolidated financial results for the quarter ended 31 March, 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Reg. No.: 101474W / W100100

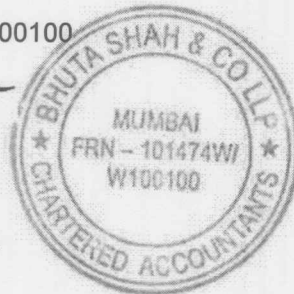
T. C. Laliwala

Tejas Laliwala

Partner

Membership No.: 127487

UDIN: 20127487AAAABI6814



Mumbai; Date: 2 June, 2020

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ in Million)

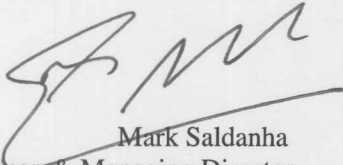
Sr. No.	PARTICULARS	STANDALONE					CONSOLIDATED				
		3 MONTHS ENDED			YEAR ENDED		3 MONTHS ENDED			YEAR ENDED	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(AUDITED)	(UNAUDITED)	(AUDITED)	(AUDITED)	(AUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)	(AUDITED)	(AUDITED)	
1	Revenue from Operations	1,136.37	1,168.78	911.84	4,334.15	4,241.60	3,353.49	2,876.49	2,474.09	11,342.09	10,000.69
2	Other Income	(0.83)	0.07	95.02	1.73	79.30	0.26	0.26	97.31	3.28	46.21
3	Total Income	1,135.54	1,168.85	1,006.86	4,335.88	4,320.90	3,353.75	2,876.75	2,571.40	11,345.37	10,046.90
4	Expenses										
	Cost of Material Consumed	574.13	518.24	451.31	2,092.02	2,081.42	1,454.05	754.80	721.28	3,713.32	4,120.57
	Purchase of Stock - in- trade	123.03	101.19	97.00	394.60	309.07	67.18	531.25	452.32	1,206.00	1,058.48
	Changes in inventories of finished goods, work-in-process and stock-in-trade	(82.12)	24.74	(17.13)	(56.30)	(27.09)	(43.09)	115.38	53.99	529.47	(199.02)
	Employee benefits expense	123.43	124.39	106.98	485.06	463.30	461.81	404.55	428.02	1,684.16	1,590.66
	Finance cost	16.73	12.63	18.41	72.92	65.62	20.35	16.49	24.39	87.46	96.55
	Depreciation and amortisation expense	34.63	28.82	22.25	116.44	86.87	96.26	73.27	62.66	266.62	228.04
	Other expenses	214.01	197.63	239.86	703.87	781.60	721.56	597.66	661.99	2,286.61	2,108.54
	Total Expenses	1,003.84	1,007.64	918.68	3,808.61	3,760.79	2,778.12	2,493.40	2,404.65	9,773.64	9,003.82
5	Profit/(Loss) before tax (3-4)	131.70	161.21	88.18	527.27	560.11	575.63	383.35	166.75	1,571.73	1,043.08
6	Tax expense:										
	(1) Current Year	28.97	28.44	19.40	116.00	121.09	111.71	84.73	55.67	324.06	235.85
	(2) Earlier year	3.75	-	4.95	(4.53)	(7.20)	3.75	-	4.95	(4.53)	(7.20)
	(3) Deferred tax	24.87	3.02	7.60	36.77	10.05	32.77	3.02	7.60	44.66	10.05
	Total Tax Expenses	57.59	31.46	31.95	148.24	123.94	148.23	87.75	68.22	364.19	238.70
7	Profit/(Loss) for the period (5-6)	74.11	129.75	56.23	379.03	436.17	427.40	295.60	98.53	1,207.54	804.38
	Other Comprehensive Income/(Loss)										
	Items that will not be reclassified to Profit or Loss	2.17	0.11	(0.36)	2.51	0.46	2.17	0.11	(0.36)	2.51	0.46
	Income tax relating to above Items that will not be reclassified to Profit or Loss	(0.88)	-	(0.13)	(0.88)	(0.13)	(0.88)	-	(0.13)	(0.88)	(0.13)
	Items that will be reclassified to profit or loss						11.71	45.83	(0.25)	64.01	(4.31)
	Income tax relating to above Items that will be reclassified to Profit or Loss										
8	Other Comprehensive Income/(Loss)	1.29	0.11	(0.49)	1.63	0.33	13.00	45.94	(0.74)	65.64	(3.98)
9	Total Comprehensive Income for the period	75.40	129.86	55.74	380.66	436.50	440.40	341.54	97.79	1,273.18	800.40
10	Total Comprehensive Income attributable to:-										
	Non-Controlling interests	-	-	-	-	-	18.55	3.85	12.69	37.33	39.77
	Owners of the Company	75.40	129.86	55.74	380.66	436.50	421.85	337.69	85.10	1,235.85	760.63
11	Paid up Equity Share Capital (Face Value ₹1 each)	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31
12	Earnings Per Share of ₹1 each										
	Basic	0.18	0.32	0.14	0.93	1.07	1.00	0.71	0.21	2.86	1.87
	Diluted	0.18	0.32	0.14	0.93	1.07	1.00	0.71	0.21	2.86	1.87



Notes

1. The financial results for the quarter and year ended 31st March, 2020 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 2nd June 2020. The above results have also been audited by the Statutory Auditors of the Company in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended, prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The company operates in single business segment of research, manufacturing and marketing of pharmaceutical formulation.
4. Ind AS 116 'Leases', mandatory from reporting periods beginning on or after 1st April, 2019, replaces existing standard Ind AS 17 'Leases' and interpretation / guidance contained in its appendices under the modified retrospective approach to majority of lease contracts existing as at 1st April, 2019 recognising the right to use assets and corresponding liability in case where the Company is lessee. Accordingly, on 1st April, 2019, the Company recognised the lease liabilities of Rs. 61.57 million and right of use of Rs. 56.08 million (after adjustment of Rs. 5.49 million towards lease incentive and other item related to the lease agreement as at 31st March, 2019). Due to adoption of Ind AS 116, the profit before tax for the quarter is lower by Rs 1.22 million and for the year ended is lower by Rs 2.75 million.
5. The Company has redeemed 2,00,000 7% Preference Shares at par on 17th January, 2020 and 2,00,000 7% Preference Shares at par on 31st March, 2020. The Preference shares have been redeemed out of profit of the Company and accordingly nominal value of the redeemed Preference Shares has been transferred to Capital Redemption Reserve Account.
6. World Health Organisation (WHO) declared outbreak of Corona Virus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, Government of India declared lockdown on 23rd March, 2020. Consequently, Production & Exports were impacted for a period of two weeks before becoming normal again in the second week of April 2020. As pharmaceutical formulations come under essential commodities, our operations were allowed by the government and our plants at all locations are fully operational. The management believes that no adjustments are required in the financial statements as it does not impact the financial year ended 31st March, 2020. Further, we are seeing normal level of sales during the 1st quarter of current financial year. Engagement with both internal and external stakeholders has been continuous through online meetings. Company carries sufficient liquidity as of date and there is no need to raise any debt to meet the standing costs or working capital. In a nutshell, the COVID-19 pandemic has no major impact on the Company's business.
7. The Board of Directors, in its meeting held today, have recommended for approval of members a dividend of Rs. 0.10 per equity share of Re 1/- each (10%) for the Financial Year 2019-20.
8. The Consolidated financial result includes financial result of subsidiaries namely Marksans Pharma (UK) Ltd, Marksans Pharma Inc, Nova Pharmaceuticals Australasia Pty Ltd (and also step-down subsidiaries).
9. Previous period's figures have been regrouped / reclassified, wherever necessary to make them comparable with the current year.
10. The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures upto nine months of the relevant financial year.




Mark Saldanha
Chairman & Managing Director
DIN : 00020983

Date : 02nd June, 2020
Place: Mumbai
www.marksanspharma.com

ANNEXURE-1

STATEMENT OF ASSETS AND LIABILITIES

(₹ in Million)

Statement of Financial Position	Standalone as at		Consolidated as at	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	AUDITED	AUDITED	AUDITED	AUDITED
ASSETS				
Non-current assets				
Property, plant and equipment	1,004.10	971.86	2,200.76	1,980.82
Capital work-in-progress	-	-	-	-
Intangible assets	147.72	54.27	826.40	716.44
Intangible assets under development	-	-	-	-
Financial assets				
(i) Investments	2,360.74	2,360.74	-	-
(ii) Loans	-	-	-	-
(iii) Other non-current financial assets	20.48	12.92	33.02	12.92
Deferred tax assets (net)	-	-	6.34	12.48
Other non-current assets	-	-	-	-
Total non-current assets	3,533.04	3,399.79	3,066.52	2,722.66
Current assets				
Inventories	746.02	703.64	2,418.44	2,932.46
Financial Assets				
(i) Trade receivables	1,618.69	1,778.30	2,433.52	1,765.97
(ii) Cash and cash equivalents	33.52	18.00	937.27	335.38
(iii) Other Financial Assets	2.04	148.71	2.04	3.27
Other current assets	6.21	71.44	110.61	277.34
Total current assets	2,406.48	2,720.09	5,901.88	5,314.42
TOTAL ASSETS	5,939.52	6,119.88	8,968.40	8,037.08
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	409.31	409.31	409.31	409.31
Other Equity				
Reserves and Surplus	4,646.94	4,296.43	5,950.83	5,015.51
Non-Controlling interest	-	-	131.10	102.17
Total equity	5,056.25	4,705.74	6,491.24	5,526.99
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Other financial liabilities	50.00	100.00	50.00	100.00
Deferred tax liabilities (Net)	107.94	70.29	107.94	70.29
Other non-current liabilities	107.62	-	107.62	-
Provisions	14.74	13.56	14.74	13.56
Total non current liabilities	280.30	183.85	280.30	183.85
Current liabilities				
Financial liabilities				
(i) Borrowings	-	773.27	188.43	999.09
(ii) Trade payables	508.25	372.26	1,045.01	1,060.69
(iii) Other financial liabilities	76.83	73.37	556.21	209.04
Other current liabilities	-	-	-	-
Provisions	5.51	5.62	288.64	8.38
Current tax liabilities (Net)	12.38	5.77	118.57	49.04
Total current liabilities	602.97	1,230.29	2,196.86	2,326.24
Total liabilities	883.27	1,414.14	2,477.16	2,510.09
TOTAL EQUITY AND LIABILITIES	5,939.52	6,119.88	8,968.40	8,037.08



ANNEXURE-2

Audited Cash Flow Statement for the year ended 31st March, 2020

(₹ in Million)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	527.27	560.11
Adjustments to profit before tax and prior period Items:		
Depreciation and amortisation expenses	116.44	86.87
(Profit)/Loss on sale of Property, Plant and Equipment	(0.37)	0.44
Finance Cost	72.92	65.62
Dividend Income	-	(36.18)
Interest Income	(0.26)	(0.25)
Unwinding discount on Security Deposits i.e. Interest Income	(0.57)	(0.31)
Remeasurement of the net defined benefit plans	2.51	0.46
Change in Fair value of Forward contract	1.03	(0.95)
Operating Profit before working capital changes	718.97	675.81
Movements in working capital :		
(Increase)/Decrease in Inventories	(42.38)	(280.70)
(Increase)/Decrease in Trade receivables	159.61	(89.58)
(Increase)/Decrease in Other financial assets	139.11	(6.47)
(Increase)/Decrease in Other assets	65.01	(12.22)
Increase/(Decrease) in Trade Payable, provisions and Other Non current Liabilities	244.69	39.86
Income Tax Paid	(104.86)	(128.63)
Net cash used in operating activities	1,180.15	198.07
B. Cash Flow provided by (used in) Investing Activities:		
(Purchase)/Sale of Property, Plant and Equipment	(241.76)	(234.53)
Investment	-	-
Dividend Income	-	36.18
Interest Income	0.26	0.25
Increase/(Decrease) in Margin Money	0.99	(5.17)
Unwinding discount on Security Deposits i.e. Interest Income	0.57	0.31
Change in Fair value of Forward contract	(1.03)	0.95
	-	-
Net Cash Flow provided by (used in) Investing Activities	(240.97)	(202.01)
C. Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	(50.00)	-
Increase in Share Premium	-	-
Increase in General Reserve	-	-
Transitional effect of Indas 116	(5.49)	-
Dividend and Dividend Distribution Tax on it	(24.67)	(20.47)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(769.81)	95.67
Finance Cost	(72.92)	(65.62)
Net Cash Flow provided by (used in) Financing Activities	(922.89)	9.58
Net Increase /(Decrease) in Cash and Bank Balances	16.29	5.64
Cash & Bank Balances at the beginning of the period	11.17	5.53
Cash & Bank Balances at the end of the period	27.46	11.17
	16.29	5.64

Notes :

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

Particulars	31st March, 2020	31st March, 2019
a. Balances with banks		
In current Account	27.13	10.90
b. Cash in hand	0.33	0.27
TOTAL	27.46	11.17



Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	1,571.72	1,043.07
Adjustments to reconcile profit before tax and prior period items to cash provided by operations:		
Depreciation	266.62	228.04
Exchange differences in translating the financial statements of a foreign operation	64.01	(4.31)
(Profit)/Loss on sale of Property Plant and Equipment	(0.25)	(0.06)
Finance Cost	87.46	96.55
Dividend Income	-	-
Interest Income	(0.43)	(0.57)
Unwinding discount on Security Deposits i.e. Interest Income	(0.57)	(0.31)
Remeasurement of the net defined benefit plans	2.51	0.46
Change in Fair value of Forward contract	1.03	(0.95)
Operating Profit before working capital changes	1,992.10	1,361.92
Movements in working capital :		
(Increase)/Decrease in Inventories	514.02	(751.22)
(Increase)/Decrease in Trade and other receivables	(667.55)	3.09
(Increase)/Decrease in Other financial assets	(18.88)	(6.47)
(Increase)/Decrease in Other assets	164.76	(120.59)
Minority Interest	(8.40)	(33.09)
Increase/(Decrease) in Trade Payable, provisions and Other Non current Liabilities	373.39	90.37
Income Tax paid	(250.00)	(270.04)
Net cash used in operating activities	2,099.44	273.97
B. Cash Flow provided by (used in) Investing Activities:		
(Purchase)/Sale of Property Plant and Equipment	(596.27)	(131.48)
Investment	-	-
Dividend Income	-	-
Interest Income	0.43	0.57
Increase/(Decrease) in Margin Money	0.99	(5.17)
Unwinding discount on Security Deposits i.e. Interest Income	0.57	0.31
Change in Fair value of Forward contract	(1.03)	0.95
Net Cash Flow provided by (used in) Investing Activities	(595.31)	(134.82)
C. Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	(50.00)	-
Increase in Share Premium	-	-
Increase in General Reserve	-	-
Transitional effect of Indas 116	(5.49)	-
Proposed Dividend and Dividend Distribution Tax on it	(295.03)	(44.44)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(463.49)	(66.78)
Finance Cost	(87.46)	(96.55)
Net Cash Flow provided by (used in) Financing Activities	(901.47)	(207.77)
Net Increase /(Decrease) in Cash and Bank Balances	602.66	(68.62)
Cash & Bank Balances at the beginning of the period	328.55	397.17
Cash & Bank Balances at the end of the period	931.21	328.55
	602.66	(68.62)

Notes :

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

Particulars	31st March, 2020	31st March, 2019
a. Balances with banks		
In current Account	930.78	328.14
b. Cash in hand	0.43	0.41
TOTAL	931.21	328.55

