

Independent Auditor's Report on Standalone Audited Annual Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To the Board of Directors of Marksans Pharma Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone annual financial results of **Marksans Pharma Limited** (hereinafter referred to as 'the Company') for the year ended March 31, 2023 ('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 ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

Basis for Opinion

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

Management and Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies



(Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



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related to events or conditions that may cast significant doubt on the ability of the Company 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

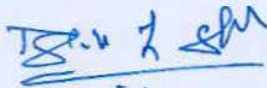
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The Statement of the Company for the year ended March 31, 2022, was audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those Statement.
2. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

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



Bhavik L. Shah
Partner
Membership No.: 122071
UDIN: 23122071BGXNRL3577



Place: Mumbai
Date: May 30, 2023

MARKSANS PHARMA LIMITED
CIN: L24110MH1992PLC066364

Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri [West], Mumbai-400053
Telephone No.: 022-4001 2000, Fax No.: 022-4001 2011, Website: www.marksanspharma.com, E-mail: info@marksanspharma.com

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In million except per equity share data)

Sr. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31 March 2023 (AUDITED) (Refer Note 3)	31 Dec 2022 (UNAUDITED)	31 March 2022 (AUDITED) (Refer Note 3)	31 March 2023 (AUDITED)	31 March 2022 (AUDITED)
1	Revenue from operations	1,530.45	1,727.48	1,762.78	6,552.04	6,582.89
2	Other income, net	43.03	157.14	76.48	604.82	422.51
3	Total Income (1+2)	1,573.48	1,884.62	1,839.26	7,156.86	7,005.40
	Expenses					
A	Cost of materials consumed	853.60	828.80	839.78	3,384.90	3,279.91
B	Purchase of stock-in-trade	171.20	158.70	130.01	661.45	457.06
C	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(73.82)	11.02	17.08	(101.86)	38.94
D	Employee benefits expense	154.19	137.95	150.12	560.88	604.60
E	Finance costs	6.58	8.48	12.78	36.13	37.95
F	Depreciation and amortisation expense	35.09	41.79	46.08	167.37	176.63
G	Other expenses	198.19	352.85	357.11	1,127.64	1,065.23
4	Total Expenses	1,345.03	1,539.59	1,552.96	5,836.51	5,660.32
5	Profit Before Tax (3-4)	228.45	345.03	286.30	1,320.35	1,345.08
	Tax Expense:					
	(a) Current tax	64.70	87.25	83.21	303.54	300.08
	(b) Current tax for earlier period	(10.14)	-	0.08	(10.14)	0.08
	(c) Deferred tax	(4.21)	1.56	(11.26)	(1.71)	5.04
6	Total Tax Expense	50.35	88.81	72.03	291.69	305.20
7	Profit for the period/year (5-6)	178.10	256.22	214.27	1,028.66	1,039.88
	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of the net defined benefit liabilities/assets, net	(8.36)	0.15	2.58	(7.90)	0.61
	Tax on above	2.10	(0.04)	(0.65)	1.99	(0.15)
8	Other Comprehensive Income/(Loss) for the period/year	(6.26)	0.11	1.93	(5.91)	0.46
9	Total Comprehensive Income for the period/year (7+8)	171.84	256.33	216.20	1,022.75	1,040.34
10	Paid up Equity Share Capital (face value ₹1 each fully paid)	453.16	402.96	409.31	453.16	409.31
11	Other equity				10,660.05	7,437.42
12	Earnings per equity share of ₹1 each*					
	Basic	0.43	0.63	0.52	2.48	2.54
	Diluted	0.43	0.63	0.52	2.48	2.54

* EPS is not annualised for the quarter ended 31 March 2023, 31 December 2022 and 31 March 2022.



MARKSANS PHARMA LIMITED
AUDITED STANDALONE BALANCE SHEET

(₹ in million)

Particulars	As at 31 March 2023 (AUDITED)	As at 31 March 2022 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	1,408.81	1,318.61
Capital work-in-progress	39.05	-
Intangible assets	30.59	36.51
Financial assets		
Investments	2,657.53	2,360.74
Other financial assets	14.05	26.08
Other non-current assets	152.23	15.54
Non Current tax assets (net)	8.70	-
Total non-current assets	4,310.96	3,757.48
Current assets		
Inventories	1,309.52	1,036.75
Financial Assets		
Investments	5.40	4.35
Trade receivables	3,054.92	2,467.83
Cash and cash equivalents	1,483.13	811.89
Bank balances other than above	2,919.49	1,428.59
Other financial assets	29.34	83.76
Other current assets	335.84	65.43
Total current assets	9,137.64	5,898.60
TOTAL ASSETS	13,448.60	9,656.08
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	453.16	409.31
Other equity	10,660.05	7,437.42
Total equity	11,113.21	7,846.73
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	51.80	35.46
Provisions	31.81	18.56
Deferred tax liabilities (net)	86.38	90.08
Total non current liabilities	169.99	144.10
Current liabilities		
Financial liabilities		
Borrowings	-	50.00
Lease liabilities	25.08	57.59
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	155.77	67.48
Total outstanding dues of other than micro enterprises and small enterprises	960.00	677.06
Other financial liabilities	125.90	163.11
Other current liabilities	825.50	568.80
Provisions	13.26	7.24
Current tax liabilities (net)	59.89	73.97
Total current liabilities	2,165.40	1,665.25
Total liabilities	2,335.39	1,809.35
TOTAL EQUITY AND LIABILITIES	13,448.60	9,656.08



MARKSANS PHARMA LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Particulars	(₹ in Million)	
	Year ended 31 March 2023 (AUDITED)	Year ended 31 March 2022 (AUDITED)
A. Cash flow from Operating Activities		
Profit before tax	1,320.35	1,345.08
Adjustments to reconcile profit before tax to net cash provided by operating activities		
-Depreciation and amortisation	167.37	176.63
-Exchange differences on translation of assets and liabilities, net	(6.28)	(89.52)
-Loss on sale / disposal of property, plant and equipment, net	0.61	-
-Finance costs	36.13	37.95
-Dividend income from a subsidiary	(108.33)	(98.86)
-Interest income	(102.94)	(59.32)
-Loss / (gain) arising on financial assets measured at FVTPL, net	108.02	(56.23)
-Loss on lease modification	0.65	-
-Allowance for credit losses on trade receivables (Including bad debts)	13.84	10.01
Operating profit before working capital changes	1,429.42	1,265.74
Movements in working capital:		
Increase in inventories	(272.77)	(99.89)
Increase in trade receivables	(598.48)	(705.65)
Increase in Non-current/current financial and other assets	(293.18)	(52.63)
Increase in trade payables	375.51	109.92
Increase in provisions and other liabilities	192.93	360.55
Cash generated from operations	833.43	878.04
Income taxes paid (net)	(316.18)	(318.33)
Net cash generated from operating activities (A)	517.25	559.71
B. Cash flow from Investing Activities:		
Payments to acquire property, plant and equipment (including capital work in progress)	(352.79)	(228.50)
Proceeds from sale of property, plant and equipment	0.18	-
Investment in deposits (net) and other bank balances	(1,490.90)	(1,196.66)
Purchase of Investments	(1.00)	(1.50)
Escrow and other deposit pertaining to buy back of equity shares	150.00	-
Redemption of escrow and other deposit pertaining to buy back of equity shares	(150.00)	-
Payment for acquisition of a subsidiary (Refer Note 5)	(275.41)	-
Investment in a subsidiary	(21.38)	-
Dividend income from a subsidiary	108.33	98.86
Interest received	86.75	47.19
Net Cash (used in) Investing Activities (B)	(1,946.22)	(1,280.61)
C. Cash flow from Financing Activities:		
Proceeds from issue of share warrants (net of issue expenses)	2,747.09	911.55
Buy back of equity shares (including transaction cost ₹7.22 million and tax on buy back ₹73.30 million)	(401.66)	-
Payment of dividend	(101.71)	(105.83)
Redemption of 7% redeemable cumulative preference shares	(50.00)	-
Repayment of principal portion of lease liabilities (including interest on lease liabilities)	(57.40)	(62.67)
Interest cost paid	(36.13)	(34.45)
Net Cash generated from Financing Activities (C)	2,100.19	708.60
Net increase in cash and cash equivalents (A+B+C)	671.22	(12.30)
Cash and cash equivalents at the beginning of the year	811.89	824.19
Effect of exchange rate changes on cash and cash equivalents	0.02	-
Cash and cash equivalents at the end of the period	1,483.13	811.89

Notes :

- 1 The above Cash Flow Statement is prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- 2 Amounts in bracket represent cash outflow



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NOTES TO AUDITED STANDALONE FINANCIAL RESULTS

- 1 The audited standalone financial results for the year ended 31 March 2023 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 30 May 2023. These results have been subjected to an audit by the Statutory Auditors of the Company who have issued unmodified audit report thereon.
- 2 These results are prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 3 The figures of the quarter ended 31 March, 2023 and 31 March, 2022 are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year-to-date figures upto 31 December for respective years which were subjected to limited review.
- 4 The Company operates in one reportable business segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.
- 5 The Board of Directors (in the meeting held on 30 May, 2023) has declared payment of dividend of Rs. 0.50 per equity share of Re 1/- each (50%) for the Financial Year 2022-23.
- 6 Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting held on 09 July, 2021, the Board of Directors of the Company at its meeting held on 23 July, 2021, had issued and allotted 1,000,000 convertible warrants to Mr. Mark Saldanha and 49,324,324 convertible warrants to Orbimed Asia IV Mauritius FVCI Limited at a price of Rs. 74 per warrant on preferential basis. In terms of the issue of the warrants, the Company had received 25% of the price i.e. Rs. 931 million by 20 July 2021.

During the quarter, the Company has received the balance 75% allotment monies amounting to Rs. 2,793 million from the respective allottees by 18 January 2023. The Board of Directors at its meeting held on 20 January 2023, has allotted 1,000,000 equity shares to Mr. Mark Saldanha and 49,324,324 equity shares to Orbimed Asia IV Mauritius FVCI Limited at an issue price of Rs. 74 each upon conversion of equal number of warrants exercised for conversion by the said allottees.
- 7 On 01 June 2022, the Company has acquired 100% share capital of Access Healthcare for Medical Products LLC, a company based in Dubai for a consideration of Rs. 275.41 million (AED 13 Million) having marketing authorization approved by UAE regulatory authorities for various products. It is engaged in the business of marketing and promoting medicines in the United Arab Emirates and neighbouring countries. Post acquisition, the Company has made additional investment of Rs. 21.38 million (AED 1 Million).
- 8 On 11 October 2022, the Company has entered into a Business Transfer Agreement with Tevapharm India Private Limited to acquire its manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa as a going concern on a slump sale basis. Manufacturing site is spread across 47,597 square meters. This manufacturing facility has approvals to manufacture products from EU, Health Canada and Japanese Health Authority. The transaction is in cash consideration.

Subsequent to 31 March, 2023, the Company has completed the above acquisition for a consideration of Rs. 779.47 million (excluding other acquisition cost) from Tevapharm India Private Limited. No impact for the said acquisition has been given in these financial results as this is a non adjusting event.
- 9 The Board of Directors at its meeting held on 08 July, 2022 had approved the proposal to buy back its own fully paid up Equity Shares of face value Re. 1/- each up to a maximum price of Rs. 60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding Rs. 600 millions ("Maximum Offer Size") through the Open Market route on the Stock Exchanges from the equity shareholders / beneficial owners of the Equity Shares of the Company (other than those who are promoters, members of the promoter group and persons in control of the Company).

During the year, the Company bought back and accounted buy back of 6,474,276 equity shares which were extinguished on or before 18 January 2023 and completed the aforesaid buyback offer.

Aforesaid buyback offer resulted in a cash outflow of ₹ 401.66 million (including transaction costs of ₹ 7.22 million and tax on buyback of ₹ 73.30 million). The volume weighted average buyback price is ₹ 49.60 per equity share comprising 1.58% of the pre buyback paid up equity share capital of the Company.

The Company funded the buy back from its free reserves, including securities premium, as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of Rs. 6.47 million equal to the nominal value of the shares bought back as an appropriation from Retained earnings.
- 10 On September 05, 2022, the Company has redeemed at par entire 500,000 7% Redeemable cumulative preference shares aggregating to Rs. 50 million.
- 11 The figures for the corresponding previous year / period's have been regrouped / reclassified, wherever considered necessary, to make them comparable with current period's classification.
- 12 The above audited standalone financials results of the Company are available on the Company's and stock exchanges websites (www.marksanspharma.com), BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

Date : 30 May 2023
Place: Mumbai
www.marksanspharma.com




Mark Saldanha
Chairman & Managing Director
DIN: 00020863



Independent Auditor's Report on Consolidated Audited Annual Financial Results of the Group pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To the Board of Directors of Marksans Pharma Limited

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying statement of consolidated annual financial results of **Marksans Pharma Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2023, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 audited financial statements of the subsidiaries the aforesaid Statement:

- i. includes the annual financial results of Holding Company and the following entities

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Marksans Pharma (UK) Limited	Wholly owned subsidiary
2	Relonchem Limited	Wholly owned subsidiary of Marksans Pharma (UK) Limited
3	Marksans Holdings Limited	Wholly owned subsidiary of Marksans Pharma (UK) Limited
4	Bell, Sons and Co. (Druggists) Limited	Wholly owned subsidiary of Marksans Holdings Limited
5	Marksans Pharma Inc.	Wholly owned subsidiary
6	Time-Cap Laboratories Inc.	Wholly owned subsidiary of Marksans Pharma Inc.
7	Marise Ann Inc.	Wholly owned subsidiary of Marksans Pharma Inc. w.e.f. November 8, 2022
8	Custom Coating Inc.	Wholly owned subsidiary of Time-Cap Laboratories Inc.
9	Marksans Realty LLC	Wholly owned subsidiary of Time-Cap Laboratories Inc.
10	Nova Pharmaceuticals Australasia Pty Ltd	Subsidiary (60% Holding)
11	Nova Pharmaceuticals Limited	Wholly owned subsidiary of Nova Pharmaceuticals Australasia Pty Ltd
12	Access Healthcare for Medical Products L.L.C	Wholly owned subsidiary w.e.f. June 1, 2022
13	Marksans Pharma GmbH (under liquidation)	Wholly owned subsidiary



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- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. 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") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results 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 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 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 and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 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 Group 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities



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included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

1. The Statement includes the audited Financial Results of ten subsidiaries, whose financial information reflect Group's share of total assets of Rs. 12,756.49 million as at March 31, 2023, Group's share of total revenue of Rs. 15,492.50 million, Group's share of total net profit after tax of Rs. 1,779.66 million, and Group's share of total comprehensive income of Rs. 1,779.66 million for the year from April 01, 2022 to March 31, 2023 and Group's net cash inflow of Rs. 1,606.04 million for the year ended on March 31, 2023 respectively, as considered in the Statement, which have been audited by the other auditors whose reports on financial information of these entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

These subsidiaries are located outside India whose financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which has been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Holding Company's Management. Our opinion on the Statement, in so far as it relates to the financial statements of such subsidiaries, located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

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



MSKA & Associates

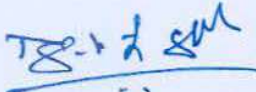
Chartered Accountants

- The Statement includes the unaudited Financial information of three subsidiaries whose Financial information reflect Group's share of total assets of Rs. 931.90 million as at March 31, 2023, Group's share of total revenue of Rs. 1,926.86 million, Group's share of total net loss after tax of Rs. 24.67 million, and Group's share of total comprehensive loss of Rs. 24.67, for the year from April 1, 2022 to March 31, 2023 and Group's net cash outflow of Rs. 111.22 million for the year ended on March 31, 2023 respectively, as considered in the Statement. These unaudited Financial information have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited Financial information. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements are not material to the Group.

Our opinion is not modified with respect to the Financial Statements certified by the Management.

- The Statement for the year ended March 31, 2022, was audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those Statement.
- The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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



Bhavik L. Shah
Partner
Membership No.: 122071
UDIN: 23122071BGXNRM5546



Place: Mumbai
Date: May 30, 2023

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in million except per equity share data)

Sr. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31 March 2023	31 Dec 2022	31 March 2022	31 March 2023	31 March 2022
		(AUDITED) (Refer Note 3)	(UNAUDITED)	(AUDITED) (Refer Note 3)	(AUDITED)	(AUDITED)
1	Revenue from operations	4,859.76	4,798.29	4,180.43	18,521.39	14,908.39
2	Other income, net	110.09	176.52	153.44	593.13	418.53
3	Total Income (1+2)	4,969.85	4,974.81	4,333.87	19,114.52	15,326.92
	Expenses					
A	Cost of materials consumed	1,122.00	1,798.38	1,240.43	6,129.70	5,406.69
B	Purchase of stock-in-trade	1,623.97	638.39	1,034.41	3,147.82	1,632.53
C	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(307.56)	(41.94)	(158.70)	(63.94)	128.95
D	Employee benefits expense	608.90	621.89	603.63	2,393.71	2,203.02
E	Finance costs	24.40	23.52	50.28	91.28	84.46
F	Depreciation and amortisation expense	139.44	127.42	213.57	518.53	447.76
G	Other expenses	716.96	1,015.13	824.26	3,520.89	2,948.40
4	Total Expenses	3,928.11	4,182.79	3,807.88	15,737.99	12,851.81
5	Profit Before Tax (3-4)	1,041.74	792.02	525.99	3,376.53	2,475.11
	Tax Expense:					
	(a) Current tax	202.12	164.19	173.57	715.67	571.02
	(b) Current tax for earlier period	(3.33)	-	0.08	(3.33)	0.08
	(c) Deferred tax	15.85	4.77	55.81	10.98	35.87
6	Total Tax Expense	214.64	168.96	229.46	723.32	606.97
7	Profit for the period/year (5-6)	827.10	623.06	296.53	2,653.21	1,868.14
	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of the net defined benefit liabilities/assets, net	(8.36)	0.15	2.58	(7.90)	0.61
	Tax on above	2.10	(0.04)	(0.65)	1.99	(0.15)
	Items that will be reclassified to profit or loss					
	Foreign currency translation reserve	58.30	659.46	485.91	528.02	502.37
8	Other Comprehensive Income/(Loss) for the period/year	52.04	659.57	487.84	522.11	502.83
9	Total Comprehensive Income for the period/year (7+8)	879.14	1,282.63	784.37	3,175.32	2,370.97
	Net Profit attributable to:-					
	Owners of the Company	819.32	634.08	281.09	2,663.08	1,845.69
	Non-Controlling interests	7.78	(11.02)	15.44	(9.87)	22.45
	Other Comprehensive Income attributable to:-					
	Owners of the Company	56.38	646.69	485.35	520.15	508.84
	Non-Controlling interests	(4.34)	12.88	2.49	1.96	(4.01)
	Total Comprehensive Income attributable to:-					
	Owners of the Company	875.70	1,280.77	766.44	3,183.23	2,352.53
	Non-Controlling interests	3.44	1.86	17.93	(7.91)	18.44
10	Paid up Equity Share Capital (face value ₹1 each fully paid)	453.16	402.96	409.31	453.16	409.31
11	Other equity				16,998.46	11,613.39
12	Earnings per equity share of ₹1 each*					
	Basic	1.97	1.56	0.69	6.41	4.51
	Diluted	1.97	1.56	0.69	6.41	4.51

* EPS is not annualised for the quarter ended 31 March 2023, 31 December 2022 and 31 March 2022.



MARKSANS PHARMA LIMITED
AUDITED CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	As at 31 March 2023 (AUDITED)	As at 31 March 2022 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	3,796.43	3,415.92
Capital work-in-progress	72.46	6.95
Goodwill	384.89	300.25
Intangible assets	681.73	566.92
Intangible assets under development	26.24	18.77
Financial assets		
Other financial assets	34.77	26.08
Deferred tax assets (net)	-	38.57
Other non-current assets	145.66	15.54
Non current tax assets (net)	8.70	-
Total non-current assets	5,150.88	4,389.00
Current assets		
Inventories	4,847.39	4,244.42
Financial Assets		
Investments	5.40	4.35
Trade receivables	4,168.46	3,947.78
Cash and cash equivalents	3,824.37	2,064.06
Bank balances other than above	3,325.25	1,428.59
Other financial assets	36.55	83.76
Other current assets	526.43	208.49
Current tax assets (net)	19.16	30.55
Total current assets	16,753.01	12,012.00
TOTAL ASSETS	21,903.89	16,401.00
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	453.16	409.31
Other equity	16,998.46	11,613.39
Equity attributable to owners of the Company	17,451.62	12,022.70
Non-Controlling interests	199.10	207.01
Total equity	17,650.72	12,229.71
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	656.89	414.34
Provisions	32.52	18.56
Deferred tax liabilities (net)	153.86	176.21
Total non current liabilities	843.27	609.11
Current liabilities		
Financial liabilities		
Borrowings	415.88	412.92
Lease liabilities	156.68	280.52
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	155.77	67.48
Total outstanding dues of other than micro enterprises and small enterprises	2,150.24	1,933.31
Other financial liabilities	152.91	655.98
Other current liabilities	112.38	31.46
Provisions	13.26	7.24
Current tax liabilities (net)	252.78	173.27
Total current liabilities	3,409.90	3,562.18
Total liabilities	4,253.17	4,171.29
TOTAL EQUITY AND LIABILITIES	21,903.89	16,401.00



MARKSANS PHARMA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Million)

Particulars	Year ended 31 March 2023 (AUDITED)	Year ended 31 March 2022 (AUDITED)
A. Cash Flow from Operating Activities		
Profit before tax	3,376.53	2,475.11
Adjustments to reconcile profit before tax to net cash provided by operating activities		
-Depreciation and amortisation	518.53	447.76
-Exchange differences on translation of assets and liabilities, net	(1.98)	(89.51)
-Loss on sale / disposal of property, plant and equipment, net	2.64	-
-Finance costs	91.28	84.46
-Interest income	(120.37)	(59.73)
-Loss / (gain) arising on financial instruments measured at FVTPL, net	108.02	(56.23)
-Loss on lease modification	0.65	-
-Allowance for credit losses on trade receivables (Including bad debts)	143.61	26.32
Operating profit before working capital changes	4,118.91	2,828.18
Movements in working capital:		
Increase in Inventories	(448.50)	(178.49)
Increase in Trade receivables	(275.18)	(1,039.34)
Increase in Non-current/current financial and other assets	(223.17)	(74.09)
Increase in Trade Payable	224.23	284.79
Increase in Non-current/current financial and other liabilities/provisions	(392.03)	(99.89)
Cash generated from operations	3,004.26	1,721.16
Income tax paid (net)	(630.14)	(728.59)
Net cash generated from operating activities (A)	2,374.12	992.57
B. Cash flow from Investing Activities:		
Payments to acquire property, plant and equipment and intangible assets	(536.31)	(463.30)
Proceeds from sale of property, plant and equipment	3.77	0.34
Investment in deposits (net) and other bank balances	(1,896.66)	(427.05)
Purchase of Investments	(1.00)	(1.50)
Escrow and other deposit pertaining to buy back of equity shares	150.00	-
Redemption of escrow and other deposit pertaining to buy back of equity shares	(150.00)	-
Payment for acquisition of a subsidiary (net of cash acquired)	(266.10)	-
Interest received	104.18	47.60
Net Cash used in Investing Activities (B)	(2,592.12)	(843.91)
C. Cash flow from Financing Activities:		
Proceeds from issue of share warrants (net of issue expenses)	2,747.09	911.55
Buy back of equity shares (including transaction cost Rs. 7.22 million and tax on buy back Rs. 73.30 million)	(401.66)	-
Payment of dividend	(101.71)	(105.83)
Redemption of 7% redeemable cumulative preference shares	(50.00)	-
Proceeds from borrowings, net	52.96	225.52
Repayment of principal portion of lease liabilities	(177.11)	(155.17)
Repayment of interest portion of lease liabilities	(30.62)	(38.73)
Interest paid	(60.66)	(42.23)
Net Cash generated from Financing Activities (C)	1,978.29	795.11
Net increase in cash and cash equivalents (A+B+C)	1,760.29	943.77
Cash and cash equivalents at the beginning of the year	2,064.06	1,120.29
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.02	-
Cash and cash equivalents at the end of the year	3,824.37	2,064.06

Notes:

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



[Handwritten Signature]

MARKSANS PHARMA LIMITED

NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS

- 1 The audited consolidated financial results for the year ended 31 March 2023 of Marksans Pharma Limited (the Company' or the holding company) and its subsidiaries (collectively referred as 'the Group') were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 30 May 2023. These results have been subjected to an audit by the Statutory Auditors of the Company who have issued unmodified audit report thereon.
- 2 The audited consolidated financial results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 3 The figures of the quarter ended 31 March, 2023 and 31 March, 2022 are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year-to-date figures upto 31 December for respective years which were subjected to limited review.
- 4 The Group has only one reportable segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.

5 The Board of Directors (in the meeting held on 30 May, 2023) has declared payment of dividend of Rs. 0.50 per equity share of Re 1/- each (50%) for the Financial Year 2022-23.

6 Pursuant to the Special Resolution passed by the shareholders at the Extra-ordinary General Meeting held on 09 July, 2021, the Board of Directors of the Company at its meeting held on 23 July, 2021, had issued and allotted 1,000,000 convertible warrants to Mr. Mark Saldanha and 49,324,324 convertible warrants to OrbiMed Asia IV Mauritius FVCI Limited at a price of Rs. 74 per warrant on preferential basis. In terms of the issue of the warrants, the Company had received 25% of the price i.e. Rs. 931 million by 20 July 2021.

During the quarter, the Company has received the balance 75% allotment monies amounting to Rs. 2,793 million from the respective allottees by 18 January 2023. The Board of Directors at its meeting held on 20 January 2023, has allotted 1,000,000 equity shares to Mr. Mark Saldanha and 49,324,324 equity shares to OrbiMed Asia IV Mauritius FVCI Limited at an issue price of Rs. 74 each upon conversion of equal number of warrants exercised for conversion by the said allottees.

7 On 1 June 2022, the holding company has acquired 100% share capital of Access Healthcare for Medical Products LLC, a company based in Dubai for a consideration of Rs. 275.41 million (AED 13 Million) having marketing authorization approved by UAE regulatory authorities for various products. It is engaged in the business of marketing and promoting medicines in the United Arab Emirates and neighbouring countries. Consequent to the acquisition, Access Healthcare for Medical Products LLC is a subsidiary of the holding company w.e.f. 1 June 2022. As per Ind AS 103 on 'Business Combinations', purchase consideration was allocated to acquired assets and liabilities. The Group has recorded Goodwill amounting to Rs. 66.63 million (AED 3.13 Million) and Marketing Rights amounting to Rs. 186.37 million (AED 8.82 Million).

8 On 11 October 2022, the holding company has entered in to a Business Transfer Agreement with Tevapharm India Private Limited to acquire its manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa as a going concern on a slump sale basis. Manufacturing site is spread across 47,597 square meters. This manufacturing facility has approvals to manufacture products from EU, Health Canada and Japanese Health Authority. The transaction is in cash consideration.

Subsequent to 31 March, 2023, the holding company has completed the above acquisition for a consideration of Rs. 779.47 million (excluding other acquisition cost) from Tevapharm India Private Limited. No impact for the said acquisition has been given in these financial results as this is a non adjusting event.

9 The Board of Directors at its meeting held on 08 July, 2022 has approved the proposal to buy back its own fully paid up Equity Shares of face value Re. 1/- each up to a maximum price of Rs. 60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding Rs. 600 millions ("Maximum Offer Size") through the Open Market route on the Stock Exchanges from the equity shareholders / beneficial owners of the Equity Shares of the Company (other than those who are promoters, members of the promoter group and persons in control of the Company).

During the year, the Company bought back and accounted buy back of 6,474,276 equity shares which were extinguished on or before 18 January 2023 and completed the aforesaid buyback offer.

Aforesaid buyback offer resulted in a cash outflow of ₹ 401.66 million (including transaction costs of ₹ 7.22 million and tax on buyback of ₹ 73.30 million). The volume weighted average buyback price is ₹ 49.60 per equity share comprising 1.58% of the pre buyback paid up equity share capital of the Company.

The Company funded the buy back from its free reserves, including securities premium, as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of Rs. 6.47 million equal to the nominal value of the shares bought back as an appropriation from Retained earnings.

10 On 05 September 2022, the holding company has redeemed at par entire 500,000 7% Redeemable cumulative preference shares aggregating to Rs. 50 million.

11 The figures for the corresponding previous year / period's have been regrouped / reclassified, wherever considered necessary, to make them comparable with current period's classification.

12 The above audited consolidated financials results of the Group are available on the Company's and stock exchanges websites (www.marksanspharma.com), BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

Date : 30 May 2023
Place: Mumbai
www.marksanspharma.com



Mark Saldanha
Chairman & Managing Director
DIN: 00020983

