

**Independent Auditor's Report on Ind AS 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**

1. We have reviewed the accompanying statement of unaudited financial results of **Marksans Pharma Limited** (the "Company") for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 together with the notes thereon (the "Statement") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 (the "Act") as applicable, and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**BHUTA SHAH & Co LLP**  
CHARTERED ACCOUNTANTS

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We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted as above, nothing has come to our attention that cause us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Bhuta Shah & Co LLP**

*Chartered Accountants*

Firm Reg. No.: 101474W / W100100

*T.C. Laliwala*

**Tejas Laliwala**

*Partner*

Membership No.: 127487

UDIN: 2012-7487AAAA F7093



**Mumbai, 11 February, 2020**

**Independent Auditor's Review Report on Consolidated Unaudited 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**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Marksans Pharma Limited** ("the Parent") and its 3 subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 together with the notes thereon ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 (the "Act") as applicable, and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the following entities:

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Bhuta Shah & Co LLP**

*Chartered Accountants*

Firm Reg. No.:101474W / W100100

*T.C. Laliwala*

**Tejas Laliwala**

*Partner*

Membership No.: 127487

UDIN: 20127487AAAAAG3976



**Mumbai, 11 February, 2020**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019**

(₹ in Million)

Sr. No.	PARTICULARS	STANDALONE						CONSOLIDATED						
		3 MONTHS ENDED			9 MONTHS ENDED			3 MONTHS ENDED			9 MONTHS ENDED			YEAR ENDED
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019	
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)		
1	Revenue from Operations	1,168.78	1,085.55	1,251.89	3,197.78	3,329.76	4,241.60	2,876.49	2,642.36	2,483.65	7,988.60	7,526.60	10,000.69	
2	Other Income	0.07	0.29	1.18	2.56	37.58	79.30	0.26	0.41	1.57	3.02	1.79	46.21	
3	<b>Total Income</b>	<b>1,168.85</b>	<b>1,085.84</b>	<b>1,253.07</b>	<b>3,200.34</b>	<b>3,367.34</b>	<b>4,320.90</b>	<b>2,876.75</b>	<b>2,642.77</b>	<b>2,485.22</b>	<b>7,991.62</b>	<b>7,528.39</b>	<b>10,046.90</b>	
4	Expenses													
	Cost of Material Consumed	518.24	538.56	655.12	1,517.89	1,630.11	2,081.42	754.80	798.46	1,321.29	2,259.27	3,399.28	4,120.57	
	Purchase of Stock - in- trade	101.19	101.00	86.94	271.57	212.06	309.07	531.25	420.64	113.60	1,138.83	606.16	1,058.48	
	Changes in inventories of finished goods, work-in-process and stock-in-trade	24.74	(19.47)	(3.12)	25.82	(9.95)	(27.09)	115.38	107.38	(152.92)	572.57	(253.01)	(199.02)	
	Employee benefits expense	124.39	118.99	126.00	361.63	356.32	463.30	404.55	406.32	363.31	1,222.36	1,162.65	1,590.66	
	Finance cost	12.63	24.72	12.92	56.18	47.22	65.62	16.49	28.11	17.56	67.11	72.16	96.55	
	Depreciation and amortisation expense	28.82	26.61	21.92	81.81	64.62	86.87	73.27	49.76	50.37	170.36	165.38	228.04	
	Other expenses	197.63	140.16	213.48	489.86	595.05	781.60	597.66	495.49	476.50	1,565.05	1,499.44	2,108.54	
	<b>Total Expenses</b>	<b>1,007.64</b>	<b>930.57</b>	<b>1,113.26</b>	<b>2,804.76</b>	<b>2,895.43</b>	<b>3,760.79</b>	<b>2,493.40</b>	<b>2,306.16</b>	<b>2,189.71</b>	<b>6,995.55</b>	<b>6,652.06</b>	<b>9,003.82</b>	
5	<b>Profit/(Loss) before tax (3-4)</b>	<b>161.21</b>	<b>155.27</b>	<b>139.81</b>	<b>395.58</b>	<b>471.91</b>	<b>560.11</b>	<b>383.35</b>	<b>336.61</b>	<b>295.51</b>	<b>996.07</b>	<b>876.33</b>	<b>1,043.08</b>	
6	Tax expense:													
	(1) Current Year	28.44	41.55	28.44	87.03	101.70	121.09	84.73	81.82	50.61	212.35	180.18	235.85	
	(2) Earlier year	-	(8.28)	-	(8.28)	(12.15)	(7.20)	-	(8.28)	-	(8.28)	(12.15)	(7.20)	
	(3) Deferred tax	3.02	3.37	(6.44)	11.90	2.45	10.05	3.02	3.37	(6.44)	11.90	2.45	10.05	
	<b>Total Tax Expenses</b>	<b>31.46</b>	<b>36.64</b>	<b>22.00</b>	<b>90.65</b>	<b>92.00</b>	<b>123.94</b>	<b>87.75</b>	<b>76.91</b>	<b>44.17</b>	<b>215.97</b>	<b>170.48</b>	<b>238.70</b>	
7	<b>Profit/(Loss) for the period (5-6)</b>	<b>129.75</b>	<b>118.63</b>	<b>117.81</b>	<b>304.93</b>	<b>379.91</b>	<b>436.17</b>	<b>295.60</b>	<b>259.70</b>	<b>251.34</b>	<b>780.10</b>	<b>705.85</b>	<b>804.38</b>	
	Other Comprehensive Income/(Loss)													
	Items that will not be reclassified to Profit or Loss	0.11	0.11	0.27	0.34	0.81	0.46	0.11	0.11	0.27	0.34	0.81	0.46	
	Income tax relating to above Items that will not be reclassified to Profit or Loss	-	-	-	-	-	(0.13)	-	-	-	-	-	(0.13)	
	Items that will be reclassified to profit or loss							45.83	27.41	(104.01)	52.30	(4.06)	(4.31)	
	Income tax relating to above Items that will be reclassified to Profit or Loss													
8	<b>Other Comprehensive Income/(Loss)</b>	<b>0.11</b>	<b>0.11</b>	<b>0.27</b>	<b>0.34</b>	<b>0.81</b>	<b>0.33</b>	<b>45.94</b>	<b>27.52</b>	<b>(103.74)</b>	<b>52.64</b>	<b>(3.25)</b>	<b>(3.98)</b>	
9	<b>Total Comprehensive Income for the period</b>	<b>129.86</b>	<b>118.74</b>	<b>118.08</b>	<b>305.27</b>	<b>380.72</b>	<b>436.50</b>	<b>341.54</b>	<b>287.22</b>	<b>147.60</b>	<b>832.74</b>	<b>702.60</b>	<b>800.40</b>	
10	Total Comprehensive Income attributable to:-													
	Non-Controlling interests	-	-	-	-	-	-	3.85	3.17	7.21	18.78	27.08	39.77	
	Owners of the Company	<b>129.86</b>	<b>118.74</b>	<b>118.08</b>	<b>305.27</b>	<b>380.72</b>	<b>436.50</b>	<b>337.69</b>	<b>284.05</b>	<b>140.39</b>	<b>813.96</b>	<b>675.52</b>	<b>760.63</b>	
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	409.31	409.31	
12	Earnings Per Share of ₹1 each													
	Basic	0.32	0.29	0.29	0.74	0.93	1.07	0.71	0.63	0.60	1.86	1.66	1.87	
	Diluted	0.32	0.29	0.29	0.74	0.93	1.07	0.71	0.63	0.60	1.86	1.66	1.87	



*(Signature)*

**Notes:**

- 1 The results for the quarter ended 31st December, 2019 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 11th February, 2020. The results for the quarter ended 31st December, 2019 have been reviewed by 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 6.41 million and for the nine months ended is lower by Rs 15.87 million.
- 5 The Company had redeemed 1,00,000 7% Preference Shares at par on 30th October, 2019. The Preference shares had been redeemed out of profit of the Company and accordingly nominal value of the redeemed Preference Shares had been transferred to Capital Redemption Reserve Account.
- 6 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).
- 7 Previous period's figures have been regrouped / reclassified, wherever necessary to make them comparable with the current year.

Date : 11th February, 2020  
Place: Mumbai  
[www.marksanspharma.com](http://www.marksanspharma.com)



  
**Mark Saldanha**  
Chairman & Managing Director  
DIN : 00020983