



Marksans Pharma Ltd.



Strengthening
Global Footprint
Enabling a
Healthier Future



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

Forward Looking Statement

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

Performance in the spotlight (FY24)

₹ 21,774.07 Million

Revenue (17.6% Y-o-Y growth)

₹ 4,586 Million

EBITDA (35.1% Y-o-Y growth)

₹ 3148.95 Million

PAT (18.7% Y-o-Y growth)

2000+

Employees

300+

products in the form of tablets (plain, enteric coated and film coated), hard & soft gelatin capsule, oral liquids and ointments

50+

Country presence worldwide

~96%

Revenue generated from the regulated markets of the US, UK and Europe, Australia, and New Zealand

76+ products

Pipeline

Net debt negative

Balance sheet for the last five years

USFDA, UK MHRA, Australian TGA, EU, Health Canada and Japanese Health Authority Accreditations

Corporate Information**Board of Directors****Mr. Mark Saldanha**

Chairman & Managing Director
(DIN: 00020983)

Mrs. Sandra Saldanha

Whole-time Director
(DIN: 00021023)

Mr. Varddhman V. Jain

Whole-time Director
(DIN: 08338573)

Mr. Seetharama R. Buddharaju

Independent Director
(DIN: 03630668)

Mr. Digant Mahesh Parikh

Independent Director
(DIN: 00212589)

Mr. Abhinna Sundar Mohanty

Independent Director
(DIN: 00007995)

Dr. (Mrs.) Meena Rani Surana

Independent Director
(DIN: 08863769)
(upto 30.05.2023)

Dr. Sunny Sharma

Non-executive Director
(DIN: 02267273)

Mrs. Shailaja Vardhan

Independent Director
(DIN: 10172764)
(w.e.f. 30.05.2023)

Key Management Personnel**Mr. Mark Saldanha**

Chairman & Managing Director

Mrs. Sandra Saldanha

Whole-time Director

Mr. Varddhman V. Jain

Whole-time Director

Mr. David Mohammed

Managing Director - Australia Operations

Mr. Sathish Kumar

Managing Director - UK Operations

Mr. Anjani Kumar

COO - US Operations

Mr. Jitendra Sharma

Group Chief Financial Officer

Registered Office

11th Floor, Grandeur,
Veera Desai Extension Road,
Oshiwara, Andheri (West),
Mumbai - 400053.

CIN

L24110MH1992PLC066364

Registrar & Share Transfer Agent**Bigshare Services Private Limited**

Office No S6-2, 6th floor
Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road,
Andheri (East)
Mumbai - 400093.

Bankers

State Bank of India
Bank of Baroda

Works

- 1 L-82 & L-83, Verna Industrial Estate, Verna, Goa - 403722.
- 2 Plot No. A-1, Phase 1-A, Verna Industrial Estate, Verna, Goa - 403722
- 3 Bell, Sons & Co. (Druggists) Ltd. Gifford House, Slaidburn Crescent, Southport, PR9 9AL.
- 4 Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.

32nd Annual General Meeting

Day & Date: Tuesday, 24th September 2024

Time: 09:30 A.M.

The 32nd Annual General Meeting will be held through Video Conferencing / Other Audio Visual Means.

Company Secretary

Mr. Harshavardhan Panigrahi

Statutory Auditors

M/s. M S K A & Associates

Secretarial Auditor

M/s. Jinesh Dedhia & Associates

Strengthening Global Footprint

Enabling a
Healthier
Future



Often hailed as the 'pharmacy of the world', the Indian pharmaceutical industry has remained at the forefront of remarkable transformation, continuously playing an integral role in driving healthcare advancements around the world. At Marksans, we realise the immense opportunity lying ahead of us.

Staying rooted to our commitment to enable a healthier future, we are leveraging our research and development to strategically expand our product portfolio, improve our manufacturing facilities, ensure supply chain efficiency and secure our presence in global markets.

With end-to-end capabilities ranging from lab scale development to pilot scale up and commercialisation of products for large scale manufacturing, we have developed a seamless and integrated approach for the entire product lifecycle. Banking on these strengths, we have spread our footprint far and wide, earning global recognition for our emphasis on excellence and innovation. It drives us to uncover myriad opportunities in a competitive pharma landscape and accelerate our growth journey.

About Us

Enabling a healthier future globally

We continue to be a deeply customer-centric company and our performance across global markets has always been driven by robust R&D infrastructure, high operating efficiencies, strong product pipeline, quick product launches and sustained gains in market share. Over the years, we have gained a strong foothold in highly regulated markets, specialising in OTC and prescription (Rx) drugs.

With over 300 products in our portfolio, we focus on OTC and prescription drugs with applications in Pain Management, Upper Respiratory, Digestives, CVS, CNS Oncology, Antidiabetic and Antibiotics. Leveraging our advanced manufacturing capabilities and stringent adherence to cGMP norms, we continue to deliver world-class products that abide by international regulatory standards.

Our integrated business model is supported by four manufacturing units in Goa, India, UK and USA, four R&D centres in Goa, Navi Mumbai, UK and USA and a strong talent pool. Our resolute focus on Quality Control (QC) and Quality Assurance (QA) has helped us carve out a niche for ourselves in the key markets where we operate. We have specialised production facilities for generic pharmaceutical formulations and our emphasis on Quality Control (QC) and Quality Assurance (QA) has enabled us to retain our competitive edge.



Our vision

To become a respected, profitable and integrated global pharmaceutical company.



Our focus

Our key focus areas are OTC and prescription drugs that have wide-ranging applications across Pain Management, Upper Respiratory, Digestives, CVS, CNS Oncology, Antidiabetic and Antibiotics, among others.



Core values

We are committed to delivering drugs that cater to the specific needs of our consumers.

Our quality-focused approach extends from research and development to manufacturing and customer service.

Customer-centric Approach

Commitment to Excellence

Global Responsibility

Empowering People

We are committed to sustainable practices and ethical business conduct.

We empower our employees through a culture of collaboration and innovation.



Core capabilities

Diverse product portfolio of tablets (plain, enteric-coated and film-coated), hard capsules, soft gelatin capsules, oral liquids and ointments

FDA, TGA, MHRA-approved facility with the largest manufacturing capacity of soft gelatin formulations in India

1,500 SKUs and 300+ products in portfolio

Exports to regulated markets of USA, UK, Europe, Australia and Canada

Strong R&D capabilities

Expanding manufacturing capability to produce 26 billion tablets and capsules per annum



Chairman's Message



Mark Saldanha
Chairman

“We embrace the confluence of innovation, operational excellence and strategic expansion as the driving force behind our success. We are well-positioned to harness favourable economic trends and drive sustainable growth in the years ahead.”



Building a unique platform

Dear Shareholders,

I am pleased to present your Company's annual report for FY24. As a trusted pharmaceutical company, we are dedicated to strengthening our global footprint, expanding our reach to diverse markets and playing a pivotal role in enabling a healthy future for all.

Developing advanced medicines, fostering strategic partnerships and investing in innovative technology continue to be our critical priorities. Our commitment to quality, accessibility and affordability has enabled us to make a meaningful impact on global health, positively impacting the lives of millions. The year under review has witnessed a series of significant achievements, marked by robust financial performance, strategic advancements and a persistent commitment to delivering value for all our stakeholders.

A resilient global landscape

The global economic landscape presents both opportunities and challenges. According to the International Monetary Fund (IMF), the world economy is poised for steady growth, with an estimated 3.2% growth throughout 2024 and 2025. This optimistic outlook is particularly encouraging for advanced economies, which are expected to experience a gradual acceleration in growth. This aligns well with our strategic expansion plans, which focus on establishing a stronger presence in established markets.

Although global inflation is expected to experience a steady decline, it is important to acknowledge the resilience of emerging markets and developing economies. This divergence underscores the significance of our strategic emphasis on diversified market presence, allowing us to adapt and thrive amidst potential economic variations across different regions.

With resolute confidence, we embrace the confluence of innovation, operational excellence and strategic expansion as the driving force behind our success. We are well-positioned to harness favourable economic trends and drive sustainable growth in the years ahead.

Focused on continued growth

Against a backdrop of cautious optimism in the global economic landscape, Marksans

is poised for growth at a steady pace. We achieved impressive results, surpassing our revenue and profitability targets with an impressive 18% year-on-year growth in operating revenue, reaching a record-breaking ₹2,177 crore. This success can be attributed to a combination of strategic factors, including increased sales volume across our product portfolio, successful new product launches, expanded market share in key regions and a strategic alignment with evolving market demands. Additionally, we witnessed a 35% year-on-year increase in EBITDA to ₹459 crore, driven by favourable raw material prices and successful cost-optimisation initiatives. Throughout the year, we remained committed to delivering value to shareholders, exceeding our initial revenue target of ₹2,000 crore. We are confident that our investments in infrastructure, product diversification and customer relationships will generate sustainable long-term value and drive future growth.

Delivering operational excellence and strategic expansion

Marksans' success is rooted in its firm commitment to operational excellence and strategic expansion. We are successfully capturing the vast potential of the multi-billion-dollar over-the-counter (OTC) market, achieving a commendable Compound Annual Growth Rate (CAGR) of 17% over the past seven years. Our dominance in the OTC segment is largely attributed to our expertise in manufacturing and supplying high-quality store brands for key retailers, cementing our position as a preferred cost-effective and reliable store brand and to further enhance margin development.

Despite navigating the challenges posed by the Red Sea crisis, which has led to increased expenditure, we have proactively addressed supply-chain disruptions by taking steps to strategise our route and optimise our delivery time. We have bolstered our operational capacity by welcoming 200 new employees to our plant as part of our capacity expansion plan. This investment in our infrastructure and workforce has enabled us to reinforce our position as a market leader, driven by our operational excellence and ability to thrive in the face of adversity.

The Tevapharm acquisition: A catalyst for future growth

The acquisition of Tevapharm's Goa manufacturing facility is a significant milestone in our growth journey. This strategically located facility projects a scalable capacity, poised to double our existing Indian production capabilities. This

futuristic facility is equipped to manufacture a diverse range of products, including tablets, ointments, liquids and creams. With this acquisition, we have bolstered our position as a significant global pharmaceutical player, enhancing our production capacity and strengthening our ability to meet the evolving needs of our customers.

Our strong foundation and future strategy

At Marksans, our customer-centric approach is the driving force behind our consistent growth. We prioritise the needs of both our existing and new customers, ensuring that all our pursuits are aligned in their favour. We undertake a market-driven approach, strategically tailoring our product portfolio and marketing efforts to meet evolving market trends and customer demands. Our diversified product portfolio spanning various therapeutic segments, enables us to efficiently mitigate risk and capitalise on growth opportunities in different markets. Our commitment to cost optimisation ensures efficient operations and strong profitability margins, further solidifying our leading position in the pharmaceutical industry.

To maintain our competitive edge and achieve long-term success, we are focused on the following key strategies-

Strengthening the OTC Business:

We aspire to become a major player in the multi-billion-dollar OTC market. We remain focused on expanding our product offerings in key therapeutic segments like pain management, upper respiratory and gastrointestinal.

Forward Integration and Acquisitions:

We are committed to forward integration initiatives to further enhance our profit margins and secure reliable front end distribution capabilities and infrastructure. Calibrated inorganic growth through targeted acquisitions remains our top priority. Our strategic focus remains on acquiring established marketing and distribution companies in growing markets and the EU to bolster our market access and distribution capabilities. Our strong balance sheet allows us to pursue these strategic acquisitions and accelerate our growth trajectory.

Continued Product Innovation:

We will continue to invest heavily in R&D to develop a robust pipeline of innovative products that cater to unmet medical needs and address evolving market trends. Our perseverance in innovation is anticipated to maintain a competitive edge and generate

sustainable long-term growth. With a strong R&D pipeline of over 76 products, we are well-positioned to drive innovation and growth in the pharmaceutical industry.

Committed to the community

At Marksans, our commitment to social responsibility extends far beyond our core business activities. Our robust Corporate Social Responsibility (CSR) policy outlines our obligation to give back to the communities we serve. This policy is built on several key pillars including ensuring access to quality healthcare services and pharmaceutical products for underserved communities, empowering individuals through education and skill-building initiatives, minimising our environmental footprint, fostering a positive and inclusive work environment, and establishing open communication with stakeholders. By adhering to this CSR policy, Marksans Pharma strives to make a positive and sustainable contribution to society, while ensuring the long-term success of our business. We believe that strong corporate citizenship goes hand in hand with strong financial performance, and we are dedicated to upholding the highest ethical standards in all our endeavours.

A future filled with optimism

Marksans has had a remarkable FY24, achieving numerous significant milestones and achievements across various segments of our business. Our strong financial performance, strategic advancements and commitment to adding value to our stakeholders have positioned us for continued success. We are confident that our strong foundation, combined with our strategic vision and adherence to excellence, will propel us to even greater heights in the years to come.

We are grateful for your continued support.

Regards,

Mark Saldanha
Chairman

Q&A with CFO



Focusing on strategic scale, pursuing opportunities



Mr. Jitendra Sharma
Group Chief Financial Officer

Q: How would you analyse the Company's overall performance during FY2023-24?

A: The year gone by has been a landmark year for Marksans, characterised by substantial growth in revenue and operational excellence. We achieved record revenue of INR 2,177 crores, representing a 17.6% year-on-year increase. Our EBITDA also saw a remarkable rise of 35.1%, reaching INR 458.6 crores. This growth was largely driven by increased volumes, successful product launches and an enhanced wallet share from both existing and new customers. Our ability to surpass our revenue target of INR 2,000 crores and maintain an EBITDA margin of 21.1% reflects our robust performance across our core markets.

Q: Can you share more insight into our performance, particularly in the U.S. and U.K.?

A: I am happy to share that our business in the U.S. and North America saw 18.5% year-on-year growth, reaching INR 918 crores.

In the U.S., we navigated moderate pricing pressure on our Rx products, which was well-managed through strategic pricing and cost-control measures. We remain quite optimistic about our future performance, both in the US and North America.

In the U.K., we continued to fortify our position as a leading Indian pharmaceutical company, achieving significant growth and aiming to sustain this momentum over the medium to long term. Additionally, the U.K. and EU formulation market experienced a significant boost, growing by 22.9% to INR 943 crores. Our ability to excel in these competitive markets demonstrates our ability to pursue strategic opportunities and operational efficiency.

Apart from our core markets Australian and New Zealand formulation markets recorded revenue of INR 218.8 crores, a 4.4% year-on-year growth.

Q: Could you share your thoughts on the cost structure and investments made during the year?

A: We faced significant challenges during the year, which included a notable increase in transit times and freight rates due to the Red Sea crisis. The adversity had a direct impact on our cost structure.

On the investment side, I must mention the fact that the expansion of our acquired Tevapharm unit has led to increased expenses related to the hiring of over 200 new employees. This strategic investment is crucial for scaling operations and enhancing the unit's utilisation.

During this, we incurred a capital expenditure of INR 208 crores. This included the INR 125 crore invested in the acquired Tevapharm facility, INR 30 crore in our existing Goa facility, INR 31 crore in our U.S. facility, and INR 22 crore in our U.K. manufacturing facilities. Additionally, we invested INR 34.6 crores in research and development, representing 1.6% of our sales. This investment is pivotal for driving innovation and maintaining our competitive edge in the pharmaceutical industry.

Q: What steps are being taken to mitigate supply chain disruptions and manage inventory levels?

A: In response to recent supply chain disruptions, we have strategically increased our inventory levels of finished products and

key raw materials in our U.S. warehouses. This proactive measure is designed to mitigate the risk of supply shortages and production delays, ensuring we can meet our weekly order commitments. Although this has led to an increase in our stock reserves, it is a prudent step to safeguard against supply chain uncertainties and maintain operational continuity.

Q: What are the major accomplishments and milestones achieved during FY '24?

A: FY '24 has been marked by several significant milestones. We exceeded our revenue projection and also secured key approvals from the USFDA and market authorizations from UK MHRA for products in pain management, upper respiratory and other therapeutic segments. Additionally, our expansion and scalability efforts for the Tevapharm unit are progressing as planned, with expected meaningful revenue contributions in FY '25. These accomplishments reflect our strong operational execution and strategic foresight.

Q: How is the Company planning to address future expansion and growth aspirations?

A: Looking ahead, we are committed to increasing our market share, entering new markets, and strengthening our pipeline of products. Our emphasis on operational efficiency and capacity expansion will

be key to sustaining robust growth and delivering shareholder value. We have also strategically divided our capital expenditure into 3 phases.

As we are focusing on scaling up, we are expecting a strong revenue generation in the medium term. By the end of the current fiscal year (FY25), we are planning to further increase our production capacity, and this step would facilitate additional value accretion in the coming years.

Q: Any specific message you wish to convey to shareholders?

A: In conclusion, I must emphasise that we are poised for sustained growth and expansion, leveraging the potential in both the OTC and Rx markets. Enhanced capacity utilisation, moderation in raw material prices and favourable product mix will continue to drive our gross margins, going forward. We will continue to drive innovation, gain market share and deliver value to all stakeholders in the coming years.



Enhanced capacity utilisation, moderation in raw material prices and favourable product mix will continue to drive our gross margins, going forward.





USA

Manufacturing Facility in Farmingdale, USA

- Manufactures tablets and capsules
- Spread over an area of 7000 square metre
- 'Made in the USA' product offering
- Added incremental packaging lines

Accreditations

USFDA

Capacity

6 bn

tablets and hard capsules per annum



India

Manufacturing facility in Goa

- Manufactures Capsules (soft gelatine & hard gelatine) and Tablets
- One of the biggest manufacturing facilities for soft gels in India
- Fully-automated unit spread over 18,000 square metre area
- Generic pharmaceuticals manufactured from this facility are exported to different parts of the world

Capacity

2.4 bn

softgel and hard gelatin capsules per annum

6 bn

solid tablets per annum

Accreditations

USFDA, MHRA, TGA (Therapeutic Goods Administration)



UK

Manufacturing Facility in Southport, UK

- Manufactures non-sterile liquids, ointments and powder sachets
- Supplies to UK, West Africa and Middle East
- Spread across 7,300 square metre

Accreditations

MHRA (Medicines and Healthcare products Regulatory Agency)

Capacity

2 bn

bottles per annum

1 bn

tubes per annum

1 bn

sachets per annum



Goa

Manufacturing facility in Goa – acquired from Tevapharm

- Manufacturing site spread across 47,597 square metre
- Plans to manufacture tablets, ointments liquids and creams

Capacity

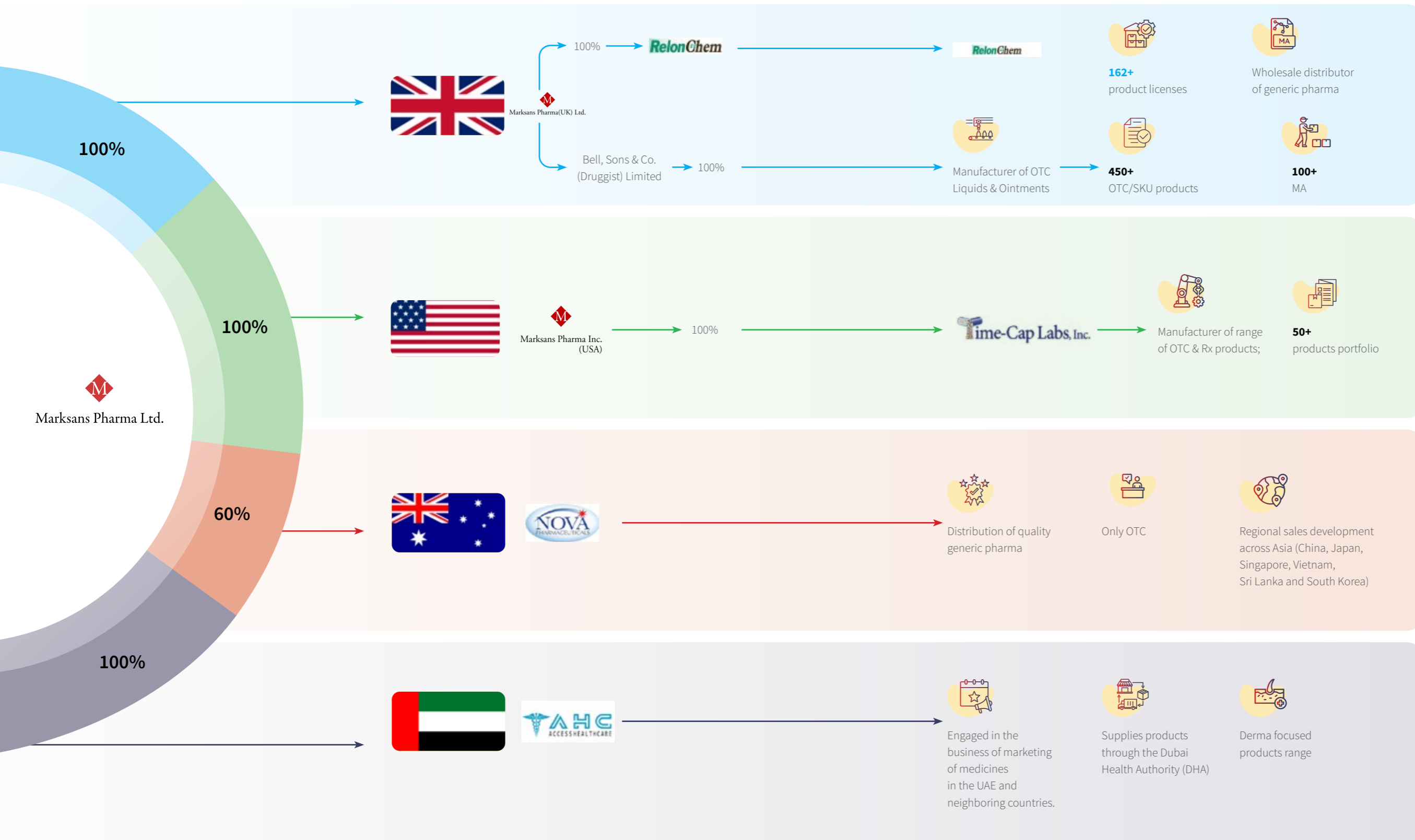
Scalable capacity with an aim to double the existing capacity to 8 bn units per annum

Accreditations

Health Canada, European Medicines Agency, PMDA (Pharmaceuticals and Medical Devices Agency)



Business Structure (Key Brands)



Addressing key therapeutic segments

Consumer Self-Care Products - OTC

- Pain Management
- Upper Respiratory
- Digestive Health
- VMS (Vitamins Minerals and Supplements)
- Skin Care Product

Prescription - Rx Therapeutic Segments

- Cardiovascular System (CVS)
- Central Nervous System (CNS)
- Oncology
- Anti-Diabetics
- Anti Biotic

Growth metrics

Delivering value with a high-performance culture

Revenue from operations (Rs. in million)

21,774.07

FY 19-20	11,342.09
FY 20-21	13,761.82
FY 21-22	14,908.39
FY 22-23	18,521
FY 23-24	21,774.07

Geography-wise revenue pie

Europe and the UK (Rs. in million)

9,430

FY 21-22	6,091
FY 22-23	7,676
FY 23-24	9,430

The US and North America (Rs. in million)

9,181

FY 21-22	6,351
FY 22-23	7,746
FY 23-24	9,181

Australia and New Zealand (Rs. in million)

2,188

FY 21-22	1,798
FY 22-23	2,095
FY 23-24	2,188

Rest of the world (Rs. in million)

974

FY 21-22	669
FY 22-23	1,004
FY 23-24	974

Revenue by delivery system (Rs. in million)

OTC

16,130

FY 21-22	10,223
FY 22-23	13,784
FY 23-24	16,130

RX

5,664

FY 21-22	4,686
FY 22-23	4,738
FY 23-24	5,664

Revenue by therapeutic segment

Pain management (Rs. in million)

9,248

FY 21-22	7,628
FY 22-23	8,153
FY 23-24	9,248

Anti-diabetic (Rs. in million)

435

FY 21-22	891
FY 22-23	306
FY 23-24	435

Upper respiratory (Rs. in million)

3,158

FY 21-22	1,696
FY 22-23	2,601
FY 23-24	3,158

Gastrointestinal (Rs. in million)

1,892

FY 21-22	988
FY 22-23	1,577
FY 23-24	1,892

Central Nervous System (CNS) (Rs. in million)

1,807

FY 21-22	543
FY 22-23	1,508
FY 23-24	1,807

Cardiovascular System (CVS) (Rs. in million)

2,384

FY 21-22	1,265
FY 22-23	1,702
FY 23-24	2,384

Anti-Infective (Rs. in million)

449

FY 21-22	250
FY 22-23	367
FY 23-24	449

Anti- Allergic (Rs. in million)

1,378

FY 21-22	838
FY 22-23	1,016
FY 23-24	1,378

Anticancer (Rs. in million)

59

FY 21-22	141
FY 22-23	88
FY 23-24	59

Anti-hair fall (Rs. in million)

126

FY 21-22	70
FY 22-23	141
FY 23-24	126

Vitamin & Minerals Supplement (VMS) (Rs. in million)

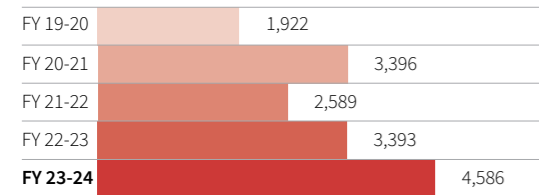
839

FY 21-22	598
FY 22-23	1,064
FY 23-24	839

Financial measurement and key financial ratios

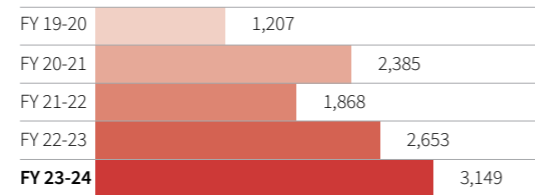
EBITDA (Rs. in million)

4,586



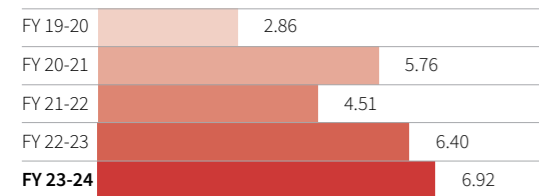
PAT (Rs. in million)

3,149



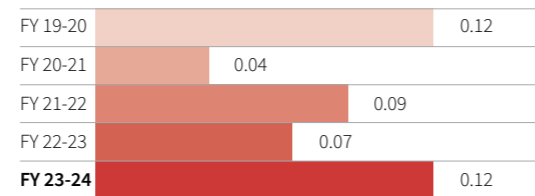
EPS

6.92



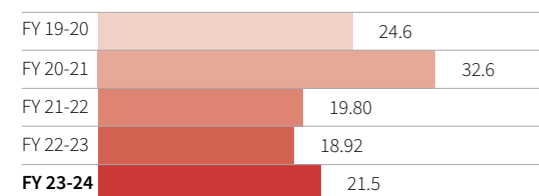
Debt-Equity ratio

0.12



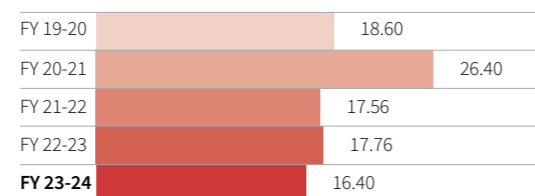
RoCE (In %)

21.5



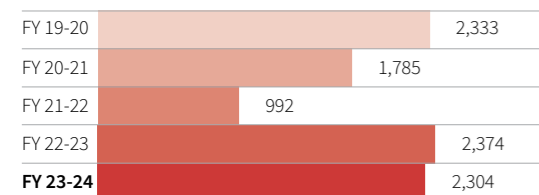
RoE (In %)

16.40



Cash from Operations (Rs. in million)

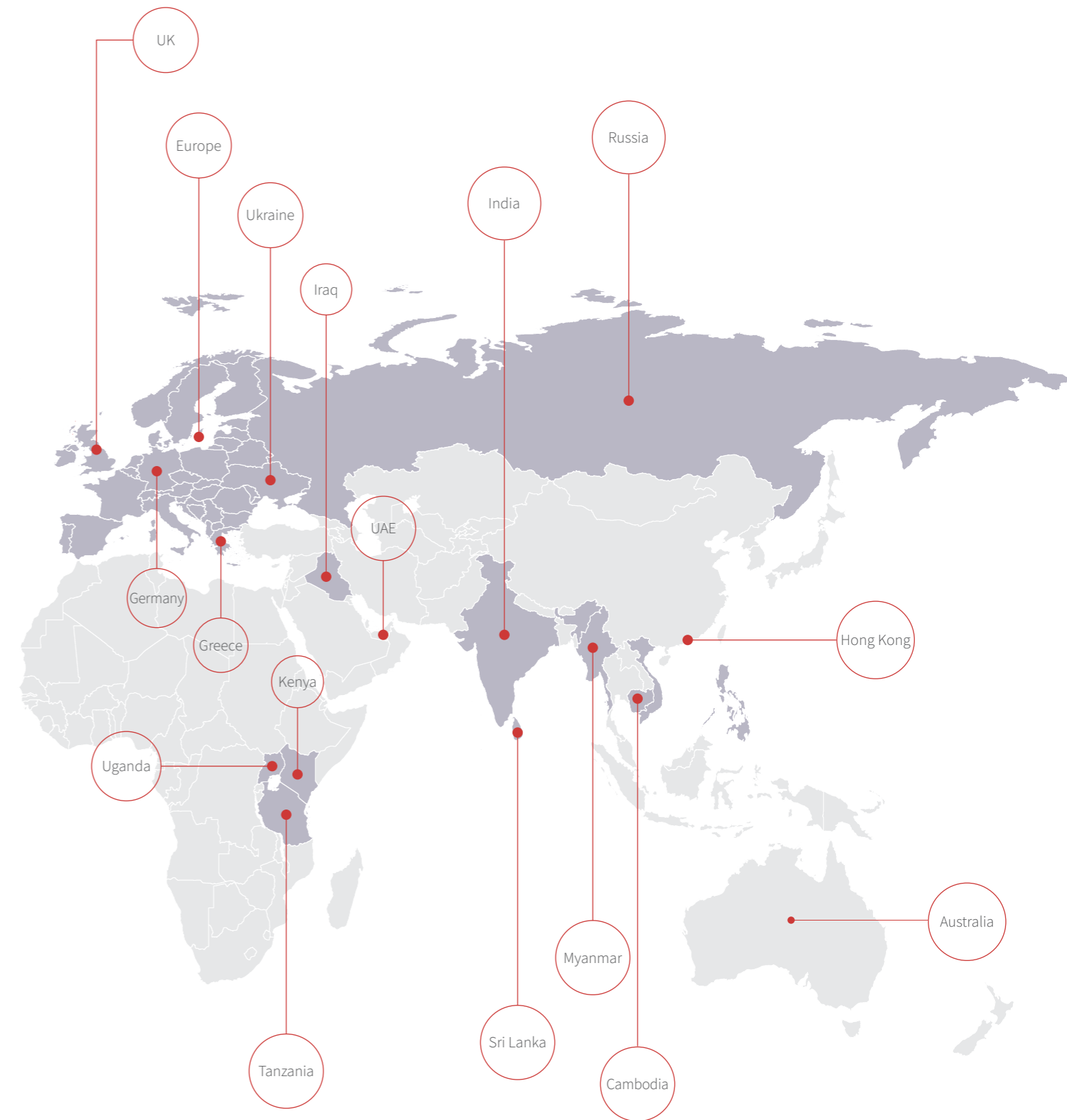
2,304



Global presence

Enabling a healthier future across geographies

Over the years, we have expanded our market presence to over 50 countries. We have built a strong footprint in regulated markets and forayed into Pharma emerging countries as well.



Overview of our key markets

India



We have established world-class formulation manufacturing facilities in India, in the UK and in USA. The state-of-the-art manufacturing facilities in Goa, India spans over 43,325 sq. m. and is equipped with advanced infrastructure, automated manufacturing and packaging lines and cutting-edge product innovation and formulation development processes to meet global regulatory requirements.

Product Development and Pipeline

Our Company has a robust R&D infrastructure, including dedicated R&D centres in Goa and Navi Mumbai, India.

Our product portfolio comprises 300+ registered products, across various therapeutic areas including pain management, upper respiratory cardiovascular, central nervous system, anti-diabetic and gastrointestinal drugs.

Outlook

With a strong manufacturing base, diverse product portfolio and focus on regulated markets, we are poised to grow. Our forward integration capabilities, along with a strong R&D focus is anticipated to sharpen our competitive edge and maintain a steady pipeline of new and innovative products.

Europe and the UK



In the UK, we operate through two subsidiaries, Bell, Sons & Co. (Druggists) Limited and Relonchem Limited. It has strengthened our foothold in the European market and has established our position as one of the top five Indian companies in the UK.

Our subsidiaries

Bell's Healthcare (OTC Portfolio)

- ▶ Specialises in own label products, supplying to supermarkets, high street retailers, pharmacy chains and wholesalers.
- ▶ Offers a diverse range of products including analgesics, upper respiratory remedies, pain relief medications, gastrointestinal treatments, ear care and skincare products.

Relonchem (High-end Rx portfolio)

- ▶ Holds over 160 product licences and supplies own label healthcare pharmaceuticals.
- ▶ Provides a broad range of pharmaceutical products across therapeutic areas including anti-diabetic, CNS disorders, anticancer, anti-ulcerative, allergy treatments, antiviral medications and pain relief.

Market Presence

- ▶ Collaborates with major retailers in the UK such as AAH, Lloyds, NHS, TESCO, ASDA, Morrisons and Coop, Boots-Almus among others to market its products.
- ▶ Presence across supermarkets, pharmacy chains, high street retailers and wholesalers.

Product Development Outlook

- ▶ We plan to initiate [34] new filings over the next three years.
- ▶ Currently, [16] products are awaiting approval, indicating our emphasis on the steady growth of our product portfolio.

Outlook

Leveraging our strong product portfolio, strategic partnerships with retailers and commitment to innovation, we look forward to solidify our position as a leading player in the pharmaceutical market of Europe and UK.

United States



In the United States, we manufacture solid dose generic pharmaceutical products and sell finished products in fully packed quantities through our subsidiary, Time Cap Laboratories Inc. (TCL).

TCL specialises in manufacturing delayed and sustained release dosages. It also produces a wide range of solid oral dosage forms including Tablets, Hard Gelatin Capsules. An extensive range of OTC formulations including analgesics, dietary supplements, upper respiratory medications and prescription drugs are also manufactured by TCL.

Manufacturing Excellence

- ▶ TCL's manufacturing facility is Good Manufacturing Practices (GMP) certified, ensuring stringent regulatory compliance and global quality standards.
- ▶ Specialises in high-quality products catering to both OTC and Rx markets across therapeutic categories including pain management, upper respiratory, gastro-intestinal, anti-diabetic, cardiac and CNS.

Market Presence

- ▶ Sells products through large wholesalers and pharmacies in the US.
- ▶ Major retailers such as Walmart, Walgreens, CVS, Dollor General, Target and Kroger are some of its major clients in the retail market.

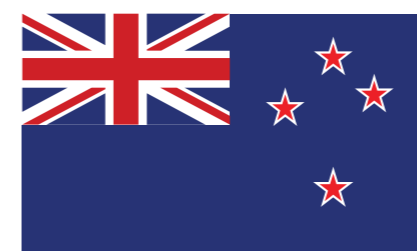
Product Development and Pipeline

It currently has 32 products in the pipeline, comprising 20 oral solids & softgels and 12 ointments, creams & liquids.

Outlook

With a robust pipeline of products, commitment to quality and increased investment in R&D, Time Cap Labs, Inc. is well-positioned for growth in the US pharmaceutical market.

Australia and New Zealand



We have established a strong presence in the pharmaceutical markets of Australia and New Zealand. These markets collectively contribute to the 3rd largest share of the Company's overall revenue mix.

Partnerships and Distribution

- ▶ We have partnered with Australia's largest retailers and pharmacies to expand our distribution network.
- ▶ Nova also supplies its products to major pharmacies in Australia, enhancing the Company's reach and market penetration.

Partnerships and Distribution

- ▶ Australia, New Zealand, and the Rest of the World (RoW) collectively contribute approximately 12% of our total revenue.
- ▶ This highlights the significance of the Australia and New Zealand markets in the Company's overall financial performance.

Product Pipeline

Marksans has 10 products in the pipeline, to be launched over the next two years in Australia and New Zealand.

Outlook

We aim to further strengthen our position in Australia and New Zealand with an emphasis on product development and enhancing our reach.

Rest of the world



We have expanded our geographical footprint to South East Asia, the Middle East, Africa and CIS countries. The RoW segment encompasses 10 countries, spanning the CIS and MENA regions.

Market Presence

- ▶ The RoW markets are strategically important for us, as they represent a significant portion of our global business operations.
- ▶ Currently, we have 124 products approved for sale in RoW markets.

Regulatory Status

120 products are awaiting approval in RoW markets, demonstrating our ongoing efforts to expand our product portfolio and market reach. Additionally, we have 108 products in the pipeline for future launch.

Outlook

The RoW segment presents promising opportunities for revenue growth and market expansion and we remain committed to capitalise on these opportunities through strategic partnerships and product development initiatives.

Business Model

Reaffirming our commitment to a healthier future



Financial Capital
 Net Worth - ₹20,859.06 mn
 Total Capital Employed - 20,213.56
 Net Capex after Acquisition - ₹7,853.52 mn

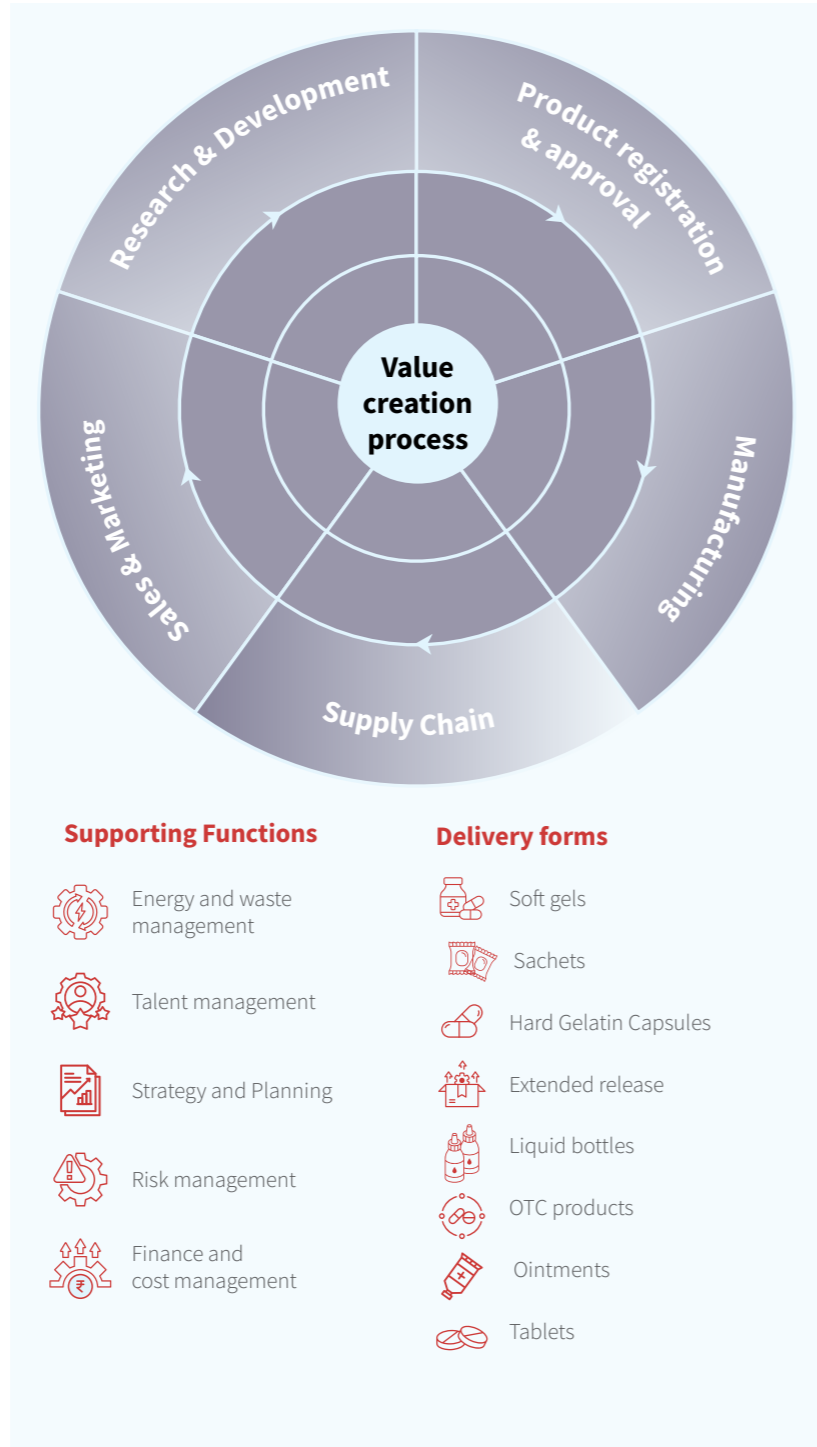
Manufactured Capital
 Manufacturing Units - 4
 Formulation Capacity - 26 bn

Intellectual Capital
 Scientists - 50+
 R&D Expenditure - 346.08
 R&D centres - 4

Human Capital
 No. of Employees - 2000+

Social and Relationship Capital
 CSR Spend - ₹29.45 mn

Natural Capital
 Energy Consumed - 82308912.12 MJ
 Water Withdrawal - 78387.66 KL



Financial Capital
 Revenue - ₹21,774.07 mn
 EBITDA - ₹4,586 mn
 PAT - ₹3,148.95 mn
 Dividend payout ratio - 16.94%
 ROE - 16.4%

Manufactured Capital
India

- 2.4 bn soft gel and hard gelatin capsules produced per annum
- 6 bn oral solid tablets produced per annum

UK

- 1 bn tubes produced per annum
- 1 bn sachets produced per annum
- 2 bn bottles produced per annum

US

- 6 bn tablets and hard capsules produced per annum

Intellectual Capital

- Products in pipeline - 76
- Filed ANDAs/MAs - 25+
- Approved ANDAs/ MAs - 300
- Dossiers filled - 350+

Human Capital

- Diversity ratio - 14.31
- Attrition rate - 15%
- Complaints on Discrimination - 0
- Employment (Sexual Harassment Complaints) - 0
- Fatalities and accidents - 0

Social and Relationship Capital

- CSR Investment - ₹29.45 mn
- Number of CSR projects conducted - 10

Natural Capital

- Waste Recycled - 15.199 TN
- Share of Renewable Energy in Total Energy Mix - 0

Financial Capital
 Maximising shareholder value
 Strong balance sheet
 Continuous growth

Manufactured Capital
 Delivering quality products and services
 Achieving operational excellence
 Improved capacity utilisation

Intellectual Capital
 Employees, Government and regulatory bodies, Suppliers, Healthcare professionals, Patients, Communities

Human Capital
 Employees

Social and Relationship Capital
 Communities, Shareholders and investors, Channel Partners, Government and regulatory bodies, Suppliers, Patients

Natural Capital
 Employees, Shareholders and Investors, Government, regulatory bodies and Communities

Financial Capital
 Channel Partners, Shareholders and Investors, Employees, Suppliers and Business partners, Government and regulatory bodies
 Market Capitalisation of ₹8,5000 mn as on 13th August, 2024.

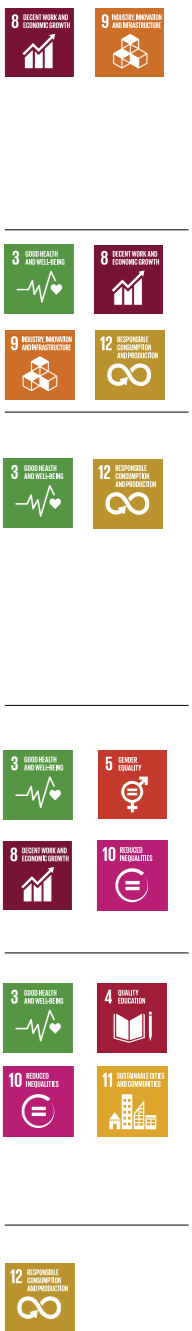
Manufactured Capital
 Channel Partners, Government and regulatory bodies, Suppliers and Business partners, Patients

Intellectual Capital
 Consistent investment in R&D to deliver improved products and ensure adherence to quality standards
 Adoption of advanced technology

Human Capital
 Building a safe and inclusive workplace.
 Creating an engaged, diverse and future-ready workforce

Social and Relationship Capital
 Upliftment of women and children through various welfare initiatives
 Focused on improving healthcare facilities for the underprivileged

Natural Capital
 Operational excellence with resource conservation



Research and Development

Achieving breakthroughs to deliver specific therapies

At Marksans, we understand the need to address specific healthcare needs with advanced formulations spanning different therapeutic areas. From offering over-the-counter (OTC) to prescription drugs, we continue to expand our product portfolio with relentless research and development initiatives. Our R&D team experiments with new areas of drug development to introduce novel solutions to treat existing healthcare needs.

Our consistent investment in R&D has enabled the delivery of superior quality products that adhere to stringent regulatory norms. Along with a focus on ensuring affordability, we maintain a strong emphasis on Quality Control and Quality Assurance procedures.

Currently, we have over 50 products in our portfolio for US markets with more than 100 products sold in the UK under the Bells

Healthcare brand. We also sell over 160 products under our Relonchem brand in the UK and have created more than 50 products for the Australian market.

While we continue to focus on all our product lines, we have increased attention towards the development of soft gel formulations and different delivery systems such as extended-release formulations, liquid formulations, ointments and over-the-counter products.

We are ranked among the top five Indian pharmaceutical companies in the UK

Our Focus

As a leading integrated, global pharmaceutical company, we prioritise our R&D efforts. Our R&D initiatives focus on the following areas of operation:

- Development of soft gels and different delivery systems including extended release and liquid products. It also extends to the development of OTC products and ointments.
- Development of OTC products for pain management, upper respiratory, digestive, vitamins, supplements.
- Prescription medications for cardiovascular diseases, central nervous system disorders and diabetes.

Our resolute focus on R&D has enabled us to create a differentiated position in various regulated markets.

4

R&D centres in Goa, Navi Mumbai, UK and USA

50+

Scientists

70+

Products in Pipeline

350+

Dossiers filed

300

Approved ANDAs/MAs

25+

Filed ANDAs/MAs

Our Strengths

- 2 facilities in Goa and 1 each in the UK and USA are accredited by USFDA, MHRA, Australian Government (Department of Health) and TGA.
- A highly skilled team of 50+ scientists.
- Ability to formulate and market drugs in the shortest possible lead time.

Maintaining a healthy product pipeline



During FY 2024, we have ensured a strong product pipeline through our dedicated R&D efforts which resulted in a number of successful launches

UK

- Plan to introduce 34 new filings over the next three years
- 16 products are awaiting approval



USA

- 32 products in the pipeline
 - 20 oral solids & softgels
 - 12 ointments, creams and liquids



Australia and New Zealand

- 10 products in the pipeline and expected to be launched over the next two years

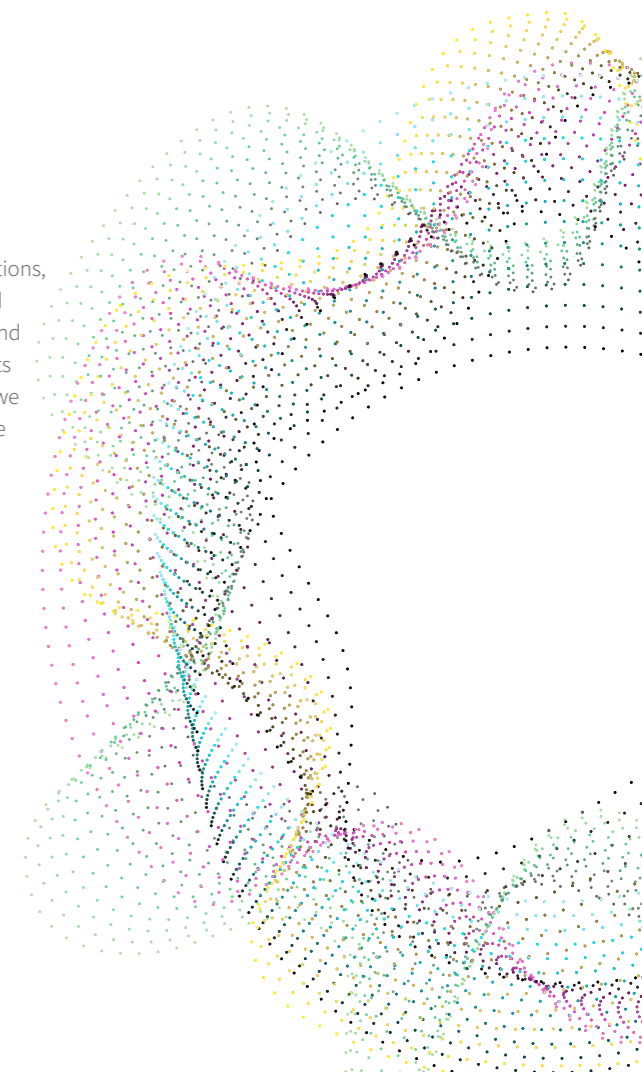


Rest of the World

- 124 products approved
- 120 products awaiting approval
- 108 products in the Pipeline

Contract Research and Collaboration

Our R&D team pursues meaningful collaborations with academic institutions, hospitals and other research-focused organisations. Leveraging the skills and expertise of our experienced scientists and our cutting-edge infrastructure, we continue to unlock more value for the pharmaceutical value chain.



Risk Management

Enhancing resilience with strategic risk mitigation

Our risk management and mitigation framework is designed to drive strategic decision-making. Our risk management framework comprises prudent risk identification, assessment and mitigation to protect our business model from external threat and internal inefficiencies, which may cause adverse material impact in our growth strategy and value creation.




Risk identification and management process



Risk identified	Risks Description	Risk Mitigation Measure	Material Issues Impacted
Strategic risk			<ul style="list-style-type: none"> ▶ Governance ▶ Ethics ▶ People retention ▶ Data privacy & Technology ▶ Environment <p>(*All the material issues are interlinked to the risks. To be referred to BRSR for more information)</p>
Economic Risk 	Political and social instability can cause disturbances in the operating environment, affecting the organisation growth prospects.	Our extensive presence in more than 50 countries lowers our exposure to economic uncertainty and ensures steady revenue generation from different regions.	
Competition Risk 	Pharma companies face intense competition from market players. It may directly threaten our market share and business operations.	Our R&D team continues to be a critical growth driver, producing innovative medications in key therapeutic areas and keeping us ahead of the curve. Our on-the-ground marketing staff analyses and evaluates emerging trends in major markets, detects critical patent expirations and collaborates closely with the R&D team to expand our product portfolio and strengthen our competitive advantage.	
Financial Risk			
Liquidity Risk 	Maintaining profitability and retaining a healthy balance sheet may be a challenge in the event of rising input costs.	With strong financial controls in place, we ensure operational efficiency. We have also forged long-term supplier contracts and focus on improving our working capital cycle to improve key financial ratios.	
Operational risk			
Human Resource Risk 	Business prospects may be affected due to lack of talented human resources.	We believe in incorporating a transparent and growth focused human resource policy that recognises and rewards talent. Along with provision for training and development, we continue to undertake employee well-being initiatives that are designed to attract and retain people. It has significantly reduced our attrition rates.	
Supply Chain Risk 	Disruptions in the supply chain may affect the procurement of raw material, disrupt export orders and significantly impact business operations.	Our manufacturing facilities in India and other countries help to ensure uninterrupted business operations. Besides, we have developed a strong supplier network that helps us to ensure business continuity despite disruptions in the supply chain.	
Environment, Health And Safety Risks 	In an evolving business environment, risks associated with climate change, employee health and safety may have a significant impact on business operations.	We ensure compliance with international manufacturing and regulatory standards. We also undertake steps to minimise our carbon footprint, reduce energy and water usage through concerted efforts.	
Technology Risk 	Failure to implement cutting-edge technologies into our operations might have a negative impact on our operations. It might affect efficiency, output and new drug development.	Our cutting-edge manufacturing facilities and extensive research and development capabilities demonstrate our commitment to adopt advanced technology. Moreover, to meet evolving industry requirements, we remain aligned to new technological advancements in the pharma space. It enables us to retain our competitive edge and reaffirms our commitment to innovation.	
Regulatory Risk			
Compliance risk 	Inability to adhere to regulatory norms and international quality standards for drug development may result in fines or other financial implications which might affect business profitability.	We use quality management systems to ensure adherence of our products with the highest standards of quality. All of our manufacturing units are also certified in accordance with regulatory norms and adhere to the many rules and regulations provided by regulatory entities in our business thereby decreasing our exposure to compliance risks.	

Stakeholder Engagement

Nurturing stronger relationships to create enduring value

Stakeholders	Importance	Stakeholder expectations	Mode of engagement	Stakeholders	Importance	Stakeholder expectations	Mode of engagement
 <p>Customers</p>	<p>Primary beneficiaries of our products and services.</p> <p>Central to our mission of enhancing healthcare accessibility and efficacy.</p>	<p>Quality products that improve health outcomes.</p> <p>Accessibility and affordability of medications.</p> <p>Clear communication about product benefits and usage.</p> <p>Safety and efficacy of medications ensured.</p>	<p>Company website</p>	 <p>Healthcare professionals</p>	<p>Enables us to identify and understand imminent healthcare needs.</p>	<p>Evidence-based information about products.</p> <p>Collaborative relationship to ensure patient care.</p> <p>Access to educational resources.</p>	<p>Visits by sales personnel</p>
 <p>Channel Partners</p>	<p>Vital for the efficient distribution and accessibility of our products.</p>	<p>Reliable supply chain management.</p> <p>Timely delivery of products.</p> <p>Transparent communication and collaboration.</p> <p>Support in marketing and sales efforts.</p>	<p>Market visits</p> <p>Meetings</p>	 <p>Communities</p>	<p>Integral part of our business environment and an essential stakeholder in our value chain.</p>	<p>Corporate social responsibility initiatives.</p> <p>Contribution to community health and well-being.</p> <p>Environmental sustainability efforts.</p> <p>Engagement in local development projects.</p>	<p>CSR initiatives</p>
 <p>Suppliers</p>	<p>Provide essential raw materials and supplementary finished products.</p>	<p>Consistent demand forecasting.</p> <p>Fair and timely payments.</p> <p>Quality assurance and compliance.</p> <p>Long-term partnership and collaboration.</p>	<p>Supplier visits</p> <p>Supplier audits</p> <p>Grievance redressal mechanisms</p> <p>Supplier engagement on compliance and QMS</p>	 <p>Shareholders and Investors</p>	<p>Ensure business continuity and growth by providing the required financial resources.</p>	<p>Strong financial performance.</p> <p>Transparency in reporting.</p> <p>Value creation and shareholder returns.</p> <p>Long-term strategic vision.</p>	<p>Annual General meeting</p> <p>Annual report</p> <p>Quarterly results</p> <p>Investor presentations</p> <p>Quarterly conference calls</p>
 <p>Government and regulatory authorities</p>	<p>Dialogues with regulatory bodies and government authorities regarding policies that impact our business and long-term goals.</p>	<p>Compliance with regulations and quality parameters.</p> <p>Participation in policy discussions.</p> <p>Transparency in operations.</p> <p>Contribution to public health initiatives.</p>	<p>Written communication</p> <p>Meetings</p>	 <p>Employees</p>	<p>Essential for operational efficiency and productivity.</p>	<p>Fair compensation and benefits.</p> <p>Safe and supportive work environment.</p> <p>Opportunities for career growth and development.</p> <p>Recognition and appreciation for performance.</p>	<p>Town Halls</p> <p>Grievance mechanism</p> <p>Manager connects</p>

Embedding sustainability at the heart of our operations

At Marksans, we are deeply committed to integrating environmental, social and governance (ESG) principles into our operations, translating them into concrete actions for shaping a sustainable future.

Our unwavering dedication to upholding the highest ESG standards permeates every aspect of our business. By incorporating energy-efficient technologies and implementing robust recycling and waste reduction initiatives, we strive to minimise our environmental footprint. Our strong commitment to ethical behaviour is evident

in the establishment and adherence to comprehensive policies and procedures that ensure integrity and transparency across all our operations.

Recognising the critical importance of responsible supply chain management, we engage closely with our suppliers

to promote ethical and sustainable practices. Sustainability is at the heart of our business strategy, demonstrated by our alignment with the United Nations Sustainable Development Goals (UN SDGs) and our pursuit of accomplishing sustainability objectives.

Drawing a connection with SDGs

<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>Incorporating energy-efficient technologies into operations to promote access to affordable, reliable and sustainable sources of energy.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>Initiatives focused on recycling, waste reduction and responsible supply chain management contribute to sustainable consumption and production patterns.</p>
<p>13 CLIMATE ACTION</p>  <p>Minimising environmental footprint through energy-efficient technologies and waste reduction initiatives help to mitigate the impact of climate change.</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Engagement with suppliers to promote ethical and sustainable practices demonstrate a commitment to building lasting partnerships for the achievement of sustainable development goals</p>



Environment

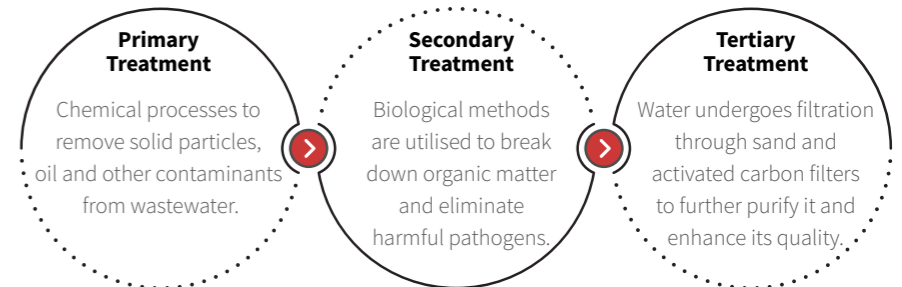
At Marksans, our primary focus lies in optimising resource utilisation to mitigate waste generation. We continuously monitor and assess our energy usage, with an emphasis on energy conservation. As a responsible corporate entity, we are committed to protecting the environment and maintaining ecological balance. Our ESG initiatives are aligned with our commitment to environmental sustainability and resource management.



Water management

At Marksans, we prioritise water management and have implemented effective measures to reduce water consumption. Our water treatment process undergoes thorough analysis by an authorised agency to ensure proper execution and compliance with acceptable norms. This ensures efficient processing and recycling of all wastewater, preventing any liquid waste discharge into the environment.

We deploy a three-step water treatment process consisting of primary, secondary and tertiary stages.



We reuse treated water within our operations to minimise overall water usage. Additionally, we have implemented various initiatives to reduce our dependence on freshwater resources.

Waste management

At Marksans, we are committed to waste management and strive to reduce operational waste through dedicated effort. Additionally, we encourage our people to adopt eco-friendly practices and create awareness about environmental stewardship. We also strive to ensure proper disposal or treatment of hazardous waste generated during our manufacturing processes.

To improve our waste management practice, we work with authorised waste disposal facilities to ensure its proper treatment, storage and disposal. Besides, we are pursuing recycling efforts to minimise waste generation at our facilities.



Social

We believe in shared value creation and lay emphasis on the well-being of communities. In line with this commitment, we contribute to the socioeconomic growth of society, aiming for a more equitable and sustainable way of life for marginalised people. We also remain equally dedicated to the welfare of our people, to ensure their social and economic dignity and protect against

discrimination based on nationality, gender, race, economic status or religion.

Recognising the importance of giving back to society, we are dedicated to improving the quality of life of local communities and society as a whole. These initiatives demonstrate our social responsibility

and continuous commitment to fostering sustainable growth.

We have undertaken several initiatives in collaboration with local communities and organisations to address social challenges and promote inclusive development.



Development of Healthcare Infrastructure

- ▶ Construction of a new building for the government-aided Sai Nursing Institute.
- ▶ Provision for free food for needy people in collaboration with NGOs.
- ▶ Organising healthcare camps for underprivileged communities, particularly for patients suffering from cancer and blood disorders.

Women and Child Development

- ▶ Promoting overall well-being of women and children.
- ▶ Supporting the development of women and children through initiatives such as professionalising Anganwadis and participation in the national nutrition mission.

Promoting Education

- ▶ Supported the construction of new school buildings in association with organisations like Chetna Charitable Trust.
- ▶ Improving access to quality education through targeted initiatives.



Governance

We recognise that sound corporate governance is critical to meeting our long-term goals and increasing shareholder value. At Marksans, we have a diverse Board of Directors, who ensure transparency and accountability in all aspects of our operations. We adhere to ethical business practices in true letter and spirit.

Environmental Conservation

Tree plantation drive in Verna Industrial Estate, Goa, helped to promote environmental sustainability.

Women Empowerment Projects

Provision for sanitary pads for disadvantaged women as part of the 'My Pad, My

Right' campaign, in alignment with the government's Swachh Bharat Abhiyan and Beti Bachao initiative.

Support for Farmers

Supporting the farming community with provision for equipment, medical assistance and knowledge sharing initiatives.



Corporate governance policy

We are committed to uphold the principles of good corporate governance to achieve long-term goals and increase shareholder value. With an emphasis on transparency, responsibility and equity, we strive to ensure steady growth.

Our robust internal control system, processes and codes of conduct further contribute to sound corporate governance practices within the organisation.

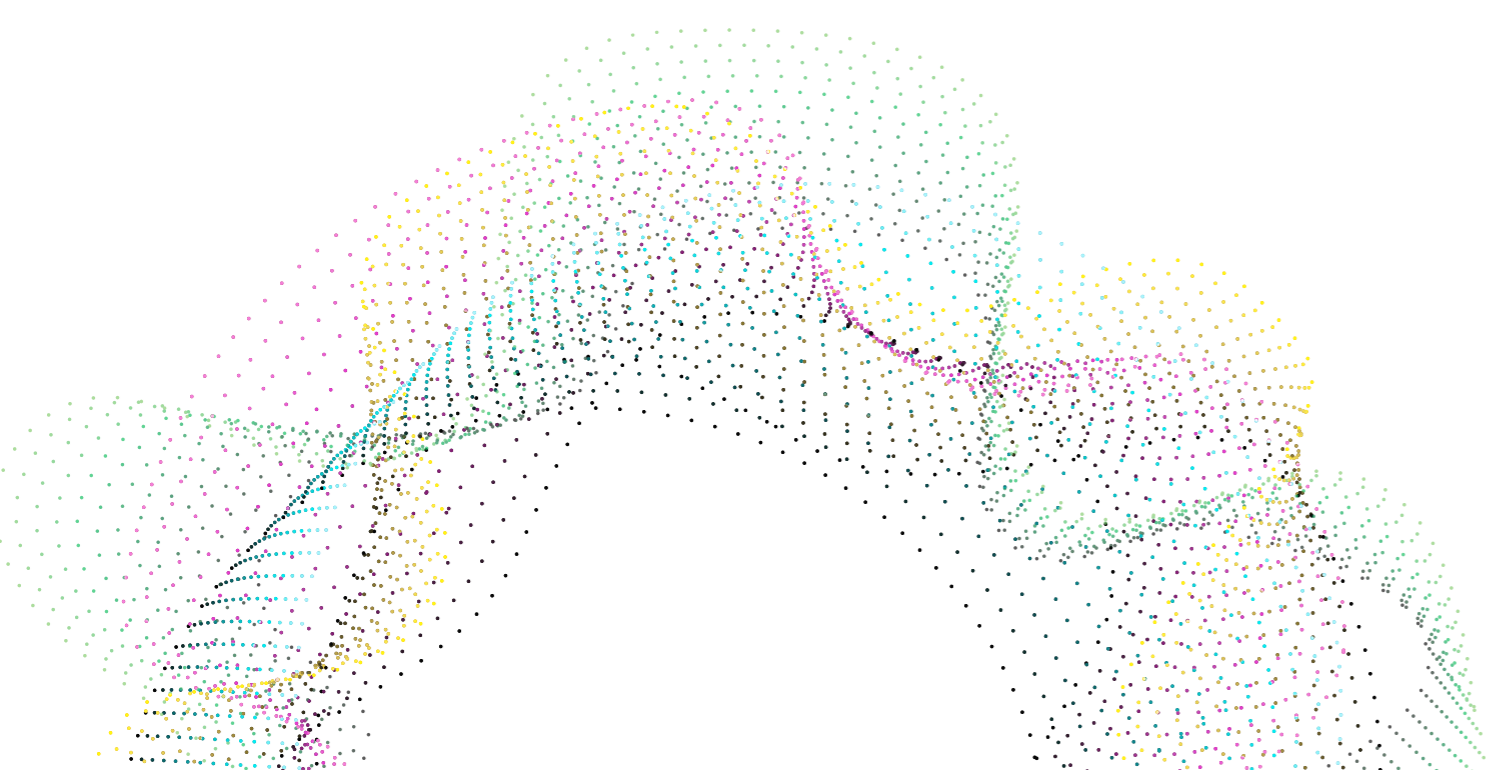
We prioritise the production of commodities with long life cycles to ensure environmental responsibility. Adherence to ethical working standards remains critical to ensuring the well-being of our valued employees. Additionally, effective wealth management and distribution are key components of our methodology.

We are constantly striving to generate value for our clients and consumers through the adoption of responsible practices and the application of best management principles. Furthermore, we continuously monitor our emission and waste generation to consciously minimise our impact on the environment.

Our Committees



Awards



Board of Directors



Mr. Mark Saldanha

(Chairman & Managing Director)

Executive, Non Independent & Promoter

Business Marketing, Production and Finance



Mr. Vardhman Vikramaditya Jain

Executive, Non Independent Manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosages

C C M



Mr. Digant Mahesh Parikh

Non-Executive & Independent Corporate Finance, Strategic Planning and Business Set-up & Scale up

M M C



Mrs. Shailaja Vardhan

Non-Executive & Independent Corporate communication, public communication, Building brand architecture and CSR



Mrs. Sandra Saldanha

Executive, Non-Independent & Promoter

Human Resource Management, Business Development, Projects and Supply Chain Management

M



Mr. Seetharama Raju Buddharaju

Non- Executive & Independent

Sales Management, Marketing and Business Administration

M M C C M

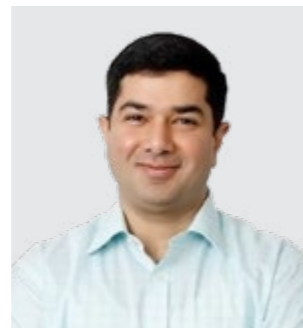


Mr. Abhinna Sundar Mohanty

Non-Executive & Independent

Sales and Marketing, Business Development and Business Strategy

M M M



Dr. Sunny Sharma

Non-Executive & Non-Independent

Corporate Finance and Investment Banking

M M

Making way for a healthier future

At Marksans, we intend to proactively address emerging market requirements. To fulfil this objective, we undertake a strategic approach to ensure sustained margin improvement by partnering with contract development and manufacturing organisations (CDMO). It enables us to fulfil the need for rapid innovation, improve turnaround times for bringing solutions to the market and ensuring cost effectiveness across the manufacturing and procurement processes.

Focused on Europe, US and Emerging Markets

We continue to leverage our state-of-the-art infrastructure to become a preferred manufacturing and distribution partner in regulated markets. It has also enabled us to establish a strong presence in the US generic pharmaceutical market. Looking ahead, we remain focused on building IP assets, especially in the niche dosage forms. To enter into new markets, we are also strengthening our portfolio of generic products in niche segments. Moreover, we are building a significant OTC presence across regulated markets to drive growth.

We have also expedited filing of ANDAs/ MAs in the US, Europe and the emerging markets to ensure faster drug development. Besides, our growth ambitions continue to be nurtured by acquisitions that add impetus to our business. We are also investing in new low-cost manufacturing capabilities to ensure cost-efficiency and maintain a healthy product pipeline.





Management Discussion and Analysis

Economic Overview

Global Economy

In the year 2023, the global economy showcased remarkable resilience, expanding by 3.2%, despite facing geopolitical challenges and fluctuations in commodity prices, which led to inflationary pressures across both advanced and emerging markets.

In order to combat this challenge, central banks of major economies devised strategies. They implemented interest rate increases, suppressing the escalation. Despite persistent geopolitical tensions, disrupting global supply chains and trade, inflation rates declined more swiftly than anticipated from their peak in 2022, resulting in gradual economic recovery and job creation in the US, Europe and other emerging markets. China's economy continued to experience strain throughout 2023, a trend expected to persist into 2024, given its significant manufacturing capabilities and supply chain influence, posing a potential risk to global economic stability. Due to the rising foreign institution investor interest, several emerging economies like India, Vietnam and Mexico are expected to show positive growth trajectory.

Outlook

The global economic growth, is expected to rest at just above 3% in FY2024, before subtly increasing to 3.2% in FY2025. This reflects upgrades for China, the United States and large emerging market and developing economies. For advanced economies, growth is forecasted to decline slightly from 1.6% in FY2023 to 1.5% in FY2024 before rising to 1.8% in FY2025.

This upward revision of 0.1 percentage point for FY2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area. Among others, advanced economies like United Kingdom will¹ witness modest growth of 0.6% in FY2024, an increase of 0.1 percentage point from previous year's 0.5% and then to 1.6% in FY2025, as the decline in inflation allows easing financial conditions and permits real incomes to recover.

However, the projected growth rate is anticipated to be below the historical average due to elevated interest rates that were aimed at curbing inflation, reduced fiscal support amidst high debt levels and sluggish underlying productivity gains

US Economy

The US economy continues being on the upside. Despite prevailing fears against high interest rates, high inflation, slowing growth and unsustainable consumer spending, the economy continues to deliver each month.

The US economy is expected to maintain its good performance in the next few months. This will be possible due to the job market responding well, consumer spending and exports.²

The economy's strength in the recent months can be categorised as being broad-based, with strong growth in all subcategories of the GDP.

Overall the growth is projected to fall, owing to varied performance in the major sectors, namely consumer spending, housing, business investment and foreign trade. All of these are expected to show a decline. Notable drops in investment and housing activity in FY2023, set the foundation stone for improved performance in FY2024, even if the outlook remains muted amid higher interest rates. Less pent-up demand, diminished savings, low savings rates may be some of the reasons contributing to a slowdown in consumer spending growth.

Outlook

Estimated growth will decline from 2.5% in 2023 to 2.1% in FY2024 and to 1.7% in FY2025. The tightening of monetary policy created lags, gradual fiscal tightening and a softening in labour markets. This resulted in slowing of aggregate demand.

For FY2024, revision is estimated to be upside by 0.6 percentage point since October 2023. WEO largely reflects statistical carryover effects from the stronger-than-expected growth outcome for FY2023.

The real GDP growth is expected to stay in between a slight expansion and contraction for the most of next year, also known as a soft landing.

Fiscal spending could make a swing from a positive contributor to a modest drag. Looking at FY2024, we expect the federal deficit to narrow to a still very large 5.9% of GDP, reflecting a bit of tightening on the spending side partly offset by higher interest outlays on government debt.³

¹World Economic Outlook Update, January 2024 Moderating Inflation and Steady Growth Open Path to Soft Landing (imf.org)

²United States Economic Forecast

³2024 Economic Outlook Insights and Trends | J.P. Morgan

UK Economy

The UK's prolonged period of economic stagnation should begin to fade this coming year and be replaced by a projected modest growth of 0.6% in FY2024. This is due to the waning of the negative effects lagging behind from the high energy prices. The markdown in growth for FY2025 by 0.4 percentage points signifies a decreased potential for growth and an effort to align with recent statistical revisions to the output level during the pandemic period.

According to October Autumn's forecast, the UK economy is estimated to grow from 1.7% to 1.8% in FY2025.

With favourable developments in food and energy prices, the future of inflation looks optimistic, supported by favourable developments in food and energy prices. During the first half of 2024, the inflation is expected to return to its 2% target. However, the disruptions in the Red Sea and rising income levels might continue to keep the inflation rates heightened.

Forecasts say that Consumer Price Index (CPI) inflation will fall to the Bank of England's 2% target by May.

Forecasts indicate that the UK's period of economic stagnation is gradually ending, despite persistent problems. In the medium term, business investment has been underwhelming for a while. However, it is anticipated to witness a revival.

Challenges for business investment prevails, but the longer-term overview is changing for the better. The emergence of permanent full expensing relief is likely to decrease business investment in the short term.

With an estimated fall in the house prices,⁴ falling mortgage rates also instigated predictions for homeowners. Improvement in the economic sentiment and flexibility of the labour market will help limit the peaking of unemployment rates. A modest contraction is predicted for FY2024, followed by a revival in the amount of capital expenditure in the following years.

Recently, high inflation and borrowing costs have been two of the biggest obstacles to growth. Both are showing encouraging signs of decreasing. Thus, the late FY2024 prospects and beyond appear brighter.



Outlook

The UK economy is predicted to grow by 0.9% in FY2024, up from the 0.7% growth projected in October. GDP is also expected to grow from 1.7% to 1.8% in FY2025, despite a downfall in FY2023.

Consumer spending growth is also anticipated to rise to 0.9% in 2024, up from 0.7%,⁵ driven by nominal household incomes comfortably outpacing inflation, while lower energy prices ease cost of living pressures.

Inflation is projected to fall faster than anticipated, reaching the 2% target given by the Bank by May and averaging 2.4% in FY2024.

The improved outlook for inflation should make possible a major reduction in the Bank rate in FY2024, by about 100-125 basis points of cut which is up from previous estimate of 100 basis points.

Russia Economy

The Russian federation has proven to be resilient despite facing waves of Western sanctions in nearly two years, since the invasion of Ukraine. As of January 2024, the forecasted growth of the country is 2.6%, then to 1.1% in FY2025, with an upward revision of 1.5 percentage points over the October 2023 figure for 2024.

The Russian defence spending skyrocketed since the beginning of the war. It shows that the war economy, with its sizable buffer built for over many years, has shown increased production spending for the military.

Besides consumption spending, high wage growth in a tight labour market helped in a stronger-than-expected growth in FY2023. Currently, inflation in Russia is seen ending the year above the central bank's target of 4%, keeping interest rates in double digits until FY2025.



Outlook

The ongoing division of the world economy into blocks as a result of Russia's war in Ukraine and other geopolitical tensions could worsen, with more restrictions on trade (particularly trade in strategic goods such as critical minerals), cross-border movements of capital, technology and workers and international payments. The increase in GDP is due to significant fiscal stimulus, strong investment and resilient consumption in the face of a tight labour market.

Australia

Australia has witnessed a slowdown in the real GDP growth, from 3.7% in FY2022 to 1.8% in 2023. Consumption has slowed down, with weaker household usage, high inflation and tightening financial conditions. Nonetheless, compared to pre-pandemic levels, labour market conditions remain firm. The employment to population ratio is high and public investment has also accelerated.

The Australian Economy rebounded impressively in the wake of the pandemic, the rising inflation and fiscal pressures that are on the horizon and the ageing population and climate change⁶.

⁴UK economy stagnation should start to fade in 2024, says EY ITEM Club

⁵World Economic Outlook

⁶<https://www.oecd.org/economy/australia-economic-snapshot/>



Monetary policy should remain restrictive until the underlying inflation is clearly on track to meet the central bank target. The fiscal buffers need to be rebuilt through reducing tax exemptions and improving public spending efficiency in areas such as health.

Outlook

Australia's outlook for 2024 is likely to be divided into halves. The first half is likely to see monetary policy coming into play, while in the second half, there will be monetary easing, stronger real wage growth and improved sentiment. However, these sentiments are riddled with uncertainty and risks, particularly due to a delicate global economy.

In Australia, the domestic risks are also part of the problems, particularly consumer spending, which is likely to remain under pressure in the first half of 2024.

Real household disposable income per capita has declined for two consecutive years, the household savings ratio has dropped to 1.1% and the pandemic-era excess savings have been drawn down. Additionally, rapid population growth due to record net overseas migration, an important player contributing to growth in 2023, is likely to provide less support in 2024. Besides these short to medium-term risks, rapid climate change and above-target global emissions pose a risk to the global economy. The growth is projected to further slowdown to 1.3% in 2024, before making a comeback to 2.1%.

Emerging Markets and Developing Economies

In comparison to developed economies, emerging market economies have fared better. For instance, in August, the developed market composite PMI fell below the crucial 50-point level, whilst the emerging market composite purchasing managers' index, with a value of 52.7, solidly remained in the expansionary zone.

Earlier in the year, strong demands from the rest of the globe and relatively high commodity prices that went along with it, helped a number of emerging market economies.

Changes in global supply chains have also benefited a few nations, with many companies looking to move and some manufacturing out of China. In order to sustain growth, emerging market economies would have to depend more on domestic demands as the economic growth in the developed world might slow down.⁷

Outlook

Emerging market economies that have witnessed a decline in inflation will be in the best position to keep economic activity moving in the right direction. However, policymaker support for more economic growth is likely to be low as bloated government budgets and the risk of inflation limit intervention. Emerging market economies have held up better than developed economies. Earlier this year, numerous emerging

economies benefitted from strong demand in the rest of the world and the relatively high commodity prices that accompanied that demand.

Growth in EMDE outlook is expected to average 3.9% in 2024-25, aligning with estimates of EMDEs' potential growth in the 2020s. In all countries other than China, EMDE growth is projected to increase from 3.2% last year to 3.5% in 2024 and 3.8% in 2025. This pickup reflects steady improvements in the projected trade growth and positive expectations for solid domestic demand growth in several large economies, as inflation continues to recede and interest rates decline.

These economies will also see dramatic reductions in inflation, which would strengthen purchasing power and consumer spending as we move towards the end of the year.

Indian economy

Despite the global economic downfall, Indian economic growth rate remains solid compared to many other economies. This strength is attributed to a relatively strong domestic consumption and reduced reliance on global demand.

The Indian government's emphasis on infrastructure development through initiatives like the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity), logistics improvement and industrial corridor development will significantly improve industrial competitiveness and propel future growth prospects. Improvements in the labour market and increasing consumer confidence are expected to drive growth in private consumption.

Despite aiming for a lower fiscal deficit of 5.9% of GDP the government's aim to substantially increase capital expenditure in FY2023 will increase growing demands.

As the impact of COVID-19 diminishes, the services sector is expected to experience strong growth in FY2024 and FY2025, backed by the recovery in tourism and other contact services. While the growth of goods exports was predicted to be moderate in FY2023, it is expected to improve in 2024. This improvement will be supported by production-linked incentive schemes and efforts to enhance the business environment, such as streamlined labour regulations, particularly benefiting the electronics and other manufacturing sectors.⁸

Outlook

The interest rate hikes implemented by the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) between May 2022 and February 2023 is still ongoing and is expected to weigh on demand next fiscal.

On the other hand, regulatory initiatives to limit unsecured lending will have an impact on credit growth. A lower fiscal deficit means that the fiscal stimulus to growth will be reduced. However, the manner of spending will support the investment cycle and rural incomes. We also predict a normalisation of the net tax impact on GDP observed in this fiscal year.

⁷ <https://www2.deloitte.com/us/en/insights/economy/emerging-markets-outlook.html>

⁸ India's Economy to Grow by 6.4% in FY2023, Rise to 6.7% in FY2024 | Asian Development Bank (adb.org)

The uneven economic growth among key trading partners and the escalation of the ongoing Red Sea crisis might slow down export growth.

However, certain factors are poised to sustain growth in the upcoming fiscal period. The persistent decline in inflation will bolster consumers' purchasing power. This assumption relies on a typical monsoon season in 2024, which could elevate agricultural growth from a low starting point. Moreover, a gradual increase in private sector capital expenditure will increase a widespread investment growth.

Forecasts

India is poised to maintain its position as the fastest-growing economy. In the fiscal year 2025, the real GDP growth is expected to moderate to 6.8% after a better-than-expected growth of 7.6% in the current fiscal year.

Factors such as the transmission of rate hikes by the Reserve Bank of India (RBI), regulatory actions to manage unsecured lending and fiscal deficit adjustments will play a major role in shaping the growth trajectory. India is estimated to cross the \$5 trillion mark and inch closer to \$7 trillion in terms of GDP. This sustained expansion will uplift India to the third-largest economy globally and raise per capita income to the upper middle-income category by 2031.⁹

Industry Overview

Global Pharmaceutical Industry



US Pharma

The U.S. pharmaceutical market was valued at USD 574.37 billion in FY2023. Similarly, utilisation of health services reached 100% of the pre-pandemic levels for the first time, rising from a low of 66% in Q2 of 2020.

The volatility in the global business landscape will test the pharma industry's resilience going forward. A positive growth is expected to be seen in 2025 and over the next decade, owing to the industry's continued evolution and innovations of its customer engagement strategies. The compression of the economic life cycle is a combination of many forces like the Inflation Reduction Act (IRA), Modern Launch and pricing pressures. Addressing of these major trends requires a detailed understanding of how the dynamics combine at the patient, provider, payer and pharmacy levels.



UK and Eurozone Pharma

A new era of drug development is coming up in the research-based pharmaceutical sector as a result of scientific and technological advancements. This research-based pharmaceutical business is an important asset to the European economy, as it introduces innovative medications that improve health and quality of life for patients all over the world. It is one of Europe's best-performing high-tech sectors.

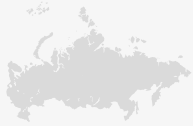
The fragmentation of the EU pharmaceutical market has resulted in a lucrative parallel trade. The research-based industry also has the potential to play a significant role in reviving European economic growth and assuring future competitiveness. This is proving to be harmful for social security and patients, as well as leading to depletion of resources to fund R&D. Parallel trade was estimated to amount to EUR 6280 million. It is also expected to invest €44,500 million on research and development.

The UK government announced a GBP 1 billion investment in the life sciences sector, aimed at boosting innovation and commercialisation. As for the UK MedTech sector has also continued to grow.

Europe is experiencing greater competition from emerging economies fast market and research growth in nations such as China and Korea are contributing to the move of economic and research activities to non-European markets.

Geopolitical conflicts and inflation are identified as the second most significant sources of tension, introducing uncertainty into the economic landscape. Deteriorating international relations often lead to various repercussions, such as diminished cooperation, disruptions in the IPO market and the imposition of economic sanctions. Within this context, drug pricing emerges as an unfavourable regulatory and macroeconomic trend, potentially hindering growth within the pharmaceutical industry.

⁹Growth maratho



Russia Pharma

The Russian pharmaceutical sector is one of the largest in Central and Eastern Europe as well as on a global level. The market can be divided into prescription drugs and over-the-counter medicines. Russia offers the industry with significant growth opportunities. The healthcare system there, is predominantly funded by the federal government, while the industry has shifted significantly towards private healthcare spending in recent years.



Australia and New Zealand

In FY2023, the revenue generated by the Australian pharmaceutical industry was approximately USD 11.4 billion. This growth was driven by factors including a rise in the geriatric population, increased adoption of advanced technology and growth in the innovation in therapeutic and drugs. In addition to this, the increased requirements for personalised medicines among individuals have further contributed to the growth of the industry in Australia. The pharmaceutical industry in Australia is very competitive and there are a large number of key players. Moreover, the industry is expected to grow at a CAGR of 2.60% from 2024-2032¹⁰. Also, it is expected that the prescription drugs segment will have significant market share in the industry during the forecasted period.

Global Biologics Industry

Global Generic Industry

The global generics drugs market is anticipated to grow to \$574.63 Billion by 2030, owing to the increasing application of robotic process automation, branded medicine patent expiries and rising prevalence of chronic diseases. Worldwide demand for generic drugs continues to grow as payers and consumers seek ways to cut down healthcare costs.

With the rise of breakthrough therapies and increasing global spending on medicines, the market for generics continues to expand, particularly in developed markets like North America, which is estimated to contribute 34% to the global generic market. North America commands the global generic drugs market, with the US as its nucleus, housing major players Pfizer Inc., Merck and Co. Inc. In addition, generic drugs gain traction for their bioequivalence to branded counterparts.

Low-cost alternatives are notably driving market growth. The high cost of branded drugs leads to higher pharmacy costs resulting in high patient expenditure for such drugs. The high-cost factor, therefore, leads patients to opt for generic drugs as alternatives.

Global OTC Industry

The Global OTC Market has product categories including cough, cold and flu remedies, pain relievers, skincare products, gastrointestinal treatments, vitamins, minerals and supplements (VMS), weight loss aids, eye care products, sleep aids and others.

The over-the-counter (OTC) drug market is estimated to grow to USD 163.10 billion by 2029 from USD 137.39 billion in 2024. There will be a compound annual growth rate (CAGR) of 3.49% during 2024-2029. The COVID-19 pandemic has brought attention to the OTC drugs market, despite significant impacts on healthcare systems. The market's growth is fuelled by the high costs of prescription drugs. This prompted a shift towards OTC alternatives, along with increased approvals for OTC medications.

Trends

The cough, cold and flu segment will witness higher growth over the next few years, as the rise in the number of people suffering from this disease will cause an increase in the amount of OTC drug use in this category. Consumers depend on OTC cough, cold or flu medicines, as they are the first resort for relief from its symptoms. North America holds the major share of the OTC segment and is expected to dominate the market during the estimated period.



Indian Pharma

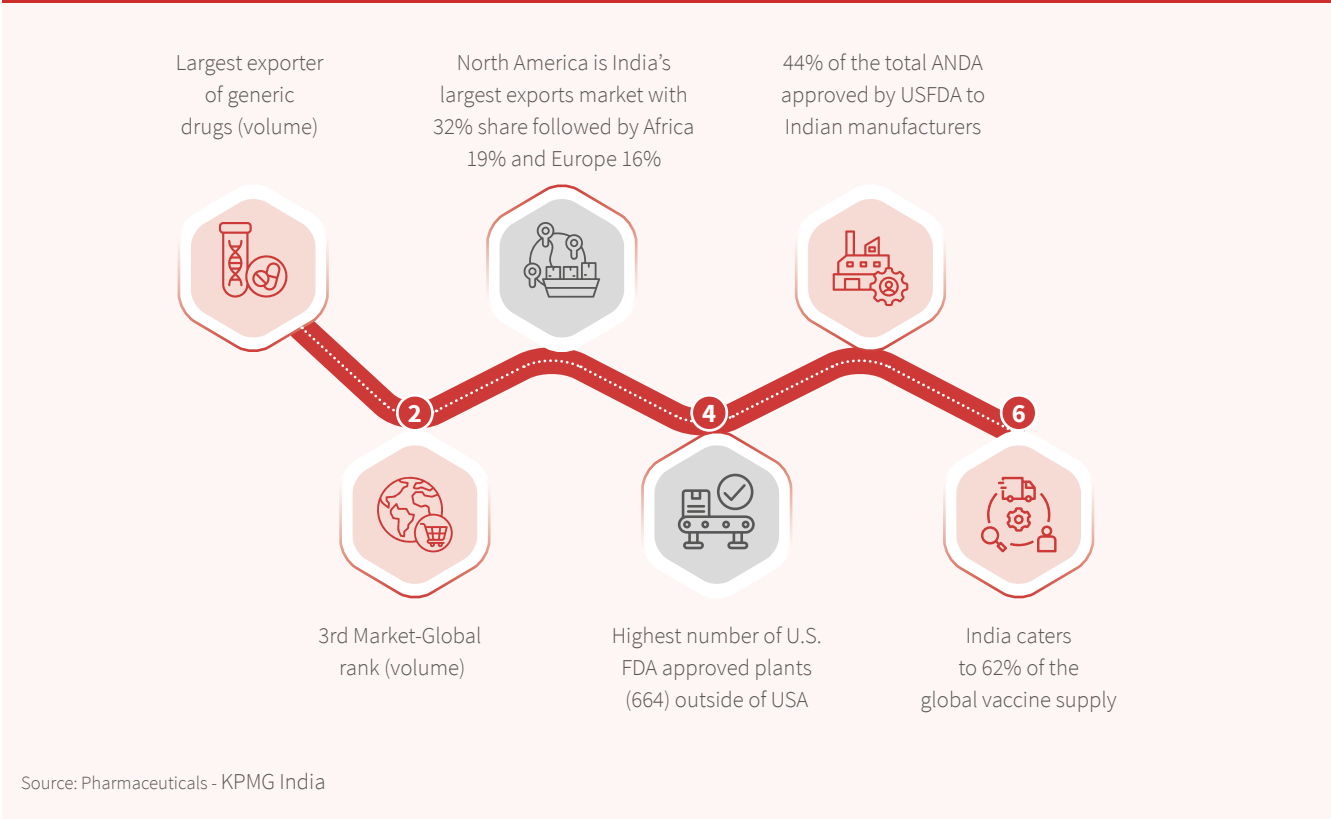
The Indian Pharmaceutical industry is the world's 3rd largest in terms of volume traded. It is the 13th largest in the world in terms of value. It is best known for its generic medicines and low-cost vaccines. In FY 2024, the Indian Pharmaceutical industry accounted for USD 27.85 Bn of Drugs and pharmaceutical exports. The impact also goes beyond the value chain, with Indian pharmaceutical companies leading in APIs as well as formulations. The industry contributes around 57% of APIs to the list that is prequalified by WHO. As per the recent policy changes and reforms made by the government in this space have positioned India as a preferred market for global investments and helping establish local manufacturing facilities.

The pharmaceutical sector in India is one of the top ten attractive sectors for foreign investment in India. with a 100% FDI for greenfield and 74% FDI for brownfield projects under the automatic route, the government has also announced establishments of three bulk drug parks and the PLI scheme up to INR 6940 crores that has been approved for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in India.¹¹

¹⁰<https://www.imarcgroup.com/australia-pharmaceutical-market>

¹¹Pharmaceuticals - KPMG India

Key highlights of pharmaceutical industry



Encouraging Trends

The Pharmaceutical Industry has registered 8% growth in Q4 2023. Looking forward, the 2024 Indian Pharmaceutical industry is projected to reach \$65 Billion by the end of this year and \$130 Billion by 2030. With widely adopted technological advancements; the industry has experienced rapid change in a few years and is expected to grow at a CAGR of 22.4% in the future.

Looking at the rapid growth of the sector, the government has shown a significant contribution to encouraging approximately 2000 startups. Inspired by this, big pharma companies will now allocate 5-10% of their Company's revenues to R&D for future biotech startups, hoping it will also attract more global partners.

Company Overview

Geography-wise Overview

US and North America

Marksans Pharma has significantly expanded its presence in the US market by acquiring Time-Cap Labs (TCL), a facility specialising in the manufacture of solid-dose generic pharmaceutical products. This strategic acquisition has allowed the Company to capitalise on the increasing demand within this market segment.

Leveraging TCL's capabilities, the Company has successfully tapped into the growing demands of the US pharmaceutical market by selling finished products in fully packed quantities.

Driven by its formulation businesses, Marksans Pharma has witnessed remarkable growth in the US and North American regions. Over the fiscal years 2017 to 2024, this segment exhibited a notable 18.5% increase, reaching INR 918 crores in revenue. This impressive growth trajectory reflects a CAGR of 12.8%, highlighting the Company's sustained expansion and strong market presence in the region.¹²

Europe and UK

Marksans Pharma continues to maintain its position as one of the leading Indian companies in the region, with the help of two of its step-down subsidiaries, Bell, Sons and Co. (Druggists) Limited which specialises in delivering high-quality products across various therapeutic areas like analgesics, upper respiratory, pain relief, gastrointestinal, ear care and skin care and Relonchem Limited.

It offers an extensive range of own-label healthcare pharmaceutical products covering areas like anti-diabetic, antihypertensive, antidepressant, anti-cancer, anti-ulcerative, allergy and pain relief and antiviral. Both subsidiaries were acquired in 2008. The formulation businesses in the UK and EU market grew by 22.9% year on year

¹²Microsoft Word - Cover letter (bseindia.com)



to INR 943 crores, recording a CAGR of 16.1% over the FY2017-24. Currently, their plan to submit 34 new filings over the next three years is still in the works. Added to this, 16 products are already filed and awaiting approval.¹³

Australia and New Zealand

Marksans acquired Nova Pharmaceuticals Australasia Pty Ltd. In 2005, making its entry into the Australasian markets. Presently, they make up the third largest portion of Marksans' revenue. Through Nova, Marksans has secured around 100 Marketing Authorisations (MAs) and emerged as a major provider of generic products in the area. For FY 2023-24, the formulation market recorded a revenue of INR 218.8 crores, an increase of 4.4%, recording a CAGR of 9.5% over the FY2017-24. Going forward, the Company has ten products lined up, to be developed and released in the next couple of years.

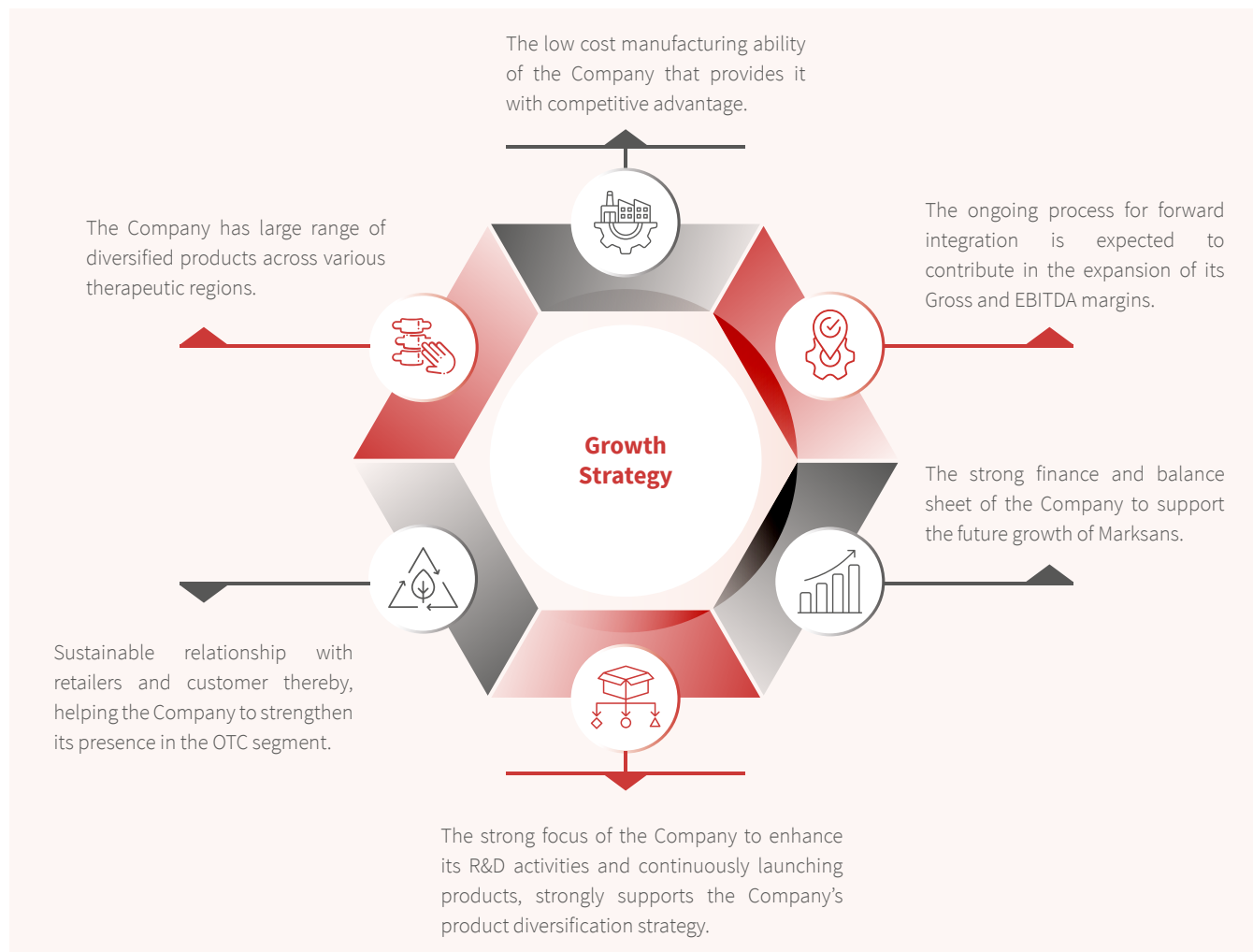
Rest of the World

Marksans has maintained its operations in other parts of the world, with notable presence in the Middle East. It has acquired Access Healthcare For Medical Products LLC in UAE .

As of FY 2023-24, the RoW recorded a revenue of INR 97.4 crores, recording a CAGR of 17.9% over the FY2017-24. Currently, there are 124 approved products and 120 others awaiting approval. It also has 108 products in their pipeline.

Outlook

In the coming years, Marksans is expecting to diversify its product portfolio and therefore, it continues to launch new products. Along with this, the Company expects major contribution in its revenue from the US markets. In addition, it is also planning to expand into the growing markets and European regions through strategic acquisitions. Further to this, the Company plans to add 34 new filings over the next three years in UK and 32 products for the USA market. Likewise the Company is set to launch more products in coming years, which is expected to strongly benefit the Company by strengthening its global presence, diversifying its revenue generating source, and providing it with access to larger consumer base.



¹³Microsoft Word - Cover letter (bseindia.com)

Human resources

Marksans is committed to expansion and growth by attracting, retaining and nurturing new talent. With innovation at its core, the Company emphasises on empowering and retaining 2000+ employees. In order to remain competitive in this saturated market, Marksans has implemented various measures to enhance teamwork and skills, continuously enhancing the talent pipeline.

Financial review

The Company has witnessed a great year of performance. Financial performance, for the FY24, our operating revenue was at INR 2177 crores, an increase of 17.6% compared with INR 1852 crores in the same period last year

Revenue

In FY 2024, the revenue generated by the Company increased from INR 1852.1 crores in FY 2023 to INR 2,177.4 in FY 2024, exhibiting positive growth in the revenue generated by 17.6%.

Depreciation and amortisation expenses

The depreciation and amortisation expenditure of the Company increased from INR 51.9 crore to INR 74.3 crore. This reflects a year-on-year (Y-o-Y) growth of 43.2%. Increase in depreciation is on account of new facility acquisition.

Finance Cost

The financial cost of the reported year of the Company increased from INR 9.1 crore in FY 2023 to INR 11.2 crore, depicting a growth of 22.7%.

Reserves and Surpluses

The reserve and surplus of the Company reflected a growth of 18.8%, from INR 1699.8 crore in FY 2023 to INR 2019.7 crore in FY 2024.

Trade payables

In FY 2024, the trade payables of the Company were INR 268.3 crore and it grew by 16.3% from INR 230.6 crore in FY 2023.

Non current lease liabilities

The non-current lease liability of the Company was INR 65.7 crore in FY 2023 and it grew by 189.3% to become INR 190.0 crore in FY 2024. This is mainly on account of new warehouse taken on lease in USA.

Other current financial liability

The other current liabilities of the Company were INR 15.4 crore in FY 2024, exhibiting a growth of 0.9% from INR 15.3 crore in FY 2023.

Provision- non-current liability

The provision non-current liability of the Company was INR 3.3 crore and it increased by 40.2% to become INR 4.6 crore in FY 2024.

Provision- current liability

In FY 2024, the provision current liability of the Company was INR 2.0 crore, increased by 47.42% from INR 1.3 crores in FY 2023.

Property, Plant and Equipment (PPE)

The PPE of the Company was INR 379.6 crore in FY 2023 and it became INR 675.7 crore in FY 2023, depicting a growth of 78.0%

Intangible assets

The intangible asset of the Company experienced a fall of 10.9 % as it fell from INR 68.2 crore in FY 2023 to INR 60.7 crore in FY 2024.

Current Investments

The current investment of the Company in FY 2024 increased from INR 0.5 crore in FY 2023 to INR 27.0 crore.

Other non-current financial assets

The other non-current financial assets of the Company fell from INR 3.5 crore in FY 2023 to INR 2.6 crore

Other current financial assets

In FY 2024 the other current financial assets of the company increased from INR 3.7 crore in FY 2023 to INR 6.9 crore

Inventories

In FY 2024 there has been an increase in the inventories of the Company by 27.5%. In FY 2024 the inventories were INR 617.9 crore whereas in FY 2023 it was 484.7 crore

Trade receivables

There has been an increase in the trade receivables from INR 416.8 crore in FY 2023 to INR 453.2 crore in FY 2024

Other current assets

The other current asset of the Company experienced significant growth by 50.0% as it increased from INR 52.6 crore in FY 2023 to INR 79.0 crore in FY 2024

Other non-current assets

In FY 2024, the other non-current assets of the Company increased from INR 14.6 crore in FY 2023 to INR 29.4 crore in FY 2024

Cash and cash equivalents

The Cash and Cash equivalents of the company were INR 403.3 crore in FY2024, whereas it was INR 382.4 crore in FY 2023

Bank balance other than cash and cash equivalents

The Bank balance other than cash and cash equivalents of the Company experienced a decline from INR 332.5 crore in FY 2023 to INR 270.3 crore in FY 2024

Lease (current)

The Lease of the Company increased from INR 15.7 crore in FY 2023 to INR 25.0 crore in FY 2024, exhibiting a positive growth rate of 59.2%

Other current liability

The other current liability of the company was INR 11.2 crore in FY 2023 and further it increased to INR 30.2 crore in FY 2024.

Borrowings

The borrowing of the Company was INR 41.6 crore in FY 2023 and it further declined to INR 29.1 crore



Key financial ratios

Key financial ratios	FY 2023-24	FY 2022-23	YoY growth	Details of significant changes
Debtors' turnover ratio (days)	145	154	-5.84%	-
Inventory Turnover (days)	123	109	12.84%	-
Interest Coverage ratio (times)	141.63	25.44	456.81%	Due to increase in profitability
Operating profit margin (%)	20.26	20.70	-2.14%	-
Net Profit margin (%)	15.68	15.70	-0.15%	-
Return on net worth (%)	10.94	9.26	18.19%	-
Current ratio (times)	3.48	4.22	-17.57%	-
Debt-equity ratio (times)	0.01	0.01	-	-

Mitigation Strategies

Regulatory risk		The Company faces regulatory risk, as each pharmaceutical product undergoes rigorous regulatory, research and development (R&D) and quality oversight. Robust quality management systems ensure compliance with global standards. Additionally, all manufacturing facilities strictly adhere to regulations established by leading regulatory bodies in the industry.
Technology risk		The Company faces technology risks, as it operates in a research-driven industry, constantly striving for technological advancement and investing to keep pace with evolving trends. Marksans' robust R&D efforts highlights its dedication to being at the forefront of pharmaceutical technology. Additionally, the Company maintains strong relationships with renowned international businesses and organisations to stay updated on new developments.
People risk		People risk arises when the Company's competitive edge depends heavily on the effectiveness of its workforce. Marksans constantly invests in its employees and facilitates their growth, in order to cultivate a positive and productive workplace environment.
Competition risk		Competition risk is mitigated by Marksans' significant investments in R&D. This has enabled the Company to maintain a competitive edge. Moreover, the Company employs skilled marketing and business development team that consistently monitors industry trends and provides relevant recommendations to the management.

Internal Control System and their adequacy

The internal control and risk management system adhere to the principles and criteria outlined in the corporate governance code of the organisation. It is an integral component of the Company's overall organisational structure, involving various personnel who collaborate to fulfil their respective duties. The Board of Directors offers guidance and strategic supervision to both the Executive Directors and management teams. They also oversee monitoring and support committees. Additionally, the control and risk committee, in conjunction with the head of the audit department, functions under the watchful eye of Board-appointed Statutory Auditors. Consistent review by key personnel, including the Chairman, Managing Director, COO, CFO and others, guarantees the prompt identification and prevention of any discrepancies.

Cautionary Statement

As per the relevant securities laws and regulations, the objectives, projections, anticipations and approximations made by the Company may be deemed as "forward-looking statements" in this section. Certain presumptions and expectations regarding upcoming events form the basis of these remarks. The Company does not, however, guarantee that these forecasts and assumptions are true or that they will come to pass. A number of external factors outside the control of the Company may cause actual results to differ materially from those stated or implied in these statements. In light of future events, the Company disclaims any obligation to update, change, or revise forward-looking statements in the public domain.

Directors' Report

Dear Shareholders,

The Directors take pleasure in presenting the THIRTY SECOND (32nd) Annual Report along with the financial statements for the year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

(₹ in Million)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Turnover	8,532.73	6,552.04	21,774.07	18,521.39
Profit before Tax expenses	1,718.92	1,320.35	4,235.26	3,376.53
Less: Tax expenses	381.34	291.69	1,086.31	723.32
Profit after Tax	1,337.58	1,028.66	3,148.95	2,653.21

OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2023-24, your Company achieved turnover of ₹ 8,532.73 Million with net profit of ₹ 1,337.58 Million as compared to turnover of ₹ 6,552.04 Million with net profit of ₹ 1,028.66 Million in the previous year.

On consolidated basis, your Company achieved turnover of ₹ 21,774.07 Million with net profit of ₹ 3,148.95 Million as compared to turnover of ₹ 18,521.39 Million with net profit of ₹ 2,653.21 Million in the previous year. During the year, US and North America Formulation business reported growth of 18.5%, Europe and UK formulation business reported growth of 22.9%, Australia and New Zealand formulation business reported growth of 4.4%.

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

DIVIDEND

The Board of Directors at its meeting held on May 30, 2024 recommended a final dividend of ₹ 0.60/- (60%) per equity share of ₹ 1/- each for the financial year ended March 31, 2024 subject to approval of the Members at the ensuing Annual General Meeting ("AGM"). Total cash outflow on account of dividend payment will be ₹ 271.90 Million for the financial year ended March 31, 2024. The Dividend will be paid in compliance with applicable regulations and in accordance with Company's Dividend Distribution policy. The Dividend Distribution policy is available on the Company's website <https://www.marksanspharma.com/pdf/dividend-distribution-policy.pdf>.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

- Marksans Pharma (UK) Limited, through step down subsidiaries Bell, Sons & Co. (Druggists) Limited and Relonchem Limited which operates in the European markets, has achieved sales of ₹ 9,266.59 Million as compared to sales of ₹ 7,660.99 Million during previous year.

- Marksans Pharma Inc., through step down subsidiary Time-Cap Laboratories Inc. which operates mainly in US and North America, has achieved sales of ₹ 8,759.89 Million as compared to sales of ₹ 7,613.03 Million during previous year.
- Nova Pharmaceuticals Australasia Pty Ltd. (your company holds 60% of the share capital) which operates mainly in Australia and New Zealand has achieved sales of ₹ 2,009.25 Million as compared to sales of ₹ 1,926.86 Million during previous year.
- Access Healthcare for Medical Products L.L.C, a wholly owned subsidiary which operates mainly in UAE and neighboring countries has achieved sales of ₹ 168.61 Million as compared to sales of ₹ 218.48 Million during previous year.

Pursuant to a Central Government's Circular dated February 08, 2011, the audited accounts together with Directors' Report and Auditors' Report of the subsidiaries namely Marksans Pharma (U.K.) Limited, Marksans Pharma Inc. and Nova Pharmaceuticals Australasia Pty Limited are not being appended to the Annual Report. However, a statement giving information in aggregate for each subsidiary including step down subsidiaries are attached to the Consolidated Balance Sheet. Statement containing the salient features of financial statements of subsidiary companies and their contribution to the overall performance of the company are given in Note No. 42(a) (Form AOC-1) of the consolidated financial statements and forms part of this report.

Your Company has no Joint Ventures and Associate Companies.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis covering industry structure and developments, financial and operational performance of the Company, risks, concerns, opportunities, threats and outlook forms a part of this Report.

RESERVES

Your Company has not transferred any amount out of the profit of the year to the General Reserve.



SHARE CAPITAL

During the year under review, there was no change in the capital structure of the Company.

Your Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise nor issued ESOP or sweat equity shares to Directors or employees, under any Scheme.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2024, the composition of the Board of Directors is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate mix of Executive, Non-Executive and Independent Directors. The Board comprises of 8 (Eight) Directors, of which 5 (Five) Directors are Non-Executive of which 4 (four) are Independent and 3 (Three) Directors are Executive. The list of Directors of the Company has been disclosed as part of the Corporate Governance Report

a. Appointment / Resignation of Directors:

- i. Dr. Meena Rani Surana (DIN: 08863769) resigned from the Board as an Independent Director with effect from May 30, 2023.
- ii. Mrs. Shailaja Vardhan (DIN: 10172764) was appointed as an Independent Director of the Company for a first term of up to five years with effect from May 30, 2023 till May 29, 2028 by the Board based on recommendation of the NRC of the Company. Members approved the said appointment at the 31st AGM.
- iii. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, passed a circular resolution dated July 09, 2024 for re-appointment of Mr. Abhinna Sundar Mohanty (DIN: 00007995) as an Independent Director of the Company for a second term of up to five years with effect from July 11, 2024 to July 10, 2029. The said re-appointment is subject to member's approval at the ensuing AGM.
- iv. The Board of Directors of the Company, at its meeting held on August 13, 2024, on the recommendation of Nomination and Remuneration Committee, has re-appointed Mr. Varddhan Vikramaditya Jain (DIN: 08338573) as a Whole-Time Director of the Company with effect from January 24, 2025 to January 23, 2028. The said appointment is subject to members' approval at the ensuing AGM.

b. Retirement of Director by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Varddhan Vikramaditya Jain (DIN: 08338573) will retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment.

c. Appointment / Resignation of Key Managerial Personnel:

During the year under review, there is no change in the Key Managerial Personnel of the Company.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2023-24, the Board met 5 (five) times on 30.05.2023, 01.08.2023, 11.08.2023, 09.11.2023 and 13.02.2024.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Your Company has in place a policy relating to nomination and remuneration of directors as well as key managerial personnel and other employees formulated by the Nomination and Remuneration Committee. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.
2. For the appointment of KMP (other than Managing Director / Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. For administrative convenience, the Managing Director is authorised to identify and appoint a suitable person for the position of KMP (other than Managing Director / Whole-time Director) and Senior Management.
3. The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Nomination and Remuneration Committee and recommended to the Board for approval. Such remuneration / compensation / commission, etc., as the case may be, is subject to approval of the shareholders of the Company and is in accordance with the provisions of the Companies Act, 2013 and Rules made there under. Remuneration of KMP (other than Managing Director / Whole-time Director) and Senior Management is decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.
4. The remuneration / commission / sitting fees, as the case may be, to the Non-Executive Director / Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders.
5. An Independent Director is not entitled to stock option of the Company.

DISCLOSURE UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013

During the Financial Year 2023-24, Mr. Mark Saldanha, Managing Director of the Company has also received remuneration of ₹ 1,19,21,760.00 from the Company's wholly owned subsidiary Time-Cap Laboratories Inc.

EVALUATION OF PERFORMANCE OF BOARD, COMMITTEE AND DIRECTORS

Performance evaluation of the Board as a whole, the Committees of Directors and all individual Directors including Independent Directors has been carried out for the year under review in accordance with the criteria framed pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Notes issued by SEBI.

Performance Evaluation of each individual Director including Independent director:

A questionnaire containing performance evaluation criteria was circulated to each Director including Independent Directors. The Directors filled-up the questionnaire pertaining to other Directors (except for himself/herself) and submitted the same to the Chairman of the Board for review.

The Nomination and Remuneration Committee also carried out performance evaluation of each director of the Company for the year 2023-24. The evaluation of each director was done by all the other Directors (other than the director being evaluated) in accordance with the performance criteria suggested by the Committee and applicable SEBI Guidance Note.

Performance Evaluation of the Board and Committees of Directors:

The Board reviewed a questionnaire containing performance criteria for the Board and the Committees of Directors. For the evaluation, the Board took into consideration composition of the Board and Committees of Directors, frequency of the meetings, attendance of each directors at the Board and respective Committee Meetings, discharge of key functions and responsibilities prescribed under law, effectiveness of corporate governance practices in the Company, integrity of the Company's accounting/auditing and financial reporting/control systems, etc.

All the Independent Directors of your Company had a separate meeting without the attendance of executive Directors and management personnel and reviewed the performance of the Board of Directors as a whole, the Chairman of the Board and the executive non-independent

directors during the year 2023-24. The Independent Directors have also reviewed the quality, quantity and timeliness of flow of information between the Company management and the directors that was necessary for the directors to effectively and reasonably perform their duties.

The results of the above performance evaluations are satisfactory and adequate and meet the requirement of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from all the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 read with Schedule IV of the Act and rules made there under, as well as Regulations 16(1)(b) of the SEBI Listing regulations and they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs. The Independent Directors also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. In the opinion of the Board, the independent directors fulfilled the conditions specified in the above Act and Regulations and are independent of the management.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company conducts familiarization programme for Independent Directors to enable them to understand their roles, rights and responsibilities and proactively keeps them informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Company's policy on the familiarization program for the independent directors as well as details of familiarization programme imparted during the year is available on the Company's web link at <https://www.marksanspharma.com/pdf/familiarisation-programme-for-independent-directors-2023-24.pdf>

COMMITTEES OF THE COMPANY

Currently the Company has five committees; The Audit Committee, The Nomination and Remuneration Committee, The Stakeholders' Relationship Committee, The Corporate Social Responsibility Committee and The Risk Management Committee. Details of the composition of these committees are given in the Corporate Governance Report section of this Annual Report.



POLICIES AND CODES

Your Company always strives to promote and follow the highest level of ethical standards in all its business transactions. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated formulation of certain policies and codes for all listed companies. All the policies and codes adopted by your Company are available on the web link at <http://marksanspharma.com/codes-policies.html>. These policies and codes are reviewed periodically by the Board and updated based on need and new compliance requirement. Key policies and codes that have been adopted by the Company are as follows:

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

DEPOSITS

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

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given in Note No. 6 of the notes to the Standalone Financial Statements of the Company.

RESEARCH AND DEVELOPMENT (R&D)

Your Company is committed to continuously fund its R&D capabilities. One of the Company's biggest strength lies in vibrant and productive R&D function that has continuously placed your Company ahead through consistent development of niche technology, processes and products. Your Company will continue to invest in R&D to keep pace with the changing global scenario.

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

REGULATORY COMPLIANCES

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

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

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate system of internal control and management information systems which covers all financial and

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

INFORMATION TECHNOLOGY

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

HEALTH, SAFETY & ENVIRONMENT

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

RELATED PARTY TRANSACTIONS

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

All Related Party Transactions (with the subsidiaries) that were entered into during the financial year were in the ordinary course of business on arm's length basis and repetitive in nature. These transactions were placed before the Audit Committee for information and entered in the Register maintained under Section 189 of the Companies Act, 2013. The Audit Committee has granted omnibus (ad hoc) approval for Related Party Transactions as per the provisions and restrictions contained in the policy framed under Regulation 23 of the SEBI (LODR) Regulations, 2015.

Company's Policy on Related Party Transactions is available on the Company's web link at <http://marksanspharma.com/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>. Particulars of related party transactions entered into during the FY 2023-24 have been disclosed under Note No. 39(c) of the Notes to the Standalone Financial Statement. Details of material transactions with the related parties

entered into during the year are disclosed in Form – AOC – 2 annexed to this report as **Annexure - B**.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

The said mechanism also provides for adequate safeguards against victimisation of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee. During the financial year 2023-24, no employee of the Company was denied access to the Audit Committee and there were no instances of any unethical behaviour, actual or suspicious fraud or violation in the Company's operational policies.

RISK MANAGEMENT SYSTEM

Your directors are aware of the risks associated with the Company's business. Your Company makes timely and regular analysis of various risks associated with the Company's business and takes corrective actions for managing/mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risks under the supervision of the Risk Management Committee of the Company. The key risks and mitigation measures are also reviewed by the Audit Committee. There is no element of risk which in the opinion of the Board may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your company understands its responsibility towards the society, community and environment and is committed to spend sensibly to meet its CSR objectives. The report on the CSR activities undertaken by the Company in the format prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is given in **Annexure – C** annexed to this Report.

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

Your Company is fully committed to uphold and maintain dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at work place. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up in compliance with provisions relating to the constitution of Internal Complaints Committee under the said Act to redress complaints regarding sexual harassment at Mumbai office, Goa plants and R&D Centre at Navi Mumbai. All employees (permanent, contractual, temporary, trainees) are covered



under this policy. During the year under review, the Company has not received any complaints related to sexual harassment at any of the locations and the necessary annual report has been submitted to the competent authority in this regard.

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

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

CHANGE IN THE NATURE OF BUSINESS

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

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

CORPORATE GOVERNANCE

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

ANNUAL RETURN

In accordance with the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in the prescribed Format proposed to be submitted to the Registrar of Companies for the financial year ended March 31, 2024 is available on the Company's website at <http://marksanspharma.com/annual-reports.html>.

INSOLVENCY AND BANKRUPTCY CODE 2016

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

EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12)

of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure - E**.

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

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

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

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

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

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

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

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

As on March 31, 2024, the Company's permanent employee strength is 815 (852 as on March 31, 2023).

DIRECTORS RESPONSIBILITY STATEMENT

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

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

ended March 31, 2024 and Profit of the Company for the period ended March 31, 2024;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal finance controls were in place and that the financial controls were adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report for the financial year 2023-24 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure – G**.

AUDIT & AUDITORS

Statutory Audit:

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended March 31, 2024. The Auditor's reports for the financial year 2023-24 do not contain any qualification, reservation or adverse remark.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s Jinesh Dedhia & Associates, Practicing Company Secretaries (Membership No. 54731, Certificate of Practice No. 20229) as Secretarial Auditor to undertake Secretarial Audit of the Company for the financial year 2023-24. The report of the Secretarial Auditor is annexed to this report as **Annexure - H**. There are no qualifications, reservation or adverse remark made by the auditor in their report.

Place: Mumbai
Dated: August 13, 2024

Cost Audit:

The Company has maintained the cost accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. However your Company is a 100% export oriented unit and therefore, it is exempted from audit of its cost accounting records.

Reporting of Frauds:

There was no instance of any fraud during the year under review which required the Statutory Auditors to report to the Audit Committee or the Board under Section 143(12) of Act and Rules framed there under.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

APPRECIATION:

The Directors place on record their appreciation for the contribution made by the employees at all levels enabling the Company to achieve the performance during the year under review.

The Directors also appreciate the valuable co-operation and continued support extended by Company's Bankers, Medical Professionals, Business Associates and Investors who have put their faith in the Company.

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

Mark Saldanha
Chairman & Managing Director
DIN: 00020983



Annexure - A

Annexure to the Report of the Board of Directors

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

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

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

The following energy conservation methods were implemented during the year.

- Intensified internal audit aimed at detecting wastage and leakage of utility Circuits.
- Scheduled production to avoid usage of diesel during "Weekly Power Shutdown".
- Optimization of Agro Waste Fired Boilers.
- Optimization in use of cooling water pumps.
- Use of energy efficient pumps and motors.
- Chemical dosing of cooling/chilling water system.
- Installed energy efficient motors for chilling plant compressors.
- Cold insulation ducting and HVAC system are regularly checked and sections redone.
- Conducted compressed air audit.
- Optimized air compressor pressure.

b) Additional investments:

- Continuously install electronic devices to improve quality of power and reduction of energy consumption.
- Install efficient steam boiler burner.
- Harmonics and power factor improvements.
- Install energy saving lamps.
- Install VFD for air compressor motors.

c) Impact of above measures:

The adoption of energy conservation measures has resulted in considerable savings and increased level of awareness amongst the employees. The energy conservation measures have also resulted in improvement of power factor and consequential tariff benefits. These measures have also resulted into better quality of power, reduction in fossil fuel combustion, optimal utilization of resources resulting in overall efficiency improvement and reduced consumption of fuel, water and power resulted in lowering overall costs.

ENERGY CONSERVATION		
Particulars	2023-24	2022-23
1 Electricity		
(a) Purchases		
Units (in kwhs)	23774940	13560600
Total Amount (₹)	180872444	100886378
Rate/ Unit (₹)	7.61	7.44
(b) Own Generation		
(i) Through Diesel Generator		
Units (units in'000)	1485.84	795.81
Units per Ltr of Diesel Oil	3.02	3.06
Cost/ Unit (₹)	28.62	30.09
2 Agrowaste consumption		
Qty (units in'000)	5777.54	3519.95
Total Amount (₹ in'000)	31678.12	14223.23
Average Rate	5.48	4.04

B. TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company.

Foray into Generic business and identification of few niche areas for product development, mainly in dossier development, post patent filing for regulated and emerging markets. The company is building future by strengthening its research formulation through consistent investments in every aspect of its R&D programs, be its Generics Research or Advanced Drugs Delivery Systems (ADDS). The Generics R&D programs continues to create meaningful product pipelines for the US, European and other advanced and emerging markets.

2. Benefits derived as a result of above R&D

The year was a strong year for the company's R&D as the Company continued to benefit from its consistent investments in research through increase in number of products exported to US, Europe and other regulated and emerging markets.

3. Future plan of action

Development of new and innovative products will lead to evolution of comprehensive range of generics leading to Abbreviated New Drug Applications / Dossiers for filing.

4. Expenditure on R&D

The Company continues to benefit from the extensive Research and Development (R&D) activity carried on. The Company has set-up a New Research & Development centre at Navi Mumbai, Maharashtra with a view to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and to file a larger number of ANDAs.

During the year, the Company has incurred expenses of R & D nature for new product development and ANDA / Dossiers filing for regulated and emerging markets.

Expenditure on R&D	₹ in Million
a. Capital expenditure	31.28
b. Revenue expenditure	199.32
c. Total	230.60

d. Total R&D expenditure as a percentage of total standalone revenue – 2.52%

5. Technology absorption, adaptation and innovation.**i. Efforts, in brief, made towards technology absorption, adaptation and innovation**

Improvements in process parameters, up-gradation of plant and systems facility, working systems,

documentation and practices to international regulatory standards for European and U.S. Market.

ii. Benefits derived as a result of the above efforts.

Bio Fuel being substantially cheaper to Furnace Oil, its usage will generate savings in fuel cost. Also it will save time on steam generation and add to operator safety. Access to highly regulated markets, thereby increasing the sales volumes. Installation of new testing equipment has substantially reduced dependency on external testing, thereby reducing the overall operational time cycles. The same has also resulted in reduction in manpower. Improvements in process parameters have reduced the percentage rejection in the process thereby reducing the wastage of costly raw material.

iii. Imported Technology

Nil

C. Foreign Exchange Earnings & Outgo

During the financial year 2023-24, the Company used foreign exchange amounting to ₹ 1,511.39 Million (Previous year ₹ 1,348.40 Million) and earned foreign exchange amounting to ₹ 8,465.87 Million (Previous Year ₹ 6,491.44 Million).

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

Mark Saldanha

Chairman & Managing Director

DIN: 00020983

Place: Mumbai

Dated: August 13, 2024



Annexure - B

Annexure to the Report of the Board of Directors

Form No. AOC -2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangements or transactions at arm's length basis:
 - a) Name of the related party: Time-Cap Laboratories Inc.
 - b) Nature of relationship: Wholly owned subsidiary.
 - c) Nature of contracts/ arrangements/ transactions: Sale & purchase of finished goods.
 - d) Duration of the contracts/ arrangements/ transactions: -
 - e) Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ 4379.39 Million.
 - f) Date(s) of approval by the Board, if any: Not applicable, since the contracts were entered in the ordinary course of business and are on arm's length basis.
 - g) Amount paid as advances: Nil

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

Place: Mumbai
Dated: August 13, 2024

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Annexure - C

Annexure to the Report of the Board of Directors Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy of the Company:

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

2. The Composition of the CSR Committee:

As on March 31, 2024, CSR Committee of the Company consists of three (3) Directors which include one (1) Independent Director. The Composition of the CSR Committee is set out below:

Sr. No	Name	Designation - Category
1.	Mr. Varddhman Vikramaditya Jain	Chairman – Whole-time Director
2.	Mrs. Sandra Saldanha	Member – Whole-time Director
3.	Mr. Seetharama R. Buddharaju	Member - Independent Director

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR Committee is available on the Company's web-link at <http://marksanspharma.com/general-information.html>

The Company's CSR Policy is available on the Company's web-link at <http://marksanspharma.com/pdf/CSR-Poilty.pdf>

The Company's CSR Projects is available on the Company's web-link at <https://www.marksanspharma.com/csr-activities.html>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	84,246.77	84,246.77

6. Average Net Profits of the Company as per section 135(5):

The average net profit of the Company made during the three immediately preceding financial years calculated as specified by the Companies Act, 2013 for FY 2023-24 was ₹ 1,31,48,41,390.33

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

The prescribed CSR expenditure requirement for FY 2023-24 was ₹ 2,62,96,827.81

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Not Applicable



(c) Amount required to be set off for the financial year, if any

The amount available for set off for the F.Y 2023-24 is ₹ 84,246.77

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

Total CSR obligation for the financial year is ₹ 2,62,12,581.04

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,94,46,195.48	Not Applicable				

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

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

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

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

(1)	(2)	(3)	(4)	(5)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	
				State	District
1.	Organized free health check-up camps and distributed free medicines and other medical supplies to under privileged people in the state of Goa	Promotion of Health Care including preventive health care	Yes	Goa	North Goa
2.	Construction of New Building for Government Aided Nursing Institute	Promotion of Health Care including preventive health care	Yes	Goa	North Goa
3.	Distribution of free food items to needy people.	Eradication of Hunger,	Yes	Goa	North Goa
4.	Medical treatment to under privileged patients of cancer and other blood disorders	poverty & malnutrition	Yes	Maharashtra	Mumbai
5.	Tree plantation in Verna Industrial Estate, Goa	Environmental sustainability, ecological balance and protection of flora and fauna	Yes	Goa	North Goa
6.	Donations to Reginaldo Trust for improving services in farming sector by giving medical equipments and facilitating better access to e-learning and online services to needy people.	Promoting education	Yes	Goa	North Goa

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project	
				State	District
				7.	Women and child development, professionalizing Anganwadis and national nutrition mission in Goa
8.	Donations towards construction of new school building to Chetna Charitable trust	Promoting education	Yes	Goa	North Goa
9.	Desktop Distributed to underprivileged student of Satguru Foundation in Kudaim, Goa	Promoting education	Yes	Goa	North Goa
10.	Providing of Sanitary Pads to poor women under the "MY PAD, MY RIGHT" program, an initiative of Swatch Bharat scheme of Beti Bachao scheme of the Govt. of India, under the Ministry of Women & Child Development and Skill Development.	Empowering women	Yes	Goa	North Goa
Total					

(6) Amount spent for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
		Name	CSR Registration Number
		97,77,123	Yes
60,00,000	Yes	-	-
51,45,174.77	Yes	-	-
29,25,015	Yes	-	-
23,52,858.71	Yes	-	-
20,00,000	Yes	-	-
7,28,674	Yes	-	-
3,50,000	Yes	-	-
1,12,100	Yes	-	-
55,250	Yes	-	-
2,94,46,195.48			

(d) Amount spent in Administrative Overheads

Not Applicable

(e) Amount spent on Impact Assessment, if applicable

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 2,94,46,195.48

(g) Excess amount for set off, if any

₹ 84,246.77

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,62,96,827.81
(ii)	Total amount spent for the Financial Year	2,95,30,442.26*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	32,33,614.46
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	32,33,614.46

*It includes ₹ 84,246.77 carried forward from previous financial year.



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

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
			Name of the Fund	Amount (in ₹)	Date of transfer	

Not Applicable

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

(1)	(2)	(3)	(4)	(5)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration

Not Applicable

(6)	(7)	(8)	(9)
Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Not Applicable

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable. The Company has spent the entire estimated CSR expenditure during the financial year 2023-24.

For and on behalf of the CSR Committee

Place: Mumbai
Date: August 13, 2024

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

Mr. Mark Saldanha
Managing Director
DIN: 00020983

Annexure - D

Annexure to the Report of the Board of directors

CORPORATE GOVERNANCE REPORT 2023-24

A. Company's Philosophy on Code of Governance

The Company is committed to the principles of good corporate governance to achieve long term corporate goals and to enhance shareholders value by managing its operations at all levels with highest degree of transparency, responsibility and delegation with equity in all facets of its operations leading to sharp focus and operationally efficient growth. The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies. The strong internal control system and procedures and codes of conduct for observance by the Company's directors and employees are conducive in achieving good corporate governance practices in the Company. The compliance report is prepared and given below in conformity to the mandatory requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

B. Board of Directors

i. Composition of the Board:

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors. As on March 31, 2024, the Board comprised of eight (8) Directors; of which, three (3) including the Chairman are executive and five (5) are non-executive, of which, four (4) are independent directors. Two (2) are women directors; of which one (1) is Independent. The composition of the board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. All the Directors have confirmed that they are not debarred from

holding the office of Director by virtue of any Order by SEBI or any other regulatory authority.

During the year under review, Dr. Meena Rani Surana (DIN: 08863769), Independent Director of the Company who was appointed for a term of 5 years i.e. from September 04, 2020 to September 03, 2025, has ceased to be an Independent Director of the Company w.e.f. May 30, 2023 pursuant to her resignation due to personal reasons whereby the Director has confirmed that there were no other material reasons other than those provided for the aforesaid resignation. Further, Mrs. Shailaja Vardhan (DIN: 10172764) was appointed as an Independent Director of the Company at the 31st AGM, held on August 28, 2023 for a term of 5 years i.e. from May 30, 2023 to May 23, 2028.

ii. Meetings of the Board:

During the financial year under review, Five (5) Board Meetings were held on 30.05.2023, 01.08.2023, 11.08.2023, 09.11.2023 and 13.02.2024. The necessary quorum was present at all the meetings. The time gap between any two consecutive meetings was not more than 120 days.

None of the Directors are members of more than 10 Committees nor are the Chairman of more than 5 Committees across all the Companies in which they are Directors. The details regarding Composition, shareholding in the Company, attendance at the Board Meetings and the last Annual General Meeting, details of Directorships and Board committee memberships/ chairmanships in other Companies held by them as on March 31, 2024 are set out below:

Name of the Director (DIN)	Category (Executive/ Non-executive/ Independent/ Non-Independent/ Promoter)	No. of Shares held in the Company	Board Meetings held / conducted during the year	No. of Board Meetings attended	No. of Directorship in other Companies ⁽¹⁾	No. of Committee Memberships / Chairmanships (including the Company) ⁽²⁾		Whether attended last AGM held on 28.08.2023
						Member	Chairman	
Mr. Mark Saldanha (Chairman & Managing Director) (DIN: 00020983)	Executive, Non-Independent & Promoter	198491553	5	5	-	-	-	Yes
Mrs. Sandra Saldanha (DIN: 00021023)	Executive, Non-Independent & Promoter	220180	5	5	-	-	-	Yes
Mr. Vardhman Vikramaditya Jain (DIN: 08338573)	Executive & Non-Independent	Nil	5	5	-	1	-	Yes
Mr. S R Buddharaju (DIN: 03630668)	Non-Executive & Independent	Nil	5	5	-	1	1	Yes



Name of the Director (DIN)	Category (Executive/ Non-executive/ Independent/ Non- Independent/ Promoter)	No. of Shares held in the Company	Board Meetings held / conducted during the year	No. of Board Meetings attended	No. of Directorship in other Companies ⁽¹⁾	No. of Committee Memberships / Chairmanships (including the Company) ⁽²⁾		Whether attended last AGM held on 28.08.2023
						Member	Chairman	
Mr. Digant Mahesh Parikh (DIN: 00212589)	Non-Executive & Independent	Nil	5	5	1	1	1	Yes
Mr. Abhinna Sundar Mohanty (DIN: 00007995)	Non-Executive & Independent	Nil	5	4	1	2	-	Yes
Mrs. Shailaja Vardhan ⁽³⁾ (DIN: 10172764)	Non-Executive & Independent	Nil	5	4	-	-	-	Yes
Dr. Sunny Sharma (DIN: 02267273)	Non-Executive & Non- Independent	Nil	5	5	1	1	-	Yes
Dr. Meena Rani Surana ⁽⁴⁾ (DIN: 08863769)	Non-Executive & Independent	Nil	-	-	-	-	-	-

⁽¹⁾This excludes directorship held in private companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013.

⁽²⁾Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company and excludes memberships in high value debt listed entities.

⁽³⁾Appointed as an Independent Director of the Company w.e.f. May 30, 2023

⁽⁴⁾Ceased to be an Independent Director of the Company w.e.f. May 30, 2023

iii. The details pertaining to the directorships held by a Director in listed companies other than the Company and Disclosure of relationships between directors inter-se.

Name of the Director	Name of the listed entity ⁽¹⁾	Category of Directorship	Relationship between Directors inter se
Mr. Mark Saldanha	Nil	-	Relative of Mrs. Sandra Saldanha
Mrs. Sandra Saldanha	Nil	-	Relative of Mr. Mark Saldanha
Mr. Vardhman Vikramaditya Jain	Nil	-	None
Mr. Seetharama Raju Buddharaju	Nil	-	None
Mr. Digant Mahesh Parikh	Nil	-	None
Mr. Abhinna Sundar Mohanty	Nil	-	None
Mrs. Shailaja Vardhan	Nil	-	None
Dr. Sunny Sharma	Advanced Enzyme Technologies Limited	Non-Executive & Non-Independent	None

⁽¹⁾ Only equity listed companies are considered.

iv. Details of core skills/expertise/competencies identified by the Board of Directors required in the context of its business and sector for it to function effectively and those actually available with the Board

Skills/expertise/competencies identified by the Board which are required in the context of its business and sector	<p>The Board of Directors shall comprise of directors having right skills/expertise/competencies that allow them to make effective contributions to the Board and its Committees. Such Skills/expertise/competencies as identified by the Board are:</p> <ol style="list-style-type: none"> All Board members shall be financially literate and at least one member shall have accounting or related financial management expertise. Members of the Board shall be capable of risk assessment and suggest risk mitigation measures in general and particularly with respect to risk associated with the pharma sector. Right qualifications and expertise necessary to understand and navigate the Pharma industry. Expertise in corporate strategy, budgets and business plans and setting performance objectives. Best corporate governance practice. Oversight on the general management and affairs of the Company. Board members should act in good faith and with due diligence and care and in the best interest of the Company and shareholders. Board members should be capable of exercising independent judgment. Board members should be able to commit themselves effectively to their responsibilities.
Skills/expertise/competencies actually available with the Board	<p>All the Directors of the Company are financially literate wherein one of the Directors holds an MBA in Finance. All Directors are well versed with pharmaceutical business, general management and administration, risk identification and management, good corporate governance practices, etc. The Directors possess strong working experience in the above fields. The Company's Board is comprised of perfect blend of the above skills/ expertise/competencies.</p>

The Core Skills identified to each of the Directors of the Company are as follows:

Names of the Directors	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company
Mr. Mark Saldanha	Business Marketing, Production and Finance
Mrs. Sandra Saldanha	Human Resource Management, Business Development, Projects and Supply Chain Management
Mr. Vardhman Vikramaditya Jain	Manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosages
Mr. Seetharama Raju Buddharaju	Sales Management, Marketing and Business Administration
Mr. Digant Mahesh Parikh	Corporate Finance, Strategic Planning and Business Set-up & Scale up
Mr. Abhinna Sundar Mohanty	Sales and Marketing, Business Development and Business Strategy.
Mrs. Shailaja Vardhan	Corporate Communication, Public Communication, Building Brand Architecture and CSR Activities.
Dr. Sunny Sharma	Corporate Finance and Investment Banking

v. Independent Directors:

The Company has received necessary declaration from all the independent directors confirming that they meet the criteria of independence. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013. In the opinion of the Board of Directors of the Company, the Independent directors fulfill the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

During the financial year under review, the Independent Directors held a meeting on February 13, 2024 without the attendance of non-independent directors and the management. The Independent Directors reviewed performance of non-independent directors and the Board of Directors as a whole and performance of the Chairman of the Company. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and the directors.

The Company proactively keeps its independent directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issue being faced by the industry. The Company also familiarized the independent directors about their role, functions and responsibilities. Details of the familiarization programme for the Independent Directors are placed on the Company's weblink <https://www.marksanspharma.com/pdf/familiarisation-programme-for-independent-directors-2023-24.pdf>. During the financial year under review, Dr. Meena Rani Surana (DIN: 08863769) - Independent Director resigned from the Board. Dr. Meena Rani Surana has confirmed that there are no other material reasons for her resignation other than those mentioned in her resignation letter. Further, Mrs. Shailaja Vardhan (DIN: 10172764) was appointed as an Independent Director on the Board of the Company.



C. Board Committees

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee. The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations and are also reviewed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairpersons. The role and composition of these Committees including the number of meetings held during the financial year and the related attendance are stated herein below;

1. Audit Committee:

The Audit Committee consists of four (4) members, namely Mr. Digant Mahesh Parikh (Chairman), Mr. Seetharama Raju Buddharaju, Mr. Abhinna Sundar Mohanty and Dr. Sunny Sharma. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Managing Director and Head of Finance are invited to the audit committee meetings. Company Secretary acts as the Secretary to the Committee. The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 18 and Schedule II Part C of the SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

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

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

During the financial year under review, the Audit Committee met five (5) times on 30.05.2023, 01.08.2023, 11.08.2023, 09.11.2023 13.02.2024. The necessary quorum was present at all the meetings. The time gap between any two consecutive meetings was not more than 120 days. The Chairman of the Committee was present at the last Annual General Meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 5 held
1.	Mr. Digant Mahesh Parikh	Chairman	Non-executive & Independent	5
2.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	5
3.	Dr. Sunny Sharma	Member	Non-executive & Non-Independent	5
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	4

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company consists of four (4) members, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Digant Mahesh Parikh, Mr. Abhinna Sundar Mohanty and Dr. Sunny Sharma. All members of the committee are non-executive director. The constitution, functions and the terms of reference of the Committee are those prescribed under Regulation 19 and Schedule II Part D – Para A of the SEBI (LODR) Regulations, 2015 as well as under Section 178 of the Companies Act, 2013.

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

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
2. Formulation of policy on Board diversity, criteria for evaluation of performance of individual directors, Board and its committees.

3. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board their appointment and removal.
4. Determining whether to extend or continue the terms of appointment of the independent directors on the basis of their performance evaluation.
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the financial year under review, the Nomination and Remuneration Committee met three (3) times on 30.05.2023, 01.08.2023 and 13.02.2024. The necessary quorum was present at all the meetings. The Chairman of the Committee was present at the last Annual General Meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 3 held
1.	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	3
2.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	3
3.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	3
4.	Dr. Sunny Sharma	Member	Non-executive & Non-Independent	3

Nomination and Remuneration Policy:

The Company has in place Nomination and Remuneration Policy in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board for his/her appointment.
2. For the appointment of KMP (other than Managing/Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. For administrative convenience, the Managing Director is authorized to identify and appoint a suitable person for the position of KMP (other than Managing/Whole-time Director) and Senior Management.
3. Remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director is determined by the Committee and recommended to the Board for approval. Remuneration / compensation

/ commission, etc., as the case may be, are subject to approval of the shareholders of the Company and are in accordance with provisions of the Companies Act, 2013 and Rules made thereunder. The Managing Director of the Company is authorized to decide remuneration of KMP (other than Managing/Whole-time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

4. Remuneration / commission / sitting fees, as the case may be, to the Non-Executive/ Independent Director, is in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
5. An Independent Director is not entitled to any stock option of the Company.

Remuneration of Directors

Criteria for making payment to Executive Directors

The executive directors are paid remuneration under the applicable provisions of the Companies Act, 2013 read with SEBI Listing Regulations, subject to the approval of the shareholders in the General Meeting.

**The details of remuneration paid to Executive Directors during the financial year ended March 31, 2024 are as follows:**

(In ₹)

Name of Directors	Basic	Allowances	Bonus	Perquisite	Medical Reimbursement	Total
Mr. Mark Saldanha	4,80,00,000	41,01,600	60,000	1,66,95,453.2	--	6,88,57,053
Mrs. Sandra Saldanha	10,80,000	59,22,564	12,000	39,600	15,000	70,69,164
Mr. Varddhan Vikramaditya Jain	60,00,000	77,34,828	50,00,000	0	15,000	1,87,49,828

Note:

The above figure does not include provisions for Company's Contribution to Provident Fund & Gratuity and other perquisites.

Apart from the above remuneration, Mr. Varddhan Vikramaditya Jain is entitled to performance linked incentives as may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time.

The Company has not issued any stock options either to its directors or employees.

Criteria for making payment to Non-Executive Directors

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. Non-Executive Directors are not paid any remuneration except sitting fees for attending the meeting of the Board and Committees. Apart from this, there is no pecuniary relationship or transaction between any non-executive directors (including Independent Directors) and the Company.

Details of sitting fees paid to Non-Executive Directors during the financial year ended March 31, 2024 are given below:

Name of Directors	Sitting Fees#	Total
Mr. Seetharama Raju Buddharaju	25,000	25,000
Mr. Digant Mahesh Parikh	4,00,000	4,00,000
Mr. Abhinna Sundar Mohanty	15,000	15,000
Mrs. Shailaja Vardhan	3,00,000	3,00,000

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

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

- Attendance and contribution at Board and Committee meetings.
- Stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- Knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- Ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which is expected to be played, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- Global presence, rationale, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making on sourcing of raw material, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- Ability to monitor the performance of management and satisfy oneself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- Contribution to enhance overall brand image of the Company.

12. Adherence to the various codes of conduct and policies framed by the Company as applicable.

Pursuant to the provisions of Companies Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

3. Stakeholders' Relationship Committee:

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

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

Number of complaints received during the year : Nil

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

Number of complaints outstanding as on 31.03.2024 : Nil

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 30.05.2023, 11.08.2023, 09.11.2023 and 13.02.2024. The necessary quorum was present at all the meetings. The Chairman of the Committee was present at the last Annual General Meeting.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 4 held
1.	Mr. Seetharama Raju Buddharaju	Chairman	Non-executive & Independent	4
2.	Mr. Varddhman Vikramaditya Jain	Member	Executive & Non-Independent	4
3.	Mr. Digant Mahesh Parikh	Member	Non-executive & Independent	4
4.	Mr. Abhinna Sundar Mohanty	Member	Non-executive & Independent	3

4. Corporate Social Responsibility (CSR) Committee:

CSR Committee of the Company consists of (3) directors, namely Mr. Varddhman Vikramaditya Jain (Chairman), Mrs. Sandra Saldanha and Mr. Seetharama Raju Buddharaju. The Company has in place a CSR Policy formulated by CSR Committee and approved by the Board of the Company.

The constitution, functions and the terms of reference of the Committee are those prescribed under the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee inter alia, includes the followings:

1. To formulate and recommend to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Schedule VII to the Act.
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. To monitor the CSR policy of the Company from time to time.
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

During the financial year under review, CSR Committee met two (2) times on 30.05.2022 and 13.03.2024. Necessary quorum was present at all the meetings.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 2 held
1.	Mr. Varddhman Vikramaditya Jain	Chairman	Executive & Non-Independent	2
2.	Mrs. Sandra Saldanha	Member	Executive & Non-Independent	2
3.	Mr. Seetharama Raju Buddharaju	Member	Non-executive & Independent	2

**5. Risk Management Committee:**

Risk Management Committee of the Company consists of three (3) members, namely Mr. Varddhman Vikramaditya Jain (Chairman), Mr. Seetharama R. Buddharaju and Mr. Jitendra Sharma. The Company has a Risk Management Policy formulated by Risk Management Committee and approved by the Board of the Company.

The terms of reference of the Committee are those prescribed under Regulation 21 read with Schedule II Part D - Para C of the SEBI (LODR) Regulations, 2015. The Committee is responsible to implement and monitor risk assessment and minimization procedure and periodically report to the Board a risk assessment report and recommend to the Board risk mitigation measures, if any, for approval.

During the financial year under review, Risk Management Committee met three (3) times on 30.05.2023, 15.11.2023 and 13.02.2024. Necessary quorum was present at all the meetings.

The composition and attendance of members at the Committee meetings is given below:

Sr. No.	Name of Committee Member	Position	Category	Meeting Attended out of 3 held
1.	Mr. Varddhman Vikramaditya Jain	Chairman	Executive & Non-Independent	3
2.	Mr. Seetharama Raju Buddharaju	Member	Non-Executive & Independent	3
3.	Mr. Jitendra Sharma	Member	Chief Financial Officer	3

General Body Meetings:

Annual General Meeting	Date	Time	Venue / Mode of conducting the meeting	No. of Special Resolutions
Thirty First	28.08.2023	04:30 P.M	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM'). The deemed venue of the AGM was the Registered Office of the Company.	4
Thirtieth	29.08.2022	09:00 A.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM'). The deemed venue of the AGM was the Registered Office of the Company.	2
Twenty Ninth	23.09.2021	11:00 A.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM'). The deemed venue of the AGM was the Registered Office of the Company.	4

The following special resolutions were passed by the Shareholders at the last three Annual General Meetings:

Year	Date	Resolution
2022-23	28.08.2023	<ul style="list-style-type: none"> Approval of appointment of Mrs. Shailaja Vardhan (DIN: 10172764) as an Independent Director of the Company. Approval of re-appointment of and remuneration to Mrs. Sandra Saldanha (DIN: 00021023) as a Whole-time Director. Approval of Alteration in Articles of Association of the Company. Approval of Marksans Employee Stock Option Scheme 2023.
2021-22	29.08.2022	<ul style="list-style-type: none"> Approval of revision in remuneration of Mr. Mark Saldanha (DIN: 00020983). Approval of Marksans Employees Stock Option Scheme 2022.
2020-21	23.09.2021	<ul style="list-style-type: none"> Approval of re-appointment and remuneration to Mr. Varddhman Vikramaditya Jain (DIN: 08338573) as a Whole-time Director. Approval of appointment of Mrs. Meena Rani Surana (DIN: 08863769) as an Independent Director. Approval of Marksans Employees Stock Option Scheme 2021. Approval of revision in remuneration of Mr. Mark Saldanha (DIN: 00020983).

Postal ballot:

The Board of Directors of the Company through a circular resolution passed on March 14, 2023, approved the proposal for conducting postal ballot by remote e-voting process pursuant to Section 108 & 110 of the Act for seeking approval of the Members by way of special resolution for the below mentioned proposal:

- To approve re-appointment of Mr. Digant Mahesh Parikh (DIN: 00212589), as an Independent Director of the Company

The Board appointed Mr. Ashish Jain, Practicing Company Secretary (Membership No. FCS 6058 and CP No. 6124), as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner. The voting period commenced from Saturday, April 29, 2023 from 9:00 a.m. (IST) and closed on Sunday, May 28, 2023 at 5.00 p.m. (IST) both days inclusive.

The scrutinizer submitted its report dated May 29, 2023. The result of voting through Postal Ballot by remote e-voting was as follows:

Particulars	Number of members voted through remote e-voting	Number of votes casted through remote e-voting	Percentage (%)
Assent	478	26,98,67,169	99.96
Dissent	33	1,14,081	0.04
Total	511	26,99,81,250	100.00

Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
-	-

Procedure for Postal Ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the rules framed there under and read with various circulars issued by MCA (collectively "MCA Circulars").

Further, as of date of this report, there is no proposal which is envisaged to be passed through Postal Ballot. If a Resolution is to be passed by way of Postal Ballot, the Company will follow the process as per regulatory requirements.

Means of Communication:

Quarterly, Half-yearly, and Annual results of the Company are published in one English newspaper (Business Standard) and one Marathi newspaper (Lakshadeep). These results are also submitted to the stock exchanges in accordance with the Listing Regulations and are available on the website of BSE (www.bseindia.com) & NSE (www.nseindia.com) and also on the Company's website (www.marksanspharma.com). The Company also displays official news releases on its website from time to time. The Company also makes presentation to institutional investors or analysts and is displayed on its website. The Annual Report is circulated to all the Members, Statutory Auditors, Secretarial Auditor, Directors and such other persons who are entitled to receive the Annual Report.

Share Transfer System

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent for both physical and

demat segment. The Company has authorized Mr. Mark Saldanha, Managing Director, Mr. Jitendra Sharma, Chief Financial Officer and Mr. Harshavardhan Panigrahi, Company Secretary of the Company to approve share transfers lodged in physical mode, dematerialization/rematerialization of shares, issue of duplicate share certificate on surrender of defaced/damaged/mutilated share certificates. The shares lodged for the above purposes are given effect and returned in 15 days from the date of receipt, so long as the documents are complete in all respects. The Company obtains a yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40(9) of SEBI (LODR) Regulations, 2015 and the same is filed with the Stock Exchanges. The Certificate has also been received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996. Vide Gazette Notification dated June 8, 2018 and as amended, SEBI has mandated that with effect from January 24, 2022, transfer/ transmission/ transposition of shares as well as issuance of duplicates thereof or issuance of new certificates of the Company would be carried out in dematerialised form only. No physical shares are accepted from that date.

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



Details of the Company's material subsidiary:

Name

Name of the Statutory Auditors
Date of appointment of Statutory Auditors
Date of Incorporation
Place of Incorporation

Name

Name of the Statutory Auditors
Date of appointment of Statutory Auditors
Date of Incorporation
Place of Incorporation

Name

Name of the Statutory Auditors
Date of appointment of Statutory Auditors
Date of Incorporation
Place of Incorporation

: Time Cap Laboratories Inc.

: BDO India LLP
: May 31, 2022
: December 11, 2014
: New York, USA

: Bell, Sons & Co. (Druggists) Limited

: PBG Associates Limited
: February 2018
: July 16, 2012
: England & Wales, UK

: Relonchem Limited

: PBG Associates Limited
: February 2018
: July 16, 2012
: England & Wales, UK

Other Disclosures:

- a) During the year, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.
- b) Related Parties Transactions: The Company has been selling goods to its subsidiaries, namely Bell, Sons & Co (Druggists) Limited, Relonchem Limited, Time-Cap Laboratories Inc. and Nova Pharmaceuticals Australasia Pty Ltd. from time to time. These subsidiaries are related parties and are wholly owned subsidiaries of the Company except Nova Pharmaceuticals Australasia Pty Ltd. The Audit Committee has granted an omnibus (ad hoc) approval for Sales to Nova Pharmaceuticals Australasia Pty. Ltd., in which the Company holds 60% of the share capital for smooth operations which is in the interest of the Company. The said approval is in accordance with the Company's Policy on Related Party Transactions and it is within the limit of the Omnibus (ad hoc) approval of the Audit Committee of the Company. The transactions entered with Time-Cap Laboratories Inc. exceed the materiality limit as provided under the SEBI Listing Regulations. However, since time-cap laboratories Inc. is a wholly owned subsidiary, neither audit committee nor shareholders prior approval would be required. Further, all the transactions with these subsidiaries are in the ordinary course of business on arm's length basis and are repetitive in nature. These transactions are entered in the Register of Contracts and placed before the Board of Directors on a regular basis. The details of these related party transactions are also placed before the Audit Committee for review. Details of related party transactions during the year ended 31st March, 2024 has been set out under Note No. 39(c) of the Notes annexed to the Financial Statements for the year ended 31st March, 2024. There are no materially significant related party transaction that may have potential conflict with the interests of the Company. Company's policy on dealing with Related Party Transactions and policy for

determining material subsidiaries are available on the Company's weblink at <http://marksanspharma.com/pdf/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf> & <http://marksanspharma.com/pdf/policy-on-material-subsiidiary.pdf> respectively.

- c) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- d) The Company has in place a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. Under the policy, an effective vigil mechanism for directors and employees has been established to report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. Details of the Whistle Blower Policy are available on the Company's web link at <http://marksanspharma.com/pdf/whistle-blower-policy.pdf>. The said vigil mechanism also provides for adequate safeguard against victimisation of the person who uses such mechanism and direct access to the chairperson of the Audit Committee. During the financial year 2023-24, there were no instances of any unethical behaviour, actual or suspicious fraud or violation of the Company's operational policies and codes of conduct and no employee of the Company sought access to the Audit Committee.
- e) The web link with respect to the policy for determining material subsidiaries and policy on dealing with related party transactions are mentioned in the Board's Report.
- f) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), as applicable and other applicable provisions of the SEBI Listing Regulations.

- g) During the financial year 2022-23, the Company had raised funds through issue of 5,03,24,324 Equity Shares @ ₹ 74.00 each pursuant to the conversion of convertible warrants on preferential basis. The Company had raised ₹ 372.40 Crore from the said preferential issue. As on March 31, 2024, the Company has utilized ₹ 200,35,15,020 of the said amount received from the preferential issue.
- h) A certificate from M/s. Jinesh Dedhia & Associates, Practising Company Secretaries (Membership No. 54731, Certificate of Practice No. 20229) that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.
- i) During the financial year under review, the Board has accepted all the recommendations of the Committees of Directors.
- j) Total fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditors is ₹ 8.19 million for the year ended March 31, 2024.
- k) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-
- Number of complaint filed during the financial year 2023-24 : Nil
 - Number of complaint disposed of during the financial year 2023-24 : NA
 - Number of complaints pending as at end of the financial year 2023-24 : Nil
- l) During the financial year under review, neither the Company nor its subsidiaries has given any Loans and advances in the nature of loans to any firms/companies in which directors of the Company are interested.
- m) The Company is not into any commodity trading activities.
- n) The entire revenue of the Company is derived from the export market. The Company also imports some of the raw materials. Therefore, the Company is exposed to foreign exchange fluctuation risk. The Company manages these risks by taking adequate forward cover from time to time.
- o) The Company is fully compliant with the corporate governance requirements specified in the Companies Act, 2013 and in Schedule V of SEBI (LODR) Regulations, 2015 to the extent applicable.
- p) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:
- The Company has an executive chairperson.
 - Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.
 - Every endeavor is made to make the financial statements with unmodified audit opinion.
 - The internal auditors' reports are placed before the Audit Committee from time to time.
- q) During the year ended March 31, 2024, there were no shares in the demat suspense account/unclaimed suspense account of the Company.
- r) The Audit Committee of the Company reviews the financial statements of its subsidiary companies. Minutes of the meetings of the subsidiary companies are also placed before the Board of Directors of the Company from time to time.
- s) The Company has in place Succession Plans for appointment to the Board of Directors and Senior Management.
- t) During the year ended March 31, 2024, all members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct framed pursuant to SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

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

Regulation No.	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Subsidiary Company.	Yes
25	Independent Directors	Yes



Regulation No.	Particulars	Compliance Status
26	Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

Management Discussion & Analysis Report:

The Annual Report has a separate and detailed chapter on Management Discussion & Analysis covering Industry structure and development, financial and operational performance of the Company, risks, concerns, opportunities, threat and outlook forming part of this report.

Compliance with Secretarial Standards:

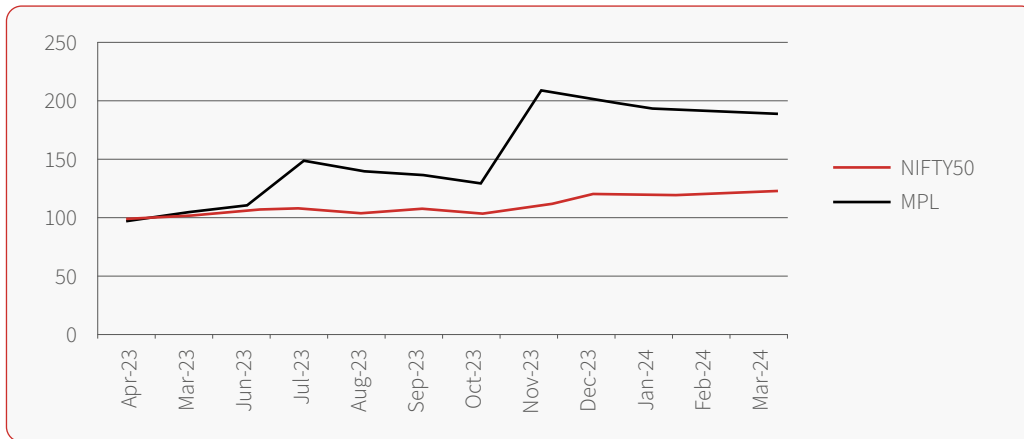
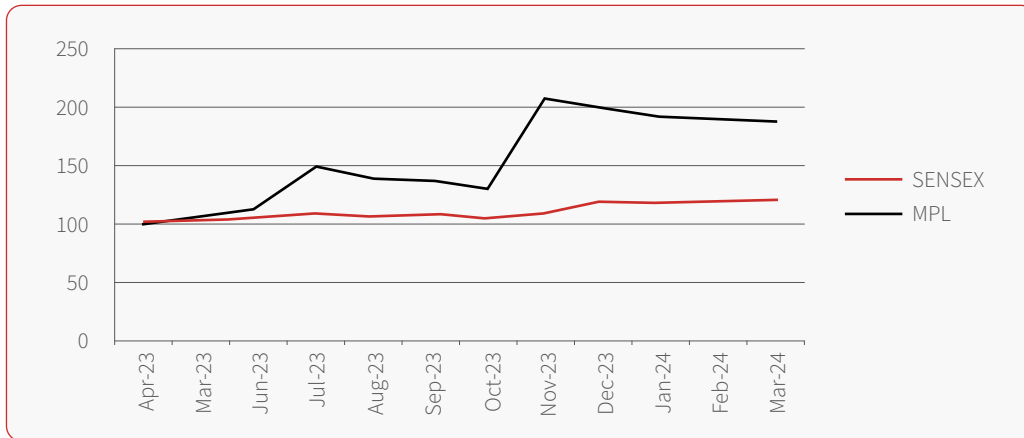
The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with them to the extent applicable.

General Shareholder Information

AGM – Date, Time & Venue	Thirty Second (32nd) Annual General Meeting on Tuesday, 24th September, 2024 at 09:30 A.M. through video conferencing / other audio- visual means (deemed venue -Registered Office of the Company)
Financial Year	April 2023 to March 2024
Financial calendar (Tentative schedule)	Financial Year - April to March First Quarter Results – 2nd week of August Second Quarter Results – 2nd week of November Third Quarter Results – 2nd week of February Last Quarter Results – 3rd / 4th week of May
Record Date for dividend payment	Tuesday, 17th September 2024
Dividend payment date	On or after 05th October, 2024
Listing on Stock Exchanges along with address	1. BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 2. The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
Listing Fee Payment	The annual listing fees for the financial year 2023-24 have been paid to the above Stock Exchanges.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026
Depositories	Central Depository Services (India) Limited National Securities Depository Limited

Monthly Open, High, Low & Close market prices of Marksans' shares on BSE & NSE during the period April 2023 to March 2024 are as under:

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr-23	70.51	82.68	69.52	80.74	70.75	82.8	69.55	80.8
May-23	80.21	87.7	70.2	85.27	81	87.7	70.55	85.3
Jun-23	85.41	95.7	82.2	91.3	85.8	95.8	82.1	91.2
Jul-23	91.31	122	90.66	118.93	91.7	122	90.6	118.95
Aug-23	119.75	122.5	108.4	112.95	119.5	122.5	108.45	113
Sep-23	113.45	113.5	93.85	109.95	113.75	113.75	100	110.05
Oct-23	110.5	114	97.6	105.5	110.35	114.4	97.45	105.55
Nov-23	105.7	167.5	104.9	166.4	105.55	167.5	105.05	166.35
Dec-23	167.05	172	145.7	160.85	167.3	172	146	161.1
Jan-24	161.55	179.1	143	154.85	162.5	179.3	142.85	155.35
Feb-24	156.3	170.75	138.3	152.65	156.05	170.85	138.5	152.5
Mar-24	155.6	157.7	126.05	151.55	156	157.75	130.25	151.9

Marksans Pharma Ltd ("MPL") shares price performance versus BSE Sensex & NSE NIFTY50 during April 2023 – March 2024.

Note: Share Price and Index Price are rebased to 100 for closing price as on April 30, 2023.

Shareholding Pattern as on 31.03.2024:

	Particulars	No. of shareholders	No. of shares held	% of shareholding
A	Promoter :-			
1	Mr. Mark Saldanha	1	19,84,91,553	43.80%
2	Mrs. Sandra Saldanha	1	2,20,180	0.05%
B	Non Promoter : Public:-			
1	Mutual Fund	9	1,91,62,902	4.23%
2	Alternate Investment Fund	3	42,81,000	0.94%
3	Foreign Portfolio Investors (Category I & II)	97	2,12,50,755	4.69%
4	FDI	1	4,93,24,324	10.88%
5	Bodies Corporate	569	69,08,268	1.52%
6	Financial Institution / Banks	3	2,911	0.00%
7	Individual	247366	14,00,72,721	30.91%
8	Non-Resident Indian (NRI)	3854	78,74,203	1.74%
9	IEPF	1	7,01,464	0.15%
10	Others (Clearing Members, HUF, Firm, Trust & Employees)	2794	48,73,465	1.08%
	Total	2,54,699	45,31,63,746	100.00%

*Number of shareholders are not PAN clubbed.



Distribution of Shareholding as on 31.03.2024

Category (Shares)	Shareholders		Shareholding	
	Number	%	Number	%
Upto 5000	2,55,493	98.4916	7,00,18,583	15.45
5001 – 10000	2,076	0.8003	1,55,15,913	3.42
10001 – 20000	943	0.3635	1,37,19,936	3.02
20001 – 30000	301	0.1160	75,74,506	1.67
30001 – 40000	147	0.0567	52,23,701	1.15
40001 – 50000	90	0.0347	41,36,794	0.91
50001 – 100000	192	0.0740	1,38,15,182	3.04
100001 and above	164	0.0632	32,31,59,131	71.31
Total	2,59,406	100	45,31,63,746	100

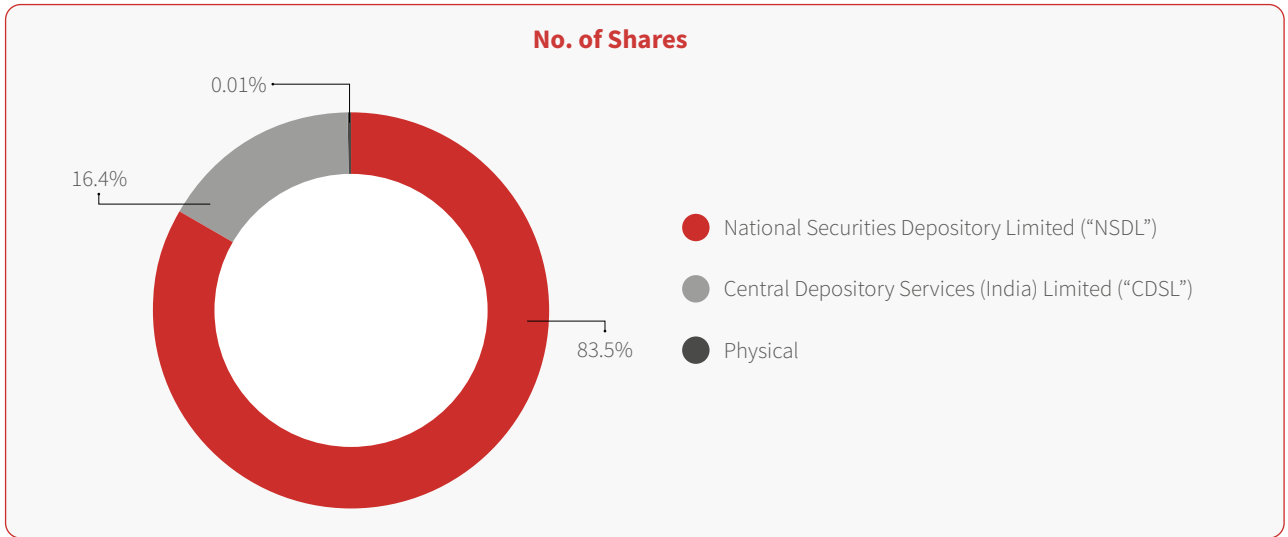
*No. of Shareholders are PAN clubbed.

Dematerialisation of Shares:

The Company’s shares are required to be compulsorily traded on the Stock Exchanges in dematerialised form.

The numbers of shares held in dematerialised and physical form are as under:

Particulars	No. of Shares	%
National Securities Depository Limited (“NSDL”)	37,85,93,353	83.5
Central Depository Services (India) Limited (“CDSL”)	7,42,79,573	16.4
Physical	2,90,820	0.01
TOTAL	45,31,63,746	100



Registrar and Transfer Agents

Bigshare Services Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,
 Next to Ahura Centre, Mahakali Caves Road, Andheri (East),
 Mumbai – 400093
 Ph. No. 022-62638200
 Fax No. 022-62638299
 E-mail: investor@bigshareonline.com;
 Website: www.bigshareonline.com

The Company’s RTA has launched Gen-Next Investor Interface Module “iBoss” the most advanced tool to interact with investors. Shareholders are requested to login into “iBoss” and help them to serve you better.

In case the securities are suspended from trading, the directors report shall explain the reason thereof Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	The securities of the Company have not been suspended from trading by the stock exchanges
Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	-
Commodity price risk or foreign exchange risk and hedging activities	The Company is not into any commodity trading activities. The entire revenue of the Company is derived from the export market. The Company also imports some of the raw materials. Therefore, the Company is exposed to foreign exchange fluctuation risk. The Company manages these risks by taking adequate forward cover from time to time
Plant Locations	<p>India Formulation Plant</p> <p>Marksans Pharma Limited</p> <ol style="list-style-type: none"> L-82 & L-83 Verna Industrial Estate, Verna, Goa- 403 722. Plot No. A1, Phase I-A, Verna Industrial Estate, Verna, Goa - 403722 <p>U.K. Plant</p> <p>Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL.</p> <p>U.S.A. Plant</p> <p>Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.</p>
Address for Correspondence	<p>Mr. Harshavardhan Panigrahi Company Secretary & Compliance Officer Marksans Pharma Limited 11th Floor, Grandeur, Veera-Desai Extension Road, Oshiwara, Andheri (West), Mumbai 400 053. Tel. No. : 022- 40012000 Email: companysecretary@marksanspharma.com</p>

Credit Rating:

India Ratings and Research Private Limited has given Marksans Pharma Limited's Fund based limits rating at IND A+/ Positive and Non-Fund based limits rating at "IND A1+".

Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – NIL
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - NA;

- Number of shareholders to whom shares were transferred from suspense account during the year – NA
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – NIL;

Transfer of amounts / shares to Investor Education and Protection Fund ("IEPF"):

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority.



During the year under review, the Company has transferred to IEPF a sum of ₹ 2,55,892 being the amount towards unpaid / unclaimed dividend on the Equity Shares of the Company. The unclaimed / unpaid dividend amount transferred is out of the dividend declared in FY16.

Further, 50,612 shares in respect of which the dividend was unpaid / unclaimed for a period of 7 consecutive years was also transferred to IEPF.

Dividend declared for the FY17 and remaining unpaid/ unclaimed for a period exceeding 7 years is due to be transferred to IEPF by October 31, 2024. Subsequently, the shares in respect of which dividend is unpaid / unclaimed for a period of 7 consecutive years will also be transferred to IEPF. The details of unpaid and unclaimed amounts lying with the Company as on August 28, 2023 (date of last AGM) are available on the website of the Company at <https://www.marksanspharma.com/unclaimed-dividend.html> (click-Details of Unpaid and Unclaimed Dividend) and Ministry of Corporate Affairs at <https://www.iepf.gov.in>. The Company requests the Members to claim the unclaimed dividend within the prescribed period. The Members can contact M/s. Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the Company for claiming the unclaimed amount standing to the credit in their account. The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at <https://www.iepf.gov.in/IEPF/refund.html>.

Details of Directors seeking approval of Members for appointment/ re-appointment or approval of remuneration at the Thirty-Second (32nd) AGM of the Company

[Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India]

Name	Mr. Varddhman Vikramaditya Jain (DIN: 08338573)
Age	54 years
Qualification	M. Pharm
Date of first appointment on Board	January 24, 2019
Nature of expertise in specific functional areas	Manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosages.
Brief profile including experience	Has over 30 years of experience in the areas of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing.
Directorships held in other companies (excluding foreign companies) as on August 13, 2024	Nil
Memberships/ Chairpersonship of committees across companies as on August 13, 2024 (only Statutory Committees as required to be constituted under the Act considered)	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA
Listed entities from which the Director has resigned in the past three years	Nil
No. of shares held in the Company (as on March 31, 2024)	Nil
No. of board meetings attended during the year	All meetings (i.e. 5 out of 5 meetings)
Relationship with other Directors / Key Managerial Personnel.	None
Terms and conditions of appointment including remuneration last drawn	As mentioned in the resolution under Item 5 of the notice

Name	Mr. Abhinna Sundar Mohanty (DIN: 00007995)
Age	70 years
Qualification	M.Sc. (Mathematics)
Date of first appointment on Board	July 11, 2019
Nature of expertise in specific functional areas	Sales and Marketing, Business Development and Business Strategy.
Brief profile including experience	He has 44 years of experience in the pharmaceutical industry. He started his career with Alembic and went on to build his career through every cadre in sales and marketing department of Pharma industry. During his career, he was engaged in sales, marketing, business development and business strategy for over 27 years in Pharma industry. He was instrumental in globalizing branded business of Pharma sector in most part of the world
Directorships held in other companies (excluding foreign companies) as on July 09, 2024	<ol style="list-style-type: none"> 1. Rytus Therapeutics Limited 2. Rytus Healthcare Foundation 3. SSB Seva Kartavya Foundation
Memberships/ Chairpersonship of committees across companies as on July 09, 2024 (only Statutory Committees as required to be constituted under the Act considered)	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Please refer explanatory statement forming part of this Notice
Listed entities from which the Director has resigned in the past three years	Nil
No. of shares held in the Company (as on March 31, 2024)	Nil
No. of board meetings attended during the year	4 out of 5 meetings
Relationship with other Directors / Key Managerial Personnel.	None
Terms and conditions of appointment including remuneration last drawn	As mentioned in the resolution under Item 4 of the notice



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

To,
The Members of
Marksans Pharma Limited
11th Floor, Grandeur
Veera Desai Extension Road
Oshiwara, Andheri (West)
Mumbai – 400 053

We have examined the compliance of conditions of corporate governance by **Marksans Pharma Limited** (CIN: L24110MH1992PLC066364)(the Company) for the financial year ended March 31, 2024, as prescribed in the Regulations 17 to 27, 46 (2) (b) to (i), and Paragraphs C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Jinesh Dedhia & Associates

Company Secretaries

Jinesh Dedhia

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731F000964301

Place: Mumbai

Date: 13th August, 2024

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]**

To,
The Board of Directors
Marksans Pharma Limited

This is to certify with reference to the Annual Accounts of the Company for the year ended March 31, 2024 that:-

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2024 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit committee:
 - i. That there is no significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year; and
 - iii. That there is no instance of any fraud which we have become aware of.

For Marksans Pharma Limited

Place: Mumbai
Date: May 30, 2024

Mark Saldanha
Managing Director

Jitendra Sharma
Chief Financial Officer

Declaration on Compliance of the Company's Code of Conduct

This is to confirm that during the year ended March 31, 2024, all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, in so far as it is applicable to them.

For Marksans Pharma Limited

Place: Mumbai
Date: May 30, 2024

Mark Saldanha
Managing Director



Annexure - E

Annexure to the Report of the Board of Directors

Information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of employees:
 - a. Mr. Mark Saldanha, Managing Director: 318.68
 - b. Mrs. Sandra Saldanha, Whole-time Director: 32.72
 - c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 86.78
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended March 31, 2024:
 - a. Mr. Mark Saldanha, Managing Director: 32.01
 - b. Mrs. Sandra Saldanha, Whole-time Director: 0.56
 - c. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 22.95
 - d. Mr. Jitendra Sharma, Chief Financial Officer: 0
 - e. Mr. Harshavardhan Panigrahi, Company Secretary: 9.09
3. Percentage increase in the median remuneration of employees in the financial year ended March 31, 2024 in comparison to the financial year ended March 31, 2023: 6.22
4. Number of permanent employees as on March 31, 2024: 815
 - a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.14
 - b. Percentile increase in the managerial remuneration in the last financial year:
 - i. Mr. Mark Saldanha, Managing Director: 36.36
 - ii. Mrs. Sandra Saldanha, Whole-time Director: 0
 - iii. Mr. Varddhman Vikramaditya Jain, Whole-time Director: 0
 - iv. Mr. Jitendra Sharma, Chief Financial Officer: 0
 - v. Mr. Harshavardhan Panigrahi, Company Secretary: 3.15
 - c. Justification of the above: Remuneration is based on individual performance
 - d. Any exceptional circumstances for increase in the managerial remuneration: None
6. The remuneration of all the Directors, Key Managerial Personnel and other employees are as per the remuneration policy of the Company.

Annexure - F

Annexure to the Report of the Board of Directors

Statement of particulars of top ten employees in terms of remuneration pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name | Age | Qualification | Experience | Designation | Date of Commencement of employment | Gross remuneration | Nature of employment | Previous employment | Percentage of equity shares held in the Company | whether relative of any Director or manager of the Company

1. Mr. Mark Saldanha | 51 Years | Science Graduate | 28 Years | Managing Director | 06.10.2005 | ₹ 6,88,57,053 | Contractual | - | 43.80% | Relative of Mrs. Sandra Saldanha.
2. Mrs. Sandra Saldanha | 52 Years | MA (Sociology) | 26 Years | Whole-time Director | 25.09.2014 | ₹ 70,69,164 | Contractual | - | 0.07% | Relative of Mr. Mark Saldanha.
3. Mr. Varddhman V. Jain | 54 Years | M. Pharm | 32 Years | Whole-time Director | 24.05.2016 | ₹ 1,87,49,828 | Contractual | Watson Pharma Pvt. Ltd. | Nil | No.
4. Mr. Jitendra Sharma | 55 Years | B.Com, CA & CWA | 31 Years | CFO | 06.09.2002 | ₹ 1,28,42,980 | Contractual | - | Nil | No.
5. Mr. Sunil K Rane | 53 Years | PG Diploma – Analytical Chemistry | 29 Years | Sr. VP – QC | 04.04.2016 | ₹ 1,06,07,084 | Contractual | Cipla Ltd. | Nil | No.
6. Mr. Harish Vyas | 57 Years | BSc, MBA in TQM/HR | 36 Years | Director - Quality | 21.03.2022 | ₹ 66,97,944 | Contractual | Mankind Pharma. Ltd | Nil | No.
7. Mr. Vishal Bhargava | 54 Years | M. Pharma | 28 Years | Director Operations | 22.08.2022 | ₹ 58,02,920 | Contractual | Pharmax Pharmaceuticals FZ LLC (Dubai UAE) | Nil | No.
8. Ms. Ashwini Modak | 40 Years | B. Tech. | 19 Years | GM-International Business | 01.03.2012 | ₹ 48,79,062 | Contractual | Alkem Laboratories Ltd. | Nil | No.
9. Mr. Vivek Mishra | 51 Years | Ph.D | 20 Years | Senior General Manager-F&D | 14.03.2023 | ₹ 47,77,438 | Contractual | Unichem Labs Ltd. | Nil | No.
10. Mr. Budhrao Patankar | 52 Years | M.SC (Applied Chemistry) | 23 Years | Senior General Manager - Quality | 05.01.2023 | ₹ 46,53,423 | Contractual | Square Pharmaceuticals Ltd | Nil | No.



Annexure - G

Annexure to the Report of the Board of Directors BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L24110MH1992PLC066364
2.	Name of the Listed Entity	MARKSANS PHARMA LIMITED
3.	Year of incorporation	1992
4.	Registered Office address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
5.	Corporate address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai- 400053
6.	E-mail id	companysecretary@marksanspharma.com
7.	Telephone	(022) 40012000
8.	Website	www.marksanspharma.com
9.	Financial Year for which reporting is being done	April 01, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited, BSE Limited
11.	Paid-up Capital	Rs. 45,31,63,746
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Harshavardhan Panigrahi Designation: Company Secretary Phone No.:(022)40012000 E-mail ID: companysecretary@marksanspharma.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Pharmaceutical Formulation	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Solid Orals, Tablets and Capsules (including Soft Gelatin Capsules)	2100	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	2	4
International	2	3	5

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	-
International (No. of Countries)	50+

b) What is the contribution of exports as a percentage of the total turnover of the entity?

100%

c) A brief on types of customers

1. Retail Chains
2. Pharmacy Stores
3. Hospitals
4. Institutions

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	815	704	86.38	111	13.62
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	815	704	86.38	111	13.62
Workers						
4.	Permanent (F)	326	326	100.00	0	0
5.	Other than Permanent (G)	277	180	64.98	97	35.02
6.	Total workers (F + G)	603	506	83.91	97	16.08

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

**21. Participation/Inclusion/Representation of women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25
Key Management Personnel	2	0	0

22. Turnover rate for permanent employees and workers(for the past 3 years)

Particulars	FY (2023-24) (Turnover rate in current FY)			FY (2022-23) (Turnover rate in previous FY)			FY (2021-22) (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (%)	15	3	18	12	2	14	15	1	16
Permanent Workers (%)	12	0	12	10	3	13	12	2	14

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Marksans Pharma (UK) Ltd	Subsidiary	100	No
2.	Marksans Pharma Inc.	Subsidiary	100	No
3.	Nova Pharmaceuticals Australasia Pty Ltd.	Subsidiary	60	No
4.	Nova Pharmaceuticals Ltd.	Step down Subsidiary	60	No
5.	Marksans Pharma GmbH	Subsidiary	100	No
6.	Access Healthcare for Medical Products L.L.C	Subsidiary	100	No
7.	Marksans Holdings Limited	Step down Subsidiary	100	No
8.	Relonchem Limited	Step down Subsidiary	100	No
9.	Time Cap Laboratories Inc.	Step down Subsidiary	100	No
10.	Bell Sons & Co. (Druggists) Limited	Step down Subsidiary	100	No
11.	Marise Ann Inc.	Step down Subsidiary	100	No
12.	Marksans Realty LLC	Step down Subsidiary	100	No
13.	Custom Coatings Inc.	Step down Subsidiary	100	No

VI. CSR Details

- 24. i.** Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- ii.** Turnover (in Rs.) : 6,55,20,32,928
- iii.** Net worth (in Rs.): 11,11,32,07,852

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. https://www.marksanspharma.com/csr.html	Nil	NA	-	Nil	NA	-
Investors (other than shareholders)	Yes. https://www.marksanspharma.com/adverse-event.html	Nil	NA	-	Nil	NA	-
Shareholders	Yes. https://www.marksanspharma.com/investor-contact.html	Nil	NA	-	1	Nil	One Compliant was received in Q3 which has been resolved
Employees and workers	Yes https://www.marksanspharma.com/pdf/Code-of-Conduct.pdf	Nil	NA	-	Nil	NA	-
Customers	Yes. https://www.marksanspharma.com/quality-policy.html	Nil	NA	-	Nil	NA	-
Value Chain Partners	Yes. https://www.marksanspharma.com/adverse-event.html	Nil	NA	-	Nil	NA	-

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Talent attraction and retention	Risk	The ability to attract and retain the right technical talent with required skill sets is a challenge. The industry is highly knowledge-driven, technology-based and heavily reliant on specialist individuals.	<p>We embed workforce planning into our operations strategy, and this helps in fostering internal mobility for well-suited roles, enhancing people productivity and containing staff costs.</p> <p>We are maintaining an internal pipeline of qualified and experienced critical talent, particularly in specialised fields, to deliver our business priorities.</p>	Negative
4	Regulatory Compliance	Risk	Regulatory guidelines and requirements heavily regulate the manufacturing of our products, including manufacturing quality standards. Periodic inspections are conducted on our manufacturing sites, and if the regulatory and quality standards and systems are not found adequate, it could result in observations. This might impact our ability to meet demand and generate value for our stakeholders.	<p>Creating a strong ethical organisational culture with a focus on transparency and Compliance.</p> <p>Regularly carrying out risk assessments and audits to identify areas of potential exposure to compliance related risks.</p> <p>Compliance training.</p>	Negative
5	Return on Equity/ Return to Share holders	Opportunity	ROE reflects a company's profitability, financial health, and business resilience. Strong ROE helps a business attract investors, gain greater access to capital, and create value for stakeholders.	<p>Increasing operational Efficiency.</p> <p>Exploring new market opportunities/products</p> <p>Strengthening corporate governance standards.</p>	Positive
6	Resource Efficiency	Opportunity	Focusing on how efficiently and effectively company uses natural resources and raw materials during its manufacturing and business activities.	<p>Improve operational and manufacturing efficiency and also, attract environmentally conscious customers and reduce costs.</p>	Positive



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Diversity, Equity and Inclusion	Opportunity	<p>Promoting diversity, inclusion and equity in Company, and providing fair and equal remuneration and advancement opportunities to all employees.</p> <p>Ensuring there is no discrimination based on race, ethnicity, caste, colour, age, sex, disability, sexual orientation and the socioeconomic status of an individual</p>	<p>Ensuring diversity can enhance organizational performance because it brings together people with varying views and perspectives.</p> <p>This, in turn, leads to better talent attraction and retention, increases greater employee engagement and results in higher efficiency. The diversity also results in better innovation and problem-solving skills, and improves talent attraction.</p>	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Company has developed comprehensive policies covering these principles, some of the Policies have been approved by the Board as per relevant statutory requirements.								
c. Web Link of the Policies, if available	http://marksanspharma.com/codes-policies.html								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	N	N	N	N	N	N	N	N
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements- Refer the Annual Report									



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%of persons in respective category covered by the awareness programmes
Board of Directors (BOD)	1	The Company conducts familiarization programmes for its Board of Directors on an annual basis covering Roles, Functions, Responsibilities and Duties.	100
Key Managerial Personnel (KMP)	1	KMPs are imparted professional training through program conducted by respective professional bodies such as ICAI, ICSI. Also company conducts familiarization programs for its KMPs on an annual basis covering Roles, Functions, Responsibilities and Duties.	100
Employees other than BOD and KMPs	1	The Company conducts training programs for its employees at regular intervals covering Roles, Functions, Responsibilities and Duties.	100
Workers	1	The Company conducts training programs for its workers at regular intervals covering Roles, Functions, Responsibilities and Duties.	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	-	-	-	-
Settlement	Nil	-	-	-	-
Compounding fee	Nil	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	-	-	-
Punishment	None	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes.

Marksans anti-bribery policy emphasizes on zero tolerance approach to bribery and corruption. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues. It guides us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate. <https://www.marksanspharma.com/pdf/anti-corruption-policy.pdf>

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-



7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	122	103

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	13	15
	b. Number of dealers / distributors to whom sales are made	15	13
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	75	75
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	81	83
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	100% (investment is in subsidiaries)	100% (investment is in subsidiaries)

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%of value chain partners covered (by value of business done with such partners) under the awareness programmes

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same



Yes

The Company has in place policies and procedures to ensure high level of governance and ethics, transparency and accountability in business transactions. The Company has also in place a whistle blower policy under which directors and employees can report their genuine concerns, actual or suspected fraud or violation of the Company's codes of conduct. The Company has also in place a comprehensive Code of Conduct for Directors and Senior Management. Every Board member discloses the names of the entities or arrangements in which they are interested which is brought to the attention of the Board. The Company does not enter into any business dealings with the Directors and KMPs, or any body or individuals, where they have interest that may have any potential conflict with the interest of the Company.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

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

Essential Indicators
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year (2023-24)	Previous Financial Year (2022-23)	Details of improvements in environmental and social impacts
 R & D	-	-	
 Capex	-	-	

*Note: The Company is planning to install solar panels to generate clean energy for its plants in Goa.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Raw Materials/formulations are sourced from suppliers approved by regulatory authorities.

b. If yes, what percentage of inputs were sourced sustainably?

Majority of raw materials/formulations are sourced from sustainable suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for
a) Plastics (including packaging) –

The waste generated is given to the authorized scrap dealer.

b) E-waste –

E-waste generated is given to Authorized recycler.

c) Hazardous waste –

Hazardous waste generated such as used / spent oil is given to the authorized recycler for recycling and the process waste & residue generated is sent to the authorized cement industry for co processing.

d) Other waste –

NA

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No) – Yes.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? Yes.



Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? No

If yes, provide details in the following format:

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
-	NA	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
None	In the pharmaceutical industry, we can't use recycled or reused input materials in the manufacturing process due to contamination issues as well as its nature of products.	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2024			FY2023		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	25.49	NA	Nil	23.5	NA
E-waste	Nil	1.092	NA	Nil	0.1	NA
Hazardous waste	Nil	0.700	449.907	Nil	1.8	409.6
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
None	-



c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.07%	0.07%

2. Details of retirement benefits, for Current and Previous Financial Year

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	29	44	Y	48	84	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes <https://www.marksanspharma.com/pdf/Code-of-Conduct.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Yes

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent workers	
Other than permanent workers	Yes
Permanent employees	
Other than permanent employees	

The organization has a Whistle Blower policy in place which provides all employees and workers an opportunity to raise any issues/grievances anonymously, where the identity of the whistleblower is kept confidential. A dedicated email ID has been created at an organizational level, to which the employee and workers can write their concerns. A dedicated single point contact (SPOC) is assigned to look into all matters independently and fairly.

Marksans Pharma has established a well-placed process for addressing employee grievances. An employee with a grievance can reach out to his immediate manager or skip manager as the first point of contact. In case of no resolution, the respective business HR is the next point of contact, responsible for investigation and resolution in a fair & transparent manner.

For POSH-related matters, the employee is expected to raise it with the HR team or to the dedicated email ID for Internal Committee. This can be escalated to the Chairperson of the Internal Committee. The final level of escalation is to the HR Head of the organization

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Permanent Employees						
- Male	704	0	0	493	0	0
- Female	111	0	0	79	0	0
Total	815	0	0	572	0	0
Permanent Worker						
- Male	326	90	28	280	118	42
- Female	0	0	0	0	0	0
Total	326	90	28	280	118	42

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	704	704	0	0	0	493	143	29	0	0
Female	111	111	100	0	0	79	47	60	0	0
Total	815	815	100	0	0	572	190	33	0	0
Workers										
Male	326	326	100	0	0	280	280	100	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	326	326	100	0	0	280	280	100	0	0



9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	704	704	100	493	493	100
Female	111	111	100	79	79	100
Total	815	815	100	572	572	100
Workers						
Male	326	326	100	280	280	100
Female	0	0	0	0	0	0
Total	326	326	100	280	280	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

- Yes, the Company has Occupational Health and Safety Management system implemented at our site covering the following but not limited to:
 1. Occupational Safety and Health Policy
 2. OS&H Organizational Setup
 3. Education and Training
 4. Employee Participation in OS&H Management
 5. Motivational and Promotional Measures for OS&H
 6. Safety Manual and Rules
 7. Compliance of Statutory Requirements
 8. Accident reporting, analysis, investigation and implementation of recommendation.
 9. Risk Assessment including Hazard Identification
 10. Safety inspections
 11. First aid facility - Occupational Health Centre
 12. Personal Protective Equipment
 13. Ventilation, Illumination and Noise
 14. Work Permit System
 15. Fire Prevention, Protection and Fighting System
 16. Hazardous waste Treatment and Disposal
 17. Emergency Preparedness Plans

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency preparedness and business continuity. There is a structured Risk Assessment and Management process which is regularly reviewed and mitigation plans are put in place to reduce the risk. For all the activities including routine or non-routine, hazards are identified by a trained cross functional team and risk assessment is done through standard operating procedures

(SOP) which is referred before starting any activity. Identified hazards and associated risks are addressed through operational control measure using hierarchy of control approach.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
- Yes, we have Safety Suggestion Schemes for employees to report work related hazards and Suggestion box is provided at prime location.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
- Yes

11. Details of safety related incidents, in the following format:



Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

The Company undertakes periodic internal and external audits to assess the safety practices and procedures. The Company endeavors to prevent negative health impact on the employees through provision of medical facilities and medical insurance benefits.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
 Working Conditions	0	0	-	99	0	-
 Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%. Occupational Health and Safety audit is conducted once in three years through competent person authorized by Inspectorate of Factories & Boilers, Govt. of Goa.
Working Conditions	100%. Industrial hygiene survey is conducted through competent person authorized by Inspectorate of Factories & Boilers, Govt. of Goa which includes illumination, noise and ventilation of working conditions



15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)

Yes, Company has medical insurance scheme which covers the employees & their families.

(B) Workers (Y/N)

Yes, Covered under Employee State Insurance Corp. Scheme & Medical insurance scheme.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- Submission, review and checking of the monthly statutory dues deducted and deposited by the value chain partner.
- For value chain partners we are conducting monthly audit & verified statutory registers such as wage register, muster-roll, online challan, etc.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Currently, the Company does not have any significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.



PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

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

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Marksans Pharma believes in partnering with its various stakeholders to build shared value and uses a structured approach of stakeholder identification. The Company's stakeholders include both individuals and organizations, within and outside the Company, who are significantly impacted by its business operations. Marksans ongoing engagements are designed to determine the needs and priorities of stakeholders, communicate the Company's efforts to fulfill their expectations, and provide speedy resolution of grievances. Marksans uses a variety of structured engagement channels to gain insights into stakeholder views and concerns.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1. Employees and workers	No	Telephones, SMSs, E-mails, Notice Board, Personal Meetings, Website, etc.	Quarterly, Monthly (need based)	<ul style="list-style-type: none"> Talent management Employee engagement Learning and development Productivity Work-life balance Staff welfare and Health & Safety Remuneration and employee benefits
2. Suppliers	No	Telephones, SMSs, E-mails, Personal Meetings, Website, etc.	Monthly, Quarterly and Annually (need based)	<ul style="list-style-type: none"> Fair contractual terms and adherence thereto Organizational ESG consciousness Transparent, ethical and long term business relations Regular exchange of technical know-how
3. Distributors	No	Telephones, SMSs, E-mails, Personal Meetings, Website, etc.	As per prevalent need	As per prevalent need
4. End Customers	Yes	Telephones, SMSs, E-mails, Website, etc.	Monthly, Quarterly and Annually (need based)	<ul style="list-style-type: none"> Effective customer grievance redressal mechanism Maintaining customer data privacy and security Suitability of products and service Transparent and fair advice Providing quality products



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
5. Shareholders	No	Website, Quarterly Investor presentations, Quarterly Investor calls, Investor meetings	Quarterly	<ul style="list-style-type: none"> Market outlook Business strategy Operational efficiency Long-term business performance ESG/Market risks and opportunities in business Technology in business
6. Regulators	No	E-mail, Physical Documents, Physical visits	Need based	<ul style="list-style-type: none"> Compliance with rules and regulations Corporate governance framework Long-term business performance Financial performance Prudent business practices

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Company has always maintained a constant and proactive engagement with our key stakeholders that enables the Company to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders. The Board is kept abreast on various developments and feedback on the same is sought from the Directors.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

- Yes. Marksans Pharma has established channels for active engagement with all stakeholder groups. It is through this continued practice that the Company is offering competitive edge with the brand trust. We interact with critical stakeholders on a regular basis to ensure that our business is aligned with the stakeholder interests in a sustainable manner while being a profitable proposition. Based on such discussions with the investment community, we have aligned our goals on environmental management and amended our Policies and internal systems for environmental management.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

Marksans Pharma has fostered an active engagement channel with end customers for addressing any grievances relating to our products and assisting them in every way possible.

PRINCIPLE 5 Businesses should respect and promote human rights

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

Essential Indicators
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Employees						
Permanent	815	815	100	572	572	100
Other than permanent	0	0	0	0	0	0
Total Employees	815	815	100	572	572	100
Workers						
Permanent	326	326	100	280	280	100
Other than permanent	277	277	100	221	221	0
Total Workers	603	603	100	501	501	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	815	99	12	720	88	572	102	18	470	82
Male	704	84	12	624	88	493	79	16	414	84
Female	111	15	14	96	86	79	23	29	56	71
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	326	71	22	225	78	280	231	83	49	17
Male	326	71	22	225	78	280	231	83	49	17
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	277	277	100	0	0	221	221	100	0	0
Male	180	180	100	0	0	139	139	100	0	0
Female	97	97	100	0	0	82	82	100	0	0

**3. Details of remuneration/salary/wages;****a. Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration / salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	2	4,38,03,440.60	1	70,69,164
Key Managerial Personnel	2	78,43,247	0	-
Employees other than BOD and KMP	799	2,21,078.68	159	2,21,817.58
Workers	510	2,05,536.68	2	1,34,836.93

*Median remuneration for workers and employees other than BOD& KMP who are in payroll for more than 90 days have been taken in calculation.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	9	8

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, The Company has Whistle Blower policy in place to encourage employees to report issues without fear of retaliation, discrimination, or disadvantage. Through designated channels, the employees may report their concerns to the Chairman of the Company's Audit Committee, or the Company Secretary. The employees may further report their grievances to the HR team. Additionally, POSH Internal Committees serve as the focal point for resolving issues related to discrimination and its effects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Organization has multiple policies and platforms to address the employee grievances related to human rights. These are as under:

- Human Resource (HR) Assistance:** Every geography/business facility of the Company has a dedicated HR personnel who can be reached out by respective employees to raise any concerns or grievances with respect to any human rights issue, or otherwise. In case the issue remains unresolved, an escalation matrix is defined to enable employees to reach out to next level authorities
- Whistle Blower (WB) Policy:** The organization has a WB policy in place which provides all employees to an option and opportunity to raise any issues/grievances anonymously, where the identity of the whistle blower is kept confidential.
- Prevention of Sexual Harassment Guidelines (POSH):** With an aim to provide a safe and equal opportunity to both the genders, the organization has in place the guidelines for POSH. The Organization aims to create awareness from time to time so that any untoward situation of harassment is witnessed, one can reach out to the Internal Committee of the Organization. Employees can also reach out to the HR team alternatively to report the matter. An Internal committee is formed for each reported instance as prescribed by POSH Act to conduct investigation and take necessary action, as and when required.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labor/Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

To safeguard the complainant against any adverse consequences, Company maintains utmost confidentiality of the Complainant. All related parties against whom the Complaint has been reported are sensitized of any retaliatory action against the complainant. In case of any incident of retaliation, Company will take appropriate action on the reported matter and ensures that the complainant does not undergo adverse consequences.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	The business does not employ child labor, forced labor, involuntary labor, or any other sort of discriminatory hiring practices. Marksans Pharma complies with all relevant legal requirements. However, during the reporting period, no external audits were carried out.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators 

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No significant complaints were substantiated

2. Details of the scope and coverage of any Human rights due-diligence conducted.

At present, no such exercise has been conducted in the reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labor	NIL
Forced Labor/Involuntary Labor	NIL
Wages	NIL
Others – please specify	-



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (MJ)	FY 2022-23 (MJ)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	62917854.12	49883353.2
Total fuel consumption (E)	19391058	9742478
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	82308912.12	59625831.2
Total energy consumed (A+B+C+D+E+F)	82308912.12	59625831.2
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) MJ/Rs. mn	0.09646291574	0.00910034602
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	2.16076931257	0.20384775084
Energy intensity in terms of physical output (MJ/Tonne of Product)	11733.1	9465.56
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
i. Surface water	0	0
ii. Groundwater	946	147
iii. Third party water	77441.66	89628
iv. Seawater / desalinated water	0	0
v. Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	78387.66	89775
Total volume of water consumption (in kilolitres)	78387.66	89775
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	9.186	13.70
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	205.7664	303.729
Water intensity in terms of physical output (KL/Tonne of Product)	11.17	14.25
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water		
• No treatment	0	0
• With treatment – please specify level of treatment	24292	27649
ii. To Groundwater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
iii. To Seawater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
iv. Sent to third-parties		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
v. Others		
• No treatment	0	0
• With treatment – please specify level of	0	0
Total water discharged (in kilolitres)	24292	27649

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the ETP treated water is used for Gardening purpose.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:****Air Emission DG 750 KVA Sr No 1**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	0.22	0.25
SOx	kg/hr	0.22	0.36
Particulate matter (PM)	g/kw-hr	0.15	0.14
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, M/s. Sadekar Enviro Engineering Pvt. Ltd

Air Emission DG 750 KVA Sr. No 2

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	0.18	0.38
Sox	kg/hr	0.26	0.30
Particulate matter (PM)	g/kw-hr	0.13	0.15
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Air Emission DG 1010 KVA

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	179.97	179.97
Sox	kg/hr	1.12	1.12
Particulate matter (PM)	g/kw-hr	43.87	13.87
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Air Emission DG 910 KVA

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	0.19	NA
Sox	kg/hr	0.27	NA
Particulate matter (PM)	g/kw-hr	0.14	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Air Emission for Boiler 2.25 T (G-163)

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	NA	NA
Sox	kg/hr	0.24	0.28
Particulate matter (PM)	g/kw-hr	93.41	81.49
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Air Emission for Boiler 3 T (G-194)

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	g/kw-hr	NA	NA
Sox	kg/hr	0.26	0.30
Particulate matter (PM)	g/kw-hr	103.42	87.42
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	23130.25 T	22110.22 T
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT/ Rs. mn	2.71077	3.37455
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT/Revenue adjusted to PPP	60.7212	74.8138
Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT/Tonne of Product)	(MT/Tonne of Product)	3.29	3.50
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we have energy management policy in place and we monitor the targets annually.

9. Provide details related to waste management by the entity, in the following format:



Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	27.63	23.477
E-waste (B)	1.092	0.117
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H) Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	28.755	23.594
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0033	0.0036
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.075	0.079
Waste intensity in terms of physical output (MT/Tonne of Product)	0.004010	0.003745
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Recycled	15.199	0.117
ii. Re-used	0	0
iii. Other recovery operations	0	0
Total	15.199	0.117
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
i. Incineration	0	0
ii. Land filling	0	0
iii. Other disposal operations	449.907	409.649
Total	449.907	409.649

*PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. By Hazardous Waste Management Systems

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

Hazardous Waste disposal is done through GSPCB Authorized vendor as per the Environment protection act 1986 guidelines. A manifest system (form 10 and form 9) as per rule 19 for disposal of Hazardous waste is endorsed by dispatcher, transporter and receiver of hazardous waste. The endorsed copy is submitted to GSPCB on official website

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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NA since we have the Consent issued by GSPCB.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules there under (Y/N). Yes, the Company is in compliance with all applicable laws as per mandatory requirements.

Yes. The Company is in compliance with all applicable laws as per mandatory requirements.

If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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NA

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY2023-24	FY2022-23
Water withdrawal by source (in kilolitres)		
i. Surface water	NA	NA
ii. Groundwater		
iii. Third party water		
iv. Seawater / desalinated water		
v. Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
1. Into Surface water	NA	NA
• No treatment		
• With treatment – please specify level of treatment		
2. Into Groundwater		
• No treatment		
• With treatment – please specify level of treatment		
3. Into Seawater		
• No treatment		
• With treatment – please specify level of treatment		
4. Sent to third-parties		
• No treatment		
• With treatment – please specify level of treatment		
5. Others		
• No treatment		
• With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NA



2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6,	Metric tonnes of CO2 equivalent	0	0
Total Scope 3 emissions per rupee of turnover	MT/Rs. mn	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N):

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Upgradation & Separation of existing STP from ETP	Presently the ETP and STP are clubbed as a one unit, but below problems are encountered. 1) Final treated / Recycled Water is not clear and remains turbid, though the Ph and other parameters are within limits. 2) Due to mixing of Effluents and Sewage, water biomass increases and remains on higher side @70% (Limit is 30 to 40%) thus increasing the load and more consumption of treatment chemicals. 3) Increased power consumption	1) Cost of chemicals used for treatment will be reduced. 2) Savings in power bills. 3) Hazardous Sludge will be reduced reducing the disposal cost. 4) Saving in cost of additional tanker requirement for disposing of the excess effluents. 5) Biomass of ETP water will be maintained within limits. 6) Quality of treated water will be improved. 7) Requirement of additional tanker to dispose off the excess effluents will be eliminated

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes.

Marksans Business Continuity plan is the creation of a plan to resume its critical business processes after a disruption. The goal of the plan is to prevent loss of life, reduce property damage and minimise the impact on the overall business functions. The overall objective of the plan is to provide the information and procedures necessary to rapidly respond to a disaster or emergency situation, notify necessary trained personnel, assemble business recovery teams, rapidly recover services to clients, and to rapidly resume normal business functions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

None

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

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

Essential Indicators**1. a. Number of affiliations with trade and industry chambers/ associations.**

One

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Bombay Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
NA		

Leadership Indicators**1. Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NA					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

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

Essential Indicators**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					



2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
None						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company engages with its community members through in-person meetings

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2023-24	FY2022-23
Directly sourced from MSMEs/ small producers	6.17	12.90
Directly from within India	69.04	60.72
Imports	24.79	26.38

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	0	0
Semi-urban	0	0
Urban	69	62
Metropolitan	31	38

Note: Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan and based Census 2011.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
None			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				None

5. Details of corrective actions taken or underway, based on any adverse order intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective Action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Organized free health check-up camps and distributed free medicines and other medical supplies to under privileged people in the state of Goa	-	-
2.	Medical treatment to under privileged society suffering from cancer and other blood disorders	1	-
3.	Construction of New Building for Government Aided Nursing Institute	-	-
4.	Distribution of free food items to needy people.	-	-
5.	Tree plantation in Verna Industrial Estate, Goa	-	-
6.	Providing Sanitary Pads to poor women under the "MY PAD, MY RIGHT" program, an initiative of Swatch Bharat scheme of Beti Bachao scheme of the Govt. of India, under the Ministry of Women & Child Development and Skill Development	-	-
7.	Donations to Reginaldo Trust for improving services in farming sector by giving medical equipments and facilitating better access to e-learning and online services to needy people.	-	-
8.	Women and child development, professionalizing Anganwadis and national nutrition mission in Goa	-	-
9.	Donations towards construction of new school building to Chetna Charitable trust	-	-
10.	Desktop Distributed to underprivileged student of Satguru Foundation in Kudaim, Goa	-	-

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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

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



2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	We comply with the relevant laws and regulations of the countries we operate in with respect to disclosure of information on environmental and social parameters relevant to the products. 100% of our formulation products carry information about safe and responsible usage on product labelling and package inserts. Further, based on the legal requirements and guidelines in the countries of our operations, we include instructions on safe disposal of products.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY2023-24		Remarks	FY2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has a framework on cyber security and risks related to data privacy as a part of Risk Management Policy.

<https://www.marksanspharma.com/pdf/risk-management-policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact, if any, of the data breaches: NA

Leadership Indicators 

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

www.marksanspharma.com

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

At Marksans, sustainable innovation is a core part of Company's DNA. The Company continues to work together with our partners and customers to explore new ways to incorporate sustainable materials across our product range and bring them to new markets including increased communications. The Company carries out consumer survey periodically.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Issues that are bound to arise in any customer/supplier relationship, there is continual communication maintained with customers. This helps to identify problems before they become serious and allows both the parties to work towards mutually beneficial solutions. The Company focuses on quality and customer service and continues to strengthen our relationship and position as a trusted partner.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)**

No

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes



Annexure - H

Annexure to the Report of the Board of Directors

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2024

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

To
The Members
Marksans Pharma Limited
11th Floor, Grandeur
Veera Desai Extension Road
Oshiwara, Andheri (West)
Mumbai – 400 053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Marksans Pharma Limited** (CIN: L24110MH1992PLC066364) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable during the review period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable during the review period);**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the review period);** and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 [SEBI (LODR)].

We have also examined compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:

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

We further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

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

We further report that during the audit period, there were no specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc..

For Jinesh Dedhia & Associates

Company Secretaries

Jinesh Dedhia

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731F000964398

Place: Mumbai

Date: 13th August, 2024

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



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

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

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

For Jinesh Dedhia & Associates

Company Secretaries

Jinesh Dedhia

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731F000964398

Place: Mumbai

Date: 13th August, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Marksans Pharma Limited** (CIN:L24110MH1992PLC066364) and having registered office at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W) Mumbai 400053 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment
1	Mark Saldanha	00020983	06/10/2015
2	Sandra Saldanha	00021023	25/09/2014
3	Seetharama Raju Buddharaju	03630668	05/10/2011
4	Digant Mahesh Parikh	00212589	14/03/2018
5	Vardhman Vikramaditya Jain	08338573	24/01/2019
6	Abhinna Mohanty Sundar	00007995	11/07/2019
7	Shailaja Vardhan	10172764	30/05/2023
8	Sunny Sharma	02267273	11/08/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jinesh Dedhia & Associates
Company Secretaries

Jinesh Dedhia

Proprietor

Peer Review Certificate No.:1914/2022

ACS:54731 CP. 20229

UDIN: A054731F000964431

Place: Mumbai

Date: 13th August, 2024



Annexure - I

ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS

Form AOC - 1

Pursuant to first proviso to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statements of subsidiaries.

(All amount in million of Indian Rupee, unless otherwise stated)

Particulars	Reporting period	Reporting currency	Closing exchange rate	Average exchange rate	Share capital	Reserve and surplus	Total assets	Total liabilities (excluding share capital and reserve and surplus)	Investment	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% Of Share Holding
Marksans Pharma (Uk) Limited	31 March 2024	GBP	105.28	104.06	905.09	6,557.30	8,710.81	1,248.42	-	9,266.59	2,312.16	601.79	1,710.37	260.15	100%
Nova Pharmaceuticals Australasia Pty Ltd	31 March 2024	AUD	54.33	54.46	0.01	521.30	1,151.79	630.48	-	2,009.25	51.74	21.86	29.88	-	60%
Marksans Pharma Inc	31 March 2024	USD	83.38	82.79	2,199.71	574.38	7,879.58	5,105.50	-	8,759.89	507.09	139.48	367.61	-	100%
Access Healthcare For Medical Products LLC	31 March 2024	AED	22.71	22.54	7.36	229.35	249.47	12.76	-	168.61	70.72	1.53	69.19	-	100%

Independent Auditor's Report

To
the Members of
Marksans Pharma Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Marksans Pharma Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the Key audit Matter was addressed in our audit
<p>Accounting for Asset Acquisition:</p> <p>During the year, the Company acquired a manufacturing facility related to manufacturing and supply of pharmaceutical formulations in Goa from Teva Pharm India Private Limited as a going concern on a slump sale basis for INR 779.47 million.</p> <p>The above acquisition was recorded at cost wherein the cost is allocated to the individual identifiable assets based on their relative fair values at the date of purchase viz., April 19, 2023.</p> <p>The determination of fair value involves judgement and estimates and hence we have determined this to be a key audit matter.</p>	<p>Our principal audit procedures included following:</p> <ul style="list-style-type: none"> • Evaluated and tested the design and operating effectiveness of the Company's controls over the recognition and measurement of assets and liabilities. • Inspected the agreement and other documents underlying the acquisition to gain an understanding of the contractual terms and conditions to assess the consideration and the acquired assets. • Understood the process followed by the Company for assessment and determination of the method of accounting, including the identification of assets and liabilities and determination of their fair values with involvement of an Independent Valuer. • Obtained the valuation report issued by the Independent Valuer and evaluated the competence and objectivity of the Independent Valuer. • Involved our internal valuation experts in assessing the appropriateness of the methods used to determine the fair values. • Verified that the cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase, including capitalization of transaction costs. • Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 (Revised) 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 also responsible for overseeing the Company's financial reporting process.

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

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

We give in **"Annexure A"** a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(viii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on April 1, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the

paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigation that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund of the Company.
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and

according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 17 to the Standalone financial statements)

- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level during the year ended March 31, 2024 to log any direct data changes.

Further, the audit trail feature has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail feature has not operated throughout the year for all the relevant transactions recorded in this accounting software during the year ended March 31, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Tiwari

Partner

Place: Mumbai
Date: May 30, 2024

Membership No. 118894
UDIN: 24118894BKGQHJ3715



Annexure A to the Independent Auditor's Report

Of Even Date on the Standalone Financial Statements of Markans Pharma Limited

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Tiwari

Partner

Place: Mumbai
Date: May 30, 2024

Membership No. 118894
UDIN: 24118894BKGQHJ3715

Annexure B to Independent Auditors' Report

Of Even Date on the Standalone Financial Statements of Marksans Pharma Limited for the year ended March 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from a Bank on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns filed with such Bank are in agreement with the books of accounts of the Company.
- iii. According to the information and explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in



- arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (c) and sub-clause (e) and (f) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, there are no funds raised during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 46 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Tiwari

Partner

Membership No. 118894
UDIN: 24118894BKGQHJ3715

Place: Mumbai
Date: May 30, 2024



Annexure C to the Independent Auditor's Report

Of Even Date on the Standalone Financial Statements of Marksans Pharma Limited

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Marksans Pharma Limited on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to standalone financial statements of Marksans Pharma Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Tiwari

Partner

Place: Mumbai
Date: May 30, 2024

Membership No. 118894
UDIN: 24118894BKGQHJ3715



Standalone Balance Sheet

as at 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	2,685.09	1,408.81
Capital work-in-progress	4	-	39.05
Other intangible assets	5	30.66	30.59
Financial assets			
(i) Investments	6	2,657.53	2,657.53
(ii) Other financial assets	7	5.16	14.05
Other non-current assets	8	293.79	152.23
Non Current tax assets (net)	9	11.11	8.70
Total non-current assets		5,683.34	4,310.96
Current assets			
Inventories	10	1,908.49	1,309.52
Financial assets			
(i) Investments	11	269.94	5.40
(ii) Trade receivables	12	3,701.72	3,054.92
(iii) Cash and cash equivalents	13a	419.29	1,483.13
(iv) Bank balances other than (iii) above	13b	2,703.00	2,919.49
(v) Other financial assets	14	61.03	29.34
Other current assets	15	413.56	335.84
Total current assets		9,477.03	9,137.64
Total Assets		15,160.37	13,448.60
Equity and liabilities			
Equity			
Equity share capital	16	453.16	453.16
Other equity	17	11,773.89	10,660.05
Total equity		12,227.05	11,113.21
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	70.18	51.80
Provisions	19	44.66	31.81
Deferred tax liabilities (net)	20	94.11	86.38
Total non current liabilities		208.95	169.99
Current liabilities			
Financial liabilities			
(i) Lease liabilities	21	11.09	25.08
(ii) Trade payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		58.15	155.77
b) Total outstanding dues of other than micro enterprises and small enterprises		1,539.01	960.00
(iii) Other financial liabilities	23	125.36	125.90
Other current liabilities	24	921.99	825.50
Provisions	25	19.55	13.26
Current tax liabilities (net)	26	49.22	59.89
Total current liabilities		2,724.37	2,165.40
Total liabilities		2,933.32	2,335.39
Total equity and liabilities		15,160.37	13,448.60

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

NITIN TIWARI

Partner

Membership No.: 118894

Place : Mumbai

Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**MARKSANS PHARMA LIMITED**

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai

Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director

DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March 2024	For Year Ended 31 March 2023
Income			
Revenue from operations	27	8,532.73	6,552.04
Other income	28	620.73	604.82
Total Income		9,153.46	7,156.86
Expenses			
Cost of materials consumed	29	4,071.51	3,384.90
Purchases of stock-in-trade		790.33	661.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(72.48)	(101.86)
Employee benefits expense	31	771.92	560.88
Finance costs	32	9.88	36.13
Depreciation and amortization expense	33	291.28	167.37
Other expenses	34	1,572.10	1,127.64
Total expenses		7,434.54	5,836.51
Profit before tax		1,718.92	1,320.35
Tax expense:			
(1) Current tax		370.09	303.54
(2) Tax adjustments for earlier years		4.47	(10.14)
(3) Deferred tax		6.78	(1.71)
Total tax expenses		381.34	291.69
Profit for the year		1,337.58	1,028.66
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement gains/(losses) of defined benefit plan		3.79	(7.90)
- Income tax relating to above		(0.95)	1.99
Other comprehensive income/(loss) for the year, net of tax		2.84	(5.91)
Total comprehensive income for the year		1,340.42	1,022.75
Earnings per equity share (face value per equity share - ₹ 1)	38		
(1) Basic (in ₹)		2.95	2.48
(2) Diluted (in ₹)		2.95	2.48

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants
Firm Registration No.: 105047W

NITIN TIWARI

Partner
Membership No.: 118894

Place : Mumbai
Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED
CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director
DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai
Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director
DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer



Standalone Statement of Changes in Equity

for the Year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	453,163,746	453.16	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note 16(c) - share capital)	-	-	50,324,324	50.32
Less: Buy back of equity shares during the year (Refer note 16(e) - share capital)	-	-	6,474,276	6.47
Equity shares outstanding at the end of the year	453,163,746	453.16	453,163,746	453.16

B Other equity (Refer note 17)

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Convertible warrants	Total
Balance as at 1 April 2023	0.12	141.47	5,044.98	3,137.37	2,336.11	-	10,660.05
Profit for the year	-	-	-	-	1,337.58	-	1,337.58
Other comprehensive income (net of taxes)	-	-	-	-	2.84	-	2.84
Total comprehensive income for the year	-	-	-	-	1,340.42	-	1,340.42
Dividend paid on equity shares	-	-	-	-	(226.58)	-	(226.58)
Balance as at 31 March 2024	0.12	141.47	5,044.98	3,137.37	3,449.95	-	11,773.89

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Convertible warrants	Total
Balance as at 1 April 2022	0.12	85.00	1,731.87	3,137.37	1,552.06	931.00	7,437.42
Profit for the year	-	-	-	-	1,028.66	-	1,028.66
Other comprehensive loss (net of taxes)	-	-	-	-	(5.91)	-	(5.91)
Total comprehensive income for the year	-	-	-	-	1,022.75	-	1,022.75
On redemption of preference share	-	50.00	-	-	(50.00)	-	-
On buyback of equity shares (Refer note 16(e) - share capital)	-	6.47	-	-	(6.47)	-	-
Buyback of equity shares, net of expenses and tax on buyback (Refer note 16(e) - share capital)	-	-	(314.66)	-	(80.52)	-	(395.18)
Dividend paid on equity shares	-	-	-	-	(101.71)	-	(101.71)
Conversion of share warrant, net of expenses (Refer note 16(c) - share capital)	-	-	3,627.77	-	-	(931.00)	2,696.77
Balance as at 31 March 2023	0.12	141.47	5,044.98	3,137.37	2,336.11	-	10,660.05

C Nature and purpose of reserves:

1 Capital reserve

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

2 Capital redemption reserve

The Company has redeemed 1,350,000 7% redeemable cumulative preference shares of ₹ 100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹ 135 million, out of the profits, has been transferred to Capital redemption reserve, as and when Preference Shares were redeemed.

Standalone Statement of Changes in Equity

for the Year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

During the previous year, the Company bought back and accounted buy back of 6,474,276 equity shares. As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Accordingly, ₹ 6.47 million has been transferred from retained earnings to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

3 Securities premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

4 General reserve

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

5 Retained earnings

Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

NITIN TIWARI

Partner

Membership No.: 118894

Place : Mumbai

Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai

Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director

DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer



Standalone Cash Flow Statement

(All amounts in million of Indian Rupees)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax	1,718.92	1,320.35
Adjustments to reconcile profit before tax to net cash provided by operating activities		
- Depreciation and amortisation expenses	291.28	167.37
- Exchange differences on translation of assets and liabilities, net	30.36	(6.28)
- (Profit)/Loss on sale of property, plant and equipment, net	(0.32)	0.61
- Gain on redemption of mutual fund investments	(0.52)	-
- Finance costs	9.88	36.13
- Dividend income from a subsidiary	(257.67)	(108.33)
- Interest income	(224.96)	(102.94)
- (Gain) / loss arising on financial instruments measured at FVTPL, net	(43.11)	108.02
- Loss on lease modification	-	0.65
- Allowance for credit losses on trade receivables (Including bad debts)	31.09	13.84
Operating profit before working capital changes	1,554.95	1,429.42
Changes in working capital:		
Inventories	(598.97)	(272.77)
Trade receivables	(702.41)	(598.48)
Non-current/current financial and other assets	(157.31)	(293.18)
Non-current/current financial and other liabilities/provisions/trade payables	631.90	568.44
Cash generated from operations	728.16	833.43
Income taxes paid (net)	(387.64)	(316.18)
Net cash generated from operating activities (A)	340.52	517.25
B. Cash flow from investing activities:		
Payments to acquire property, plant and equipment and intangible assets	(1,556.71)	(352.79)
Proceeds from sale of property, plant and equipment	3.33	0.18
Proceeds / (Investment in) from deposits (net)	216.49	(1,490.90)
Purchase of mutual fund Investments	(370.01)	(1.00)
Proceed from sale of mutual fund investment	110.53	-
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)	-	(275.41)
Investment in a subsidiary	-	(21.38)
Dividend income from a subsidiary	257.67	108.33
Interest received	196.49	86.75
Net Cash used in investing activities (B)	(1,142.21)	(1,946.22)
C. Cash flow from financing activities:		
Proceeds from issue of share warrants (net of issue expenses)	-	2,747.09
Buy back of equity shares (including transaction cost ₹7.22 million and tax on buy back ₹73.30 million)	-	(401.66)
Dividend paid (includes amount transferred to separate bank accounts earmarked for unpaid dividend)	(226.58)	(101.71)
Redemption of 7% redeemable cumulative preference shares	-	(50.00)
Payment of principal portion of lease liabilities (including interest on lease liabilities)	(35.57)	(57.40)
Interest cost paid	-	(36.13)
Net Cash (used in) / generated from financing activities (C)	(262.15)	2,100.19
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,063.84)	671.22
Cash and cash equivalents at the beginning of the year	1,483.13	811.89
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	419.29	1,483.13

Amount below rounding off criteria

Standalone Cash Flow Statement

(All amounts in million of Indian Rupees)

Notes

Reconciliation of cash and cash equivalents as per the statement of cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents (Refer note 13a)		
Balances with bank		
In current accounts	419.15	447.94
In Exchange Earners' Foreign Currency account (EEFC)	0.01	2.99
Fixed deposit with original maturity less than 3 months	-	1,032.12
Cash in hand	0.13	0.08
Balances per statement of cash flows	419.29	1,483.13

Notes:

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

Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes under Para 44A as set out in Ind As 7 "Statement of Cash flows" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under.

Net debt reconciliation:

31 March 2024	Preference Shares	Lease Liabilities (including interest)
Opening Balance	-	76.88
Cash Flows	-	(35.57)
Non - cash movement	-	39.96
Closing Balance	-	81.27

31 March 2023	Preference Shares	Lease Liabilities (including interest)
Opening Balance	50.00	93.05
Cash Flows	(50.00)	(57.40)
Non - cash movement	-	41.23
Closing Balance	-	76.88

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants
Firm Registration No.: 105047W

NITIN TIWARI

Partner
Membership No.: 118894

Place : Mumbai
Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director
DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai
Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director
DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

1. Corporate information

Marksans Pharma Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053, India.

The Company is primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulations. It operates two manufacturing facilities in Goa and maintains two R&D centers, one located in Goa and the other in Navi Mumbai.

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

2. Material accounting policy information

2.1.

(i) Statement of compliance and basis of preparation and presentation

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. These standalone financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments) and;
- Defined employee benefit plans.

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on 30 May 2024.

The financial statements have been prepared on the assumption that the Company is a going concern and will continue its operations for the foreseeable future.

(ii) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Million, unless otherwise stated.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iv) New accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2023:

• Amendments to Ind AS 12 – Income Taxes

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. The amendments to Ind AS 12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply to transactions such as leases and decommissioning obligations and companies are required to recognize deferred tax on such transactions. The adoption of amendments to Ind AS 12 did not have any material impact in the standalone financial statements.

- **Amendments to Ind AS 1 – Presentation of Financial Statements**

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The adoption of amendments to Ind AS 1 did not have any material impact in the standalone financial statements.

- **Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help companies distinguish changes in accounting policies from changes in accounting estimates. The adoption of amendments to Ind AS 8 did not have any material impact in the standalone financial statements.

2.2. Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries) at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on its nature, characteristics, and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.3. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these standalone financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Estimates and judgments involved in applying accounting policies, is in respect of:

- Useful lives of property, plant and equipment and intangible assets



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

- Useful lives of intangible assets
- Employee benefits
- Accounting for acquisition of group of assets

2.4. Standards issues but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.5. Property, plant and equipment (including Capital Work-in-Progress)

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss, during the reporting period in which they are incurred.

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

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e., the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed

annually and the effect of any changes in estimate is accounted for on a prospective basis.

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

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

2.6. Other Intangible assets

Other Intangible assets are initially recognized at cost. Following initial recognition, other intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

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

Other Intangible assets pertaining to product related intangibles are amortized over their estimated life on straight-line method over period of 10 years.

Gains or losses arising from de-recognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is de-recognized.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

2.7. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Standalone Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset or cash-generating unit's (CGUs) fair value, less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely

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for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Standalone Statement of Profit and Loss.

Reversal of impairment losses is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

2.8. Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Cost is determined on a weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labor and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. The cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

2.9. Foreign exchange transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

2.10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial



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asset, the financial asset is derecognized if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

Write-off:

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Income recognition

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

Investments

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost less provision for impairment, if any.

Trade receivables

Trade receivables are amounts due from customers for the sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at their transaction price, which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derecognition of financial liabilities

Financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to manage its exposure to interest rates and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e., hedge accounting is not followed. Such contracts are accounted for at FVTPL.

Offsetting financial instruments:

Financial assets and liabilities are off-set and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.11. Revenue recognition

The Company derives revenue principally from sales of pharma products. Revenue from the sale of products is recognized when the Company satisfies a performance obligation in accordance with the provisions of the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

Dividend income

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

2.12. Employee Benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay

this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company makes defined contributions to the Government Employee Provident Fund, which is recognized in the Standalone Statement of Profit and Loss, on an accrual basis. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. The Company has no obligation other than the contribution payable to the provident fund.

Defined benefit plans

The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Gratuity obligation is unfunded. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Standalone Statement of Profit and Loss. Re-measurement gains or losses arising from changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurement gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

Compensated absences

The employees of the Company are entitled to compensated absences. Accumulated compensated absences, which are expected to be encashed beyond twelve months from the end of the year, are treated as long-term employee benefits. Liability for such benefit is provided on the basis of actual leave balance as at the Balance Sheet date. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.



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2.13. Income Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14. GST Input Credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services.

2.15. Provisions, Contingent Liabilities and Contingent Assets

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursements.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note 41).

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Notes to the Standalone Financial Statements

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2.16. Leases – Company as a Lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognized at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

At the inception date, lease liability is recognized at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting the carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease if the rate can be determined.

The Company has elected not to apply the requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and makes strategic decisions.

2.19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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Note No.3 Property, plant and equipment

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Right of use asset (Refer note 3.1)	Total
Gross block								
Balance as at 1 April 2023	430.43	1,732.43	111.43	68.49	12.99	69.04	191.12	2,615.93
Acquisition of manufacturing facility (Refer note 3.3 below)	212.70	217.46	2.85	0.07	0.86	-	185.63	619.57
Additions	174.51	666.95	47.70	-	0.57	12.03	30.08	931.84
Disposals/ Deletions	-	(3.49)	-	(1.31)	-	-	-	(4.80)
Balance as at 31 March 2024	817.64	2,613.35	161.98	67.25	14.42	81.07	406.83	4,162.54
Accumulated depreciation								
Balance as at 1 April 2023	151.13	747.34	55.43	60.55	11.18	63.33	118.16	1,207.12
Depreciation	28.80	188.67	14.55	1.80	1.43	3.43	33.44	272.12
Disposals/ Deletions	-	(0.54)	-	(1.25)	-	-	-	(1.79)
Balance as at 31 March 2024	179.93	935.47	69.98	61.10	12.61	66.76	151.60	1,477.45
Carrying value								
Balance as at 31 March 2024	637.71	1,677.88	92.00	6.15	1.81	14.31	255.23	2,685.09

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Right of use asset (Refer note 3.1)	Total
Gross block								
Balance as at 1 April 2022	425.14	1,543.31	100.64	68.85	12.88	67.41	222.16	2,440.39
Additions	8.35	241.75	10.82	-	0.18	2.11	44.41	307.62
Disposals/ Deletions	-	(4.94)	-	(0.36)	-	-	(75.45)	(80.75)
Adjustment #	(3.06)	(47.69)	(0.03)	-	(0.07)	(0.48)	-	(51.33)
Balance as at 31 March 2023	430.43	1,732.43	111.43	68.49	12.99	69.04	191.12	2,615.93
Accumulated depreciation								
Balance as at 1 April 2022	139.73	677.49	45.10	54.44	10.08	61.29	133.65	1,121.78
Depreciation	11.54	79.54	10.34	6.45	1.12	2.33	56.11	167.43
Disposals/ Deletions	-	(4.17)	-	(0.34)	-	-	(71.60)	(76.11)
Adjustment #	(0.14)	(5.52)	(0.01)	-	(0.02)	(0.29)	-	(5.98)
Balance as at 31 March 2023	151.13	747.34	55.43	60.55	11.18	63.33	118.16	1,207.12
Carrying value								
Balance as at 31 March 2023	279.30	985.09	56.00	7.94	1.81	5.71	72.96	1,408.81

* During the previous year, upon review and consultation with tax experts, the Company had adjusted and transferred GST input credit capitalised to GST receivables under other non current assets.

Note No.3.1 Right of use asset

The Company has lease contracts for land, building and various items of plant and equipment used in its operations. Below are the carrying amounts of right of use assets recognised and the movements during the year:

Particulars	Land	Building	Plant and Equipment	Total
Balance as at 1 April 2023	9.67	108.40	73.05	191.12
Acquisition of manufacturing facility (Refer note 3.3 below)	185.63	-	-	185.63
Additions	29.11	0.97	-	30.08
Balance as at 31 March 2024	224.41	109.37	73.05	406.83
Accumulated depreciation				
Balance as at 1 April 2023	0.75	55.73	61.68	118.16
Depreciation	7.27	14.80	11.37	33.44
Balance as at 31 March 2024	8.02	70.53	73.05	151.60
Carrying value				
Balance as at 31 March 2024	216.39	38.84	-	255.23

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Note No.3.1 Right of use asset (Contd..)

Particulars	Land	Building	Plant and Equipment	Total
Balance as at 1 April 2022	9.67	80.16	132.33	222.16
Additions	-	38.90	5.51	44.41
Deletions	-	(10.66)	(64.79)	(75.45)
Balance as at 31 March 2023	9.67	108.40	73.05	191.12
Accumulated Depreciation				
Balance as at 1 April 2022	0.50	44.82	88.33	133.65
Depreciation	0.25	17.72	38.14	56.11
Deletions	-	(6.81)	(64.79)	(71.60)
Balance as at 31 March 2023	0.75	55.73	61.68	118.16
Carrying value				
Balance as at 31 March 2023	8.92	52.67	11.37	72.96

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

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current (Refer note 18)	70.18	51.80
Current (Refer note 21)	11.09	25.08
	81.27	76.88

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance recognised at the beginning of the year	76.88	93.05
Additions	30.08	43.90
Deletions	-	(4.46)
Finance cost accrued	9.88	9.11
Payment of lease liabilities	(35.57)	(64.72)
Balance recognised at the end of the year	81.27	76.88

Incremental borrowing rate applied to lease liabilities is 11.93% (Previous year 10.78%).

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	19.64	33.68
1 year to 5 years	44.63	47.30
More than 5 years	184.66	76.41

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right of use assets	33.44	56.11
Interest expense on lease liabilities	9.88	9.11
	43.32	65.22

The Company had total cash outflows for leases of ₹ 35.57 million during the year ended 31 March 2024 (31 March 2023: ₹ 57.40 million)

Short term lease recognised as an expense for the year ended 31 March 2024 is aggregating to ₹ 17.35 million (31 March 2023: ₹ 17.63 million)



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Note No.3.2 Addition to property, plant and equipment include capital expenditure as per given below:

Particulars	As at 31 March 2024	As at 31 March 2023
R & D expenditure		
Capital Expenditure	31.28	9.92

Note No.3.3

On 19 April 2023, the Company acquired a manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa from Tevapharm India Private Limited 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 of Rs. 779.47 million for the manufacturing facility (excluding transaction costs of Rs. 45.78 million). The acquisition cost has been allocated to the individual identifiable assets based on their relative fair values at the date of purchase viz., 19 April 2023.

Assets Acquired	
Property, Plant & Equipment and Right of Use Assets (including transaction costs & transfer fees aggregating INR 45.78 Million)	619.57
Inventories	234.90
Other Assets	0.86
Total Assets Acquired (A)	855.33
Liabilities Assumed	
Gratuity	(27.11)
Compensated Absences	(2.97)
Total Liabilities Assumed (B)	(30.08)
Consideration paid for Net acquisition [A+B]	825.25

Note No.3.4 Assets pledged as security

The Company does not have any outstanding loans or borrowings and repayment to lenders during the current and previous year. The Company has been sanctioned working capital limits from bank through collateral security of equitable / registered mortgage on first pari-passu charge basis of whole of the movable fixed assets including without limitation movable plant and machinery, capital work in process, machinery spares, tools and accessories and other movables, present and future. Land bearing plot number L-82 & L-83, Phase II - Eadmeasuring 23,900 sq. mtrs. of the property known as Verna Industrial Estate situated in Goa together with all buildings and structures, machinery etc. on the said properties and hypothecation on first pari-passu charge over the Company's entire current assets both present and future with other consortium member banks.

Note No.4 Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Work-in-progress (CWIP)	-	39.05

Ageing of capital work in progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-

Ageing of capital work in progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	39.05	-	-	-	39.05

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.5 Intangible assets

Particulars	Product related intangibles *	Software	Total
Balance as at 1 April 2023	573.01	-	573.01
Additions	-	19.23	19.23
Disposals	(26.99)	-	(26.99)
Balance as at 31 March 2024	546.02	19.23	565.25
Accumulated amortisation			
Balance as at 1 April 2023	542.42	-	542.42
Amortisation for the year	17.01	2.15	19.16
Disposals/ Deletions	(26.99)	-	(26.99)
Balance as at 31 March 2024	532.44	2.15	534.59
Carrying value			
Balance as at 31 March 2024	13.58	17.08	30.66

Particulars	Product related intangibles *
Balance as at 1 April 2022	573.01
Balance as at 31 March 2023	573.01
Accumulated amortisation	
Balance as at 1 April 2022	536.50
Amortisation for the year	5.92
Balance as at 31 March 2023	542.42
Carrying value	
Balance as at 31 March 2023	30.59

*Product related Intangibles consists of intangible assets which comprise both; 'acquired' and 'internally generated' intangible assets.

Note No.6 Investments (Non-current)

Equity instruments of subsidiaries (fully paid)

Investment carried at cost (unquoted)

Particulars	Extent of holding	Face Value	As at March 31, 2024		As at March 31, 2023	
			No of shares	Amount	No of shares	Amount
Nova Pharmaceuticals Australasia Pty Ltd.	60%	AUD 1	90	15.91	90	15.91
Marksans Pharma (UK) Limited	100%	GBP 1	85,96,941	669.23	85,96,941	669.23
Marksans Pharma Inc.	100%	USD 0.01	110	1,675.60	110	1,675.60
Access Healthcare for Medical Products LLC	100%	AED 1000	324	296.79	324	296.79
Equity Shares outstanding at the end				2,657.53		2,657.53
Aggregate amount of quoted investment				-		-
Aggregate amount of market value of quoted investments				-		-
Aggregate amount of Un-quoted investment				2,657.53		2,657.53
Aggregate amount of impairment in the value of investments				-		-



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.7 Other financial assets (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Security deposits	3.48	14.05
Bank Deposit with more than 12 month maturity	1.68	-
	5.16	14.05

Note No.8 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Capital advances [#]	121.30	66.10
Balances with government authorities	172.49	86.13
	293.79	152.23

[#] Capital advances includes amount due to related party Nil and ₹ 6.57 million as on 31 March 2024 and 31 March 2023, respectively, refer note 39 - Related party disclosures.

Note No.9 Non current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Non current tax assets (net)	11.11	8.70
	11.11	8.70

Note No.10 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
a. Raw materials and packing materials	1,597.68	1,071.19
b. Work-in-progress	238.76	190.59
c. Finished Goods	63.96	32.91
d. Stock-in-Trade	8.09	14.83
	1,908.49	1,309.52

Write-downs of inventories to net realisable value amounted to ₹ NIL (31 March 2023 – ₹ NIL).

Note No.11 Investments (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at fair value through profit or loss		
Liquid mutual funds	269.94	5.40
	269.94	5.40
Aggregate amount of quoted investment	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of Un-quoted investment	269.94	5.40
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.12 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables from contract with customers	576.71	468.70
Trade receivables from contract with customers - related parties (Refer note 39 - Related party disclosures)	3,125.01	2,586.22
	3,701.72	3,054.92
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	3,701.72	3,059.42
Trade receivables considered good which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
	3,701.72	3,059.42
Less:- Loss allowance	-	(4.50)
	3,701.72	3,054.92

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person

Ageing of Trade receivable as on 31 March 2024

Particulars	Outstanding for following period from the due date of payments						Total
	Not due	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	2,935.19	708.14	55.08	3.31	-	-	3,701.72
Which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
	2,935.19	708.14	55.08	3.31	-	-	3,701.72

Ageing of Trade receivable as on March 31 2023

Particulars	Outstanding for following period from the due date of payments						Total
	Not due	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	1,852.59	1,198.25	3.95	3.71	0.92	-	3,059.42
Which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	(3.58)	(0.92)	-	(4.50)
Disputed Trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
	1,852.59	1,198.25	3.95	0.13	-	-	3,054.92



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.13a Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balances with bank		
In current accounts	419.15	447.94
In Exchange Earners' foreign currency account (EEFC)	0.01	2.99
Fixed deposit with original maturity less than 3 months	-	1,032.12
Cash in hand	0.13	0.08
	419.29	1,483.13

Note No.13b Bank balances other than above

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks *	3.40	2.60
Balances with bank in margin money accounts #	-	1.58
Term deposits with original maturity of more than three months but less than twelve months	2,699.60	2,915.31
	2,703.00	2,919.49

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

Margin money represents money given against bank guarantees.

Note No.14 Other financial assets (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Derivative financial assets - forward contracts	1.10	-
Deposits	2.49	-
Interest accrued on fixed deposits	57.44	29.34
	61.03	29.34

Note No.15 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Advance to vendors	11.61	32.43
Prepaid expenses	58.89	42.40
Balances with government authorities	334.83	253.54
Other advances	8.23	7.47
	413.56	335.84

* Balances with government authorities consist of amounts recoverable towards the goods and service tax ("GST")

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.16 Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 1/- each	550,000,000	550.00	550,000,000	550.00
7% Redeemable cumulative preference shares of ₹ 100/- each	1,400,000	140.00	1,400,000	140.00
Total	551,400,000	690.00	551,400,000	690.00
Issued, subscribed & fully paid up				
Equity shares of ₹ 1/- each	453,163,746	453.16	453,163,746	453.16
	453,163,746	453.16	453,163,746	453.16

a. Reconciliation of the equity shares outstanding is set out below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	453,163,746	453.16	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note c below)	-	-	50,324,324	50.32
Less: Buy back of equity shares during the year (Refer note e below)	-	-	6,474,276	6.47
Equity shares outstanding at the end of the year	453,163,746	453.16	453,163,746	453.16

b. Terms/rights attached to equity shares

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

- c. During the previous year, the Company had issued on 20 January 2023, 50,324,324 Equity Shares of ₹ 1/- each face value pursuant to conversion of Convertible Warrants on preferential issue basis. The Company had issued and allotted, 1,000,000 Equity Shares to Mr. Mark Saldanha and 49,324,324 Equity Shares to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74.00 per Equity Share pursuant to conversion of convertible warrants issued on preferential basis. The Company had raised ₹ 3,724 million from the above preferential issue.
- d. The Company has not issued bonus shares during the period of five years immediately preceding the reporting date.
- e. During the previous year 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 ₹ 1/- each up to a maximum price of ₹ 60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding ₹ 600 million ("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 previous 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 ₹ 6.47 million equal to the nominal value of the shares bought back as an appropriation from retained earnings.

The Company has not bought back equity shares for consideration other than cash during the period of five years immediately preceding the reporting date.



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.16 Share capital (Contd..)

f. Details of equity shares held by promoters

Name of shareholder	As at March 31, 2024		As at March 31, 2023		% changed during the year
	No. of shares held at the end of the year	% of total shares	No. of shares held at the end of the year	% of total shares	
Equity shares of ₹ 1/- each fully paid					
Mr. Mark Saldanha	198,491,553	43.80	198,491,553	43.80	-
Mrs. Sandra Saldanha	220,180	0.05	220,180	0.05	-

The percentage shareholding above has been computed considering the outstanding number of shares of 453,163,746 and 453,163,746 as at 31 March 2024 and 31 March 2023, respectively.

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023		Change in current year
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Equity shares of ₹ 1/- each fully paid					
Mr. Mark Saldanha	198,491,553	43.80	198,491,553	43.80	-
OrbiMed Asia IV Mauritius FVCI Limited	49,324,324	10.88	49,324,324	10.88	-

h. The Company has not issued any shares for consideration other than cash in current and previous year.

Note No.17 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
a. Capital reserves		
Opening balance	0.12	0.12
Closing balance	0.12	0.12
b. Capital redemption reserve		
Opening balance	141.47	85.00
(+) Transferred from profit and loss	-	50.00
On redemption of preference share (Refer footnote 2 of standalone statement of changes in equity)	-	6.47
On buyback of equity shares (Refer footnote 2 of standalone statement of changes in equity)	-	-
Closing balance	141.47	141.47
c. Securities premium account		
Opening balance	5,044.98	1,731.87
(+) Conversion of share warrant, net of expenses	-	3,627.77
(-) Buy Back of shares	-	(314.66)
Closing balance	5,044.98	5,044.98
d. General reserve		
Opening balance	3,137.37	3,137.37
Closing balance	3,137.37	3,137.37
e. Retained earnings		
Opening balance	2,336.11	1,552.06
(+) Net Profit for the current year	1,337.58	1,028.66
(-) Transfer to capital redemption reserve	-	(56.47)
(-) Buyback expenses	-	(80.52)
(-) Dividend paid on equity share *	(226.58)	(101.71)
Other comprehensive income/(loss)	-	-
Items that will not be reclassified to statement of profit and loss	-	-
(+) Remeasurement of the net defined benefit plans (net of tax)	2.84	(5.91)
Closing balance	3,449.95	2,336.11

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.17 Other equity (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
f. Convertible warrants		
Opening balance	-	931.00
(-) Conversion of share warrants to equity shares	-	(931.00)
Closing balance	-	-
	11,773.89	10,660.05

* Dividend paid during the year is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend per share (in absolute ₹)	0.50	0.25
Dividend paid during the year	226.58	101.71

The Board of Directors, in the meeting held on 30 May 2024, has recommended final dividend of ₹ 0.60 per equity share of ₹ 1/- each (60%) for the financial year 2023-24.

Note No.18 Lease liabilities (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer Note 3.1 - right of use assets)	70.18	51.80
	70.18	51.80

Note No.19 Provisions (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 35 - employee post- retirement benefits)	38.03	22.51
Provision for compensated absences	6.63	9.30
	44.66	31.81

Note No.20 Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	113.14	105.05
Total Deferred tax liabilities	113.14	105.05
Deferred tax assets		
Tax effect of items resulting in deductible temporary differences		
Employee benefit obligations	16.16	13.33
Deferred tax on account of leases (Ind AS 116)	3.59	0.98
Loss Allowance for trade receivables	-	1.13
Change in fair valuation of financial assets	0.23	1.24
Total deferred tax assets	19.98	16.68
Deferred tax on other comprehensive income assets/ (liabilities)	0.95	(1.99)
Deferred tax liabilities (net)	94.11	86.38



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.20.1 Current Tax:

Particulars	As at 31 March 2024	As at 31 March 2023
Amounts recognised in profit or loss		
Current tax :		
Current year	370.09	303.54
Tax adjustments of prior periods	4.47	(10.14)
Current income tax	374.56	293.40
Deferred tax :		
Current year origination and reversal of temporary differences	6.78	(1.71)
Deferred tax expense	6.78	(1.71)
Total income tax recognised in profit or loss	381.34	291.69
Amounts recognised in other comprehensive income		
Remeasurements of the defined benefit plans	(0.95)	1.99
Total income tax recognised in other comprehensive income	(0.95)	1.99

Reconciliation of effective tax rate	As at 31 March 2024	As at 31 March 2023
Profit before tax	1,718.92	1,320.35
Enacted tax rate in India	25.17%	25.17%
Expected income tax expenses	432.62	332.31
Tax effect of:		
Corporate social responsibility expenditure disallowed	7.41	5.12
Effect of concessions	(61.29)	(30.61)
Difference on account of different tax rate for short term capital gains	(0.04)	-
Tax adjustments of prior periods	4.47	(10.14)
Others	(1.83)	(4.99)
Tax expenses as per statement of profit and loss	381.34	291.69

Note No.21 Lease liabilities (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer Note 3.1 - right of use assets)	11.09	25.08
	11.09	25.08

Note No.22 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
a) Total outstanding dues of micro enterprises and small enterprises *	58.15	155.77
b) Total outstanding dues of other than micro enterprises and small enterprises #	1,539.01	960.00
	1,597.16	1,115.77

* The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information available with the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.22 Trade payables (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Amount remaining unpaid:		
Principal	58.15	155.77
Interest	-	-
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

* Trade payables includes amount due to related party ₹ 1.75 million and ₹ 0.16 million as on 31 March 2024 and 31 March 2023, refer note 39 - related party disclosures.

Ageing of Trade payable as on 31 March 2024

Particulars	Outstanding for following period from the due date of payments					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	35.28	22.87	-	-	-	58.15
Undisputed - Others	721.40	812.97	0.69	1.50	2.45	1,539.01
Disputed - MSME	-	-	-	-	-	-
Disputed -Others	-	-	-	-	-	-
	756.68	835.84	0.69	1.50	2.45	1,597.16

Ageing of Trade payable as on 31 March 2023

Particulars	Outstanding for following period from the due date of payments					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	109.48	46.29	-	-	-	155.77
Undisputed - Others	483.33	470.54	1.81	1.80	2.52	960.00
Disputed - MSME	-	-	-	-	-	-
Disputed -Others	-	-	-	-	-	-
	592.81	516.83	1.81	1.80	2.52	1,115.77

Note No.23 Other financial liabilities (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Payables for employee benefits	112.92	77.40
Unclaimed dividend *	3.40	2.60
Security deposits received	1.51	1.01
Derivative financial liabilities - forward contract	-	37.47
Others	7.53	7.42
	125.36	125.90

* There are no amount due and outstanding to be credited to investor education and protection fund.



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.24 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers - others	6.94	9.09
Advance from customers - related parties (Refer note 39)	896.69	796.22
Statutory dues payable	18.36	20.19
	921.99	825.50

Note No.25 Provisions (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 35 - employee post- retirement benefits)	16.79	8.43
Provision for compensated absences	2.76	4.83
	19.55	13.26

Note No.26 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Income tax (net)	49.22	59.89
(Net of advance tax ₹ 322.88 million (31 March 2023 ₹ 243.65 million))		
	49.22	59.89

Note No.27 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of products	8,500.61	6,526.84
Other operating revenues :-		
Scrap sales	22.37	17.56
Export incentives	9.75	7.64
	8,532.73	6,552.04

Reconciliation of revenue recognised in the standalone statement of profit and loss with the contracted price :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	8,555.08	6,956.02
Less : Trade discounts	20.31	346.42
Less : Sales returns	2.04	57.56
Revenue from operations	8,532.73	6,552.04

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.27 Revenue from operations (Contd..)

Analysis of revenues by geography:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
US & North America	4,792.95	3,200.70
Europe and UK	2,180.23	1,732.20
Australia and New Zealand	753.94	833.50
Rest of World	805.61	785.64
	8,532.73	6,552.04

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Contract Assets from contracts with customers

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables (Refer note 12)	3,701.72	3,054.92

Contract Liabilities from contracts with customers :

The Company records a contract liability when cash payments are received in advance of it's performance.

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities from contracts with customers (Refer note 24)	903.63	805.31

Note No.28 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income on bank deposits at amortised costs	224.96	102.94
Insurance claim received	0.39	-
Profit on sale of Property, Plant and Equipment (net)	0.32	-
Fair value gain on financial instruments measured at fair value through profit or loss	43.11	0.06
Short term gain on redemption of mutual fund	0.52	-
Exchange gain in foreign currency translation & transaction	82.51	391.28
Dividend from equity investments in subsidiaries	257.67	108.33
Miscellaneous income	11.25	2.21
	620.73	604.82

Note No.29 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and packing materials		
Inventory at the beginning of the year	1,071.19	900.28
Add: Purchases	4,598.00	3,555.81
Less: Inventory at the end of the year	(1,597.68)	(1,071.19)
	4,071.51	3,384.90



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year		
Work-in-progress	190.59	89.86
Finished goods	32.91	29.93
Stock-in-trade	14.83	16.68
	238.33	136.47
Less: Inventory at the end of the year		
Work-in-progress	238.76	190.59
Finished goods	63.96	32.91
Stock-in-trade	8.09	14.83
	310.81	238.33
	(72.48)	(101.86)

Note No.31 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages including bonus	717.53	504.57
Contribution to provident and other funds	47.35	34.49
Compensated absences	(5.23)	12.60
Gratuity expenses (Refer note 35 - Employee post- retirement benefits)	6.06	4.45
Staff welfare expenses	6.21	4.77
	771.92	560.88

Note No.32 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense for financial liabilities measured at amortised cost	-	0.04
Interest on lease liabilities	9.88	9.11
Other borrowing cost	-	23.48
Dividend on redeemable preference shares	-	3.50
	9.88	36.13

Note No.33 Depreciation and amortization expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	272.12	161.45
Amortization of intangible assets	19.16	5.92
	291.28	167.37

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.34 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Water, power & fuel	260.41	142.43
Repairs & maintenance - plant and equipments	114.77	40.48
Repairs & maintenance - building	10.15	1.92
Other manufacturing expenses	88.85	46.41
Rent	17.35	17.63
Rates & taxes	4.42	2.06
Travel and conveyance expenses	57.90	47.63
Contract Labour Expenses	202.28	122.12
Communication expenses	3.43	2.52
Courier & postage expenses	3.56	3.08
Printing & stationery	9.29	6.38
Auditors remuneration (Refer note 34.1)	6.19	6.88
Legal & professional fees	37.26	23.81
Fair value loss on financial instruments measured at fair value through profit or loss	-	108.08
Corporate social responsibility expenses (Refer note 43)	29.45	20.36
Loss on sale of fixed assets	-	0.61
Other operating expenses	83.54	51.25
Food and drug administration fees	129.16	103.66
Freight outward & export clearing expenses	436.05	539.74
Bad debts (including loss allowance on doubtful debts)	31.09	13.84
Selling & distribution expenses	21.88	(189.29)
Miscellaneous expenses	25.07	16.04
	1,572.10	1,127.64

Note No.34.1 Details of payments to the auditors

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Audit fees	5.90	5.90
Other services	0.19	0.90
Reimbursement of out of pocket expenses	0.10	0.08
	6.19	6.88

Note No.35 Employee post- retirement benefits

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

i Defined Contribution Plan

The Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company's contribution to provident fund ₹ 43.73 million (31 March 2023: ₹ 31.63 million) has been recognised in profit or loss under the head employee benefits expense.

ii Gratuity (Defined benefit plan)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.35 Employee post- retirement benefits (Contd..)

a Expense recognised in the statement of profit and loss for the year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	4.11	3.44
Interest cost on benefit obligation (net)	1.95	1.01
Total expenses included in employee benefits expense	6.06	4.45

b Expense / (Income) recognised in Other comprehensive Income (OCI):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Change in the defined benefit obligations	0.28	(2.09)
Actuarial changes arising from changes in experience of defined benefit obligations	(4.07)	9.99
OCI for the year	(3.79)	7.90

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligations (DBO)	54.82	30.94
Net (assets) / liabilities	54.82	30.94

d Break-up of the defined benefit plan related balance sheet amounts is shown below:

Particulars	As at 31 March 2024	As at 31 March 2023
Current liability (Refer note 25)	16.79	8.43
Non-current liability (Refer note 19)	38.03	22.51
	54.82	30.94

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

Particulars	As at 31 March 2024	As at 31 March 2023
DBO at the beginning of the year	30.94	21.64
Current service cost	4.11	3.44
Interest cost on benefit obligation (net)	1.95	1.01
Benefits paid	(5.50)	(3.05)
Liabilities assumed pursuant to acquisition of a manufacturing facility (Refer Note 3.3)	27.11	-
Remeasurements due to actuarial (loss) /gain	(3.79)	7.90
DBO at the end of the year	54.82	30.94

f Change in fair value of assets for the period ending as at 31 March 2024 and 31 March 2023:

The Company has not invested in any plan assets.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.35 Employee post- retirement benefits (Contd..)

g Actuarial assumptions

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate (per annum)	7.14%	7.30%
Rate of salary increase	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate		
Up to 35 years	45.00%	45.00%
36 years to 45 years	40.00%	40.00%
46 years to 55 years	10.00%	10.00%
56 years and above	0.00%	0.00%

- The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

h Retirement Age

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Retirement age	58 Years	58 Years

i Sensitivity analysis

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount	Amount	%	%
Base scenario	54.82	30.94		
Discount rate: increase by 1%	53.15	29.94	-3.06%	-3.21%
Discount rate: decrease by 1%	56.63	32.00	3.29%	3.45%
Salary escalation rate: increase by 1%	56.35	31.81	2.78%	2.82%
Salary escalation rate: decrease by 1%	53.36	30.11	-2.67%	-2.68%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

j Maturity profile

Projected benefits payable in future years from the date of reporting Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
1 Year (within next 12 months)	16.79	8.43
2 to 10 years	44.99	28.34
Above 10 years	9.84	4.27



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.35 Employee post- retirement benefits (Contd..)

k Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Changes in bond yields: A decrease in bond yields will increase plan liabilities
2. Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
3. Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

iii Other long term employee benefits:

Compensated absences: (included as a part of salaries and wages in Note 31 amounts to ₹ 5.23 million) (31 March 2023: ₹ 12.60 million) - employee benefits expense) all eligible employees can carry forward and avail / encash leave as per Company's policies.

35.1 Employee Stock Option Plan

The Shareholders of the Company at the 31st Annual General Meeting held on 28 August 2023, approved Marksans Employees Stock Option Scheme 2023. Under the said scheme, the Company can grant a total of 90,63,274 options to the eligible employees for issue and allotment of equal number of equity shares of ₹ 1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet.

Note No.36 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings except through leasing. The Company is not subject to any externally imposed capital requirements. Net debt and equity is given in the table below:

Particulars	As at 31 March 2024	As at 31 March 2023
Total shareholders' equity as reported in balance sheet (A)	12,227.05	11,113.21
Gross Debt		
Lease liability (including current lease liability)	81.27	76.88
Gross debt	81.27	76.88
Less: Cash & cash equivalents	419.29	1,483.13
Net debt (B)	(338.02)	(1,406.25)
Total capital deployed (A-B)	12,565.07	12,519.46
Net debt to equity ratio (B/A)	(0.03)	(0.13)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.37 Financial Instruments – fair values and risk management

A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Fair value of cash and bank balances, trade receivables and other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the previous year.

During the reporting period ending March 31, 2024 and March 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	As at 31 March 2024					
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	-	-	5.16	-	-	-
Investment-current #	269.94	-	-	269.94	-	-
Trade receivables	-	-	3,701.72	-	-	-
Cash and cash equivalents	-	-	419.29	-	-	-
Bank balances other than above	-	-	2,703.00	-	-	-
Derivative financial liabilities - forward contract @	1.10	-	-	-	1.10	-
Others current financial assets	-	-	59.93	-	-	-
	271.04	-	6,889.10	269.94	1.10	-
Financial Liabilities						
Current and non current lease liabilities *	-	-	81.27	-	-	81.27
Trade payables	-	-	1,597.16	-	-	-
Other current financial liabilities	-	-	125.36	-	-	-
	-	-	1,803.79	-	-	81.27



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.37 Financial Instruments – fair values and risk management (Contd..)

Particulars	As at 31 March 2023					
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	-	-	14.05	-	-	-
Investment-current #	5.40	-	-	5.40	-	-
Trade receivables	-	-	3,054.92	-	-	-
Cash and cash equivalents	-	-	1,483.13	-	-	-
Bank balances other than above	-	-	2,919.49	-	-	-
Others current financial assets	-	-	29.34	-	-	-
	5.40	-	7,500.93	5.40	-	-
Financial Liabilities						
Current and non current lease liabilities *	-	-	76.88	-	-	76.88
Trade payables	-	-	1,115.77	-	-	-
Derivative financial liabilities - forward contract®	37.47	-	-	-	37.47	-
Other current financial liabilities	-	-	88.43	-	-	-
	37.47	-	1,281.08	-	37.47	76.88

Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

* Lease liabilities are valued using discounted cashflow method using incremental borrowing rate. A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

® The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporates various inputs including the credit quality of counter parties and foreign exchange forward rates.

B. Financial risk management framework

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

(i) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

The Company has significant concentration of credit risk with respect to the sale of goods as the Company sells majority of the productions to the group companies. Management closely monitors the credit quality and collectability of receivables. Since majority of the Company's sales are to the group companies, there is no credit risk attached to the Company's receivables. Outstanding customer receivables other than group companies are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The Company establishes an allowances for credit losses and impairment that represents its estimates of expected credit loss (ECL).

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 3,122.29 million at 31 March 2024 (31 March 2023: ₹ 4,402.62 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.37 Financial Instruments – fair values and risk management (Contd..)

Trade and other receivables

As at the year ending 31 March 2024 and 31 March 2023, two customer is exceeding 10% of the Company's total trade receivables.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is in Note 12.

Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

(ii) Liquidity risk analysis

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at 31 March 2024 are as follows :

Particulars	Current	Non-current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payables	1,597.16	-	-
Lease liabilities	19.64	44.63	184.66
Other current financial liabilities	125.36	-	-
	1,742.16	44.63	184.66

The details of the contractual maturities of significant liabilities as at 31 March 2023 are as follows :

Particulars	Current	Non-current	
	Within 1 year	1 to 5 years	More than 5 years
Trade payables	1,115.77	-	-
Lease liabilities	33.68	47.30	76.41
Other current financial liabilities	125.90	-	-
	1,275.35	47.30	76.41

(iii) Market risk analysis

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks)

(a) Foreign Currency risk

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.37 Financial Instruments – fair values and risk management (Contd..)

risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD, GBP, AED & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges its trade receivables based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales.

Exposure to currency risk

The Company's exposure to foreign currency risk is as follows :

Particulars	As at March 31, 2024				As at March 31, 2023				
	USD	GBP	AED	EUR	USD	GBP	AED	JPY	EUR
Financial assets									
Other current assets	0.64	-	-	0.10	12.54	-	-	0.18	0.37
Other non-current assets	-	-	-	0.91	48.36	-	-	-	-
Trade receivables	3,691.41	-	0.45	1.82	3,044.55	-	1.59	-	-
Total	3,692.05	-	0.45	2.83	3,105.45	-	1.59	0.18	0.37
Financial liabilities									
Other current liabilities	0.12	896.69	-	-	8.97	796.22	-	-	-
Trade payables	115.21	1.26	-	47.82	107.02	0.11	-	0.92	29.38
Total	115.33	897.95	-	47.82	115.99	796.33	-	0.92	29.38
Net	3,576.72	(897.95)	0.45	(44.99)	2,989.46	(796.33)	1.59	(0.74)	(29.01)

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	As at March 31, 2024				As at March 31, 2023				
	USD	GBP	AED	EUR	USD	GBP	AED	JPY	EUR
Strengthening	357.67	(89.80)	0.05	(4.50)	298.95	(79.63)	0.16	(0.07)	(2.90)
Weakening	(357.67)	89.80	(0.05)	4.50	(298.95)	79.63	(0.16)	0.07	2.90

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have any interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

(c) Other price risk:

The Company's equity exposure in Subsidiaries, are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect.

The company's current investments which are fair valued through profit and loss and are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

Exposure to interest rate risk

Since the Company does not have any interest bearing financial liabilities, a change in interest rates at the reporting date would not have any significant impact on the financial statements of the Company. The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.38 Earning per share

Earning per share is calculated by dividing the profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	As at 31 March 2024	As at 31 March 2023
Earning per share (EPS)		
1) Net profit as per the statement of profit and loss available for equity shareholders	1,337.58	1,028.66
2) Weighted average number of equity shares for earning Per Share computation		
a) For basic earning per share of ₹ 1/- each	453.16	415.40
b) For diluted earning per share of ₹ 1/- each	453.16	415.40
3) Earning per share (weighted average)		
Basic (₹)	2.95	2.48
Diluted (₹)	2.95	2.48

Note No.39 Related party disclosures

(a) Related parties where control exists

- 1) Marksans Pharma (UK) Limited (Subsidiary)
- 2) Marksans Holdings Limited (Step-down subsidiary)
- 3) Bell, Sons and Co. (Druggists) Limited (Step-down subsidiary)
- 4) Relonchem Limited (Step-down subsidiary)
- 5) Marksans Pharma Inc. (Subsidiary)
- 6) Time-Cap Laboratories Inc. (Step-down subsidiary)
- 7) Custom Coatings Inc. (Step-down subsidiary)
- 8) Marksans Realty LLC (Step-down subsidiary)
- 9) Marise Ann Inc. (Step-down subsidiary)
- 10) Nova Pharmaceuticals Australasia Pty Ltd (Subsidiary)
- 11) Nova Pharmaceuticals Ltd.(Step-down subsidiary)
- 12) Access Healthcare for Medical Products LLC. (Subsidiary)
- 13) Marksans Pharma GmbH (under liquidation) (Subsidiary)

(b) Key management personnel (KMP)/Directors

Mr. Mark Saldanha	: Managing Director
Mrs. Sandra Saldanha	: Whole-time Director
Mr. Varddhman Vikramaditya Jain	: Whole-time Director
Mr. Jitendra Sharma	: Chief Financial Officer
Mr. Harshavardhan Panigrahi	: Company Secretary
Mr. Abhinna Sundar Mohanty	: Independent Director
Mr. Digant Mahesh Parikh	: Independent Director
Mr. Seetharama Raju Buddharaju	: Independent Director
Dr. Meena Rani Surana (upto 30 May,2023)	: Independent Director
Dr. Sunny Sharma	: Non-executive Director
Mrs. Shailaja Vardhan (w.e.f. 30 May,2023)	: Independent Director



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.39 Related party disclosures (Contd..)

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

Name of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of goods	6,945.32	5,443.73
Nova Pharmaceuticals Australasia Pty Ltd	561.28	659.30
Bell, Sons and Co. (Druggists) Limited	623.99	643.68
Relonchem Limited	1,389.10	1,073.35
Time-Cap Laboratories Inc.	4,370.95	3,067.40
Sale of property, plant & equipment	3.29	-
Bell, Sons and Co. (Druggists) Limited	3.29	-
Reimbursement of expenses incurred on behalf of	0.10	-
Relonchem Limited	0.10	-
Dividend received	257.67	108.33
Marksans Pharma (UK) Limited	257.67	108.33
Purchase of goods	3.99	0.38
Bell, Sons and Co. (Druggists) Limited	1.80	0.05
Relonchem Limited	1.71	0.33
Time-Cap Laboratories Inc.	0.48	-
Purchase of property, plant & equipment	7.96	-
Time-Cap Laboratories Inc.	7.96	-
Investment in Subsidiary	-	296.79
Access Healthcare for Medical Products LLC	-	296.79
Rent paid	10.65	10.65
Mr. Mark Saldanha	10.65	10.65
Equity shares issued (including securities premium) during the year pursuant to conversion of warrants (Refer note 16 - share capital)	-	74.00
Mr. Mark Saldanha	-	74.00
Managerial remuneration *	111.11	107.66
Mr. Mark Saldanha	68.86	68.40
Mrs. Sandra Saldanha	7.07	7.07
Mr. Varddhan Vikramaditya Jain	18.75	15.25
Mr. Jitendra Sharma	12.84	14.01
Mr. Harshavardhan Panigrahi	2.84	2.61
Mr. Abhinna Sundar Mohanty	0.02	0.04
Mr. Seetharama Raju Bhuddharaju	0.03	0.04
Mr. Digant Mahesh Parikh	0.40	0.20
Mrs. Shailaja Vardhan	0.30	-
Dr.Meena Rani Surana	-	0.04

* Provision made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

(d) Balances outstanding at the end of the year

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivable	3,125.01	2,586.22
Nova Pharmaceuticals Australasia Pty Ltd	495.86	435.12
Time-Cap Laboratories Inc.	2,629.15	2,151.10
Advance from customer	896.69	796.22
Bell, Sons and Co. (Druggists) Limited	34.71	98.83
Relonchem Limited	861.98	697.39
Capital Advance	-	6.57
Time-Cap Laboratories Inc.	-	6.57
Trade payable	1.75	0.16
Bell, Sons and Co. (Druggists) Limited	0.43	0.05

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.39 Related party disclosures (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Relonchem Limited	0.84	0.06
Time-Cap Laboratories Inc.	0.48	0.05
Managerial remuneration	5.59	3.08
Mr. Mark Saldanha	3.58	1.27
Mrs. Sandra Saldanha	0.42	0.39
Mr. Varddhman Vikramaditya Jain	0.76	0.70
Mr. Jitendra Sharma	0.65	0.55
Mr. Harshavardhan Panigrahi	0.18	0.17
Outstanding guarantee given on behalf of	1,062.68	1,036.67
Bell, Sons and Co. (Druggists) Limited	315.84	304.32
Relonchem Limited	163.18	157.23
Time-Cap Laboratories Inc.	583.66	575.12

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

Note no.40 Segment information

A. Operating Segments

The Company operates in one reportable business segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.

B. Geographical Information:

Analysis of revenues by geography:

The following table shows the distribution of the Company's revenues (excluding other operating income) by country, based on the location of the customers:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
US & North America	4,792.95	3,200.70
Europe and UK	2,180.23	1,732.20
Australia and New Zealand	753.94	833.50
Rest of World	805.61	785.64
	8,532.73	6,552.04

Analysis of non current assets by geography:

The following table shows the distribution of the Company's non-current assets (other than financial instruments and deferred tax assets) by country, based on the location of assets:

Particulars	As at 31 March 2024	As at 31 March 2023
US & North America	-	6.57
Europe and UK	-	-
Australia and New Zealand	-	-
India	5,682.43	4,262.60
Rest of World	0.91	41.79
	5,683.34	4,310.96

C. Information about major customers

During the years ended 31 March 2024 and 31 March 2023, revenues from transactions with a single customer amount to 10% or more of the Company's revenues from customers includes 2(Previous year 3) customers amounting to ₹ 5760.05 million and ₹ 4800.05 million respectively.



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.41 Contingent liabilities, contingent assets and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax on account of disallowances / additions	-	14.47

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the proceedings as it is determinable only on receipt of judgments / decisions pending with the forums / authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with direct tax authorities. The Company has reviewed its proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

Contingent assets

The Company neither had any contingent assets as on 31 March 2024 nor on 31 March 2023.

Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	220.60	78.67

Note No.42 Research and development expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Break-up of research and development expenses included in statement of profit and loss under below heads:		
Material Cost	60.68	37.14
Employee benefits expense		
Salaries, Wages and Bonus	45.81	36.66
Contribution to Provident and other funds	3.60	3.71
	49.41	40.37
Other expenses		
Power and Fuel	3.54	3.27
Laboratory goods and testing expenses	11.54	8.81
Clinical research expense	30.25	22.84
General charges	43.90	36.54
	89.23	71.46
b) Capital Expenditure	31.28	9.92
Total	230.60	158.89

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.43 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are community healthcare, free food, sanitation & hygiene, environmental sustainability and education. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year	26.30	20.28
b) Amount approved by the Board to be spent during the year	26.30	20.28
c) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	29.45	20.36
d) Shortfall at the end of the year	-	-
e) Total of previous year shortfall	-	-
f) Reason for shortfall	NA	NA
g) Excess spent of previous year brought forward to current year	0.08	0.01
h) Excess spent of current year carried forward to next year	3.23	0.08
i) Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure	NA	NA
j) Nature of CSR activities:	Community healthcare, free food, sanitation & hygiene, environmental sustainability and education.	

The Company does not have any ongoing CSR projects for both the years.

No expenditure has been paid to a related party, in relation to CSR expenditure.

There are no short falls at the end of the year.

Note No.44 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued.

The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note No.45 Subsequent events

The Board of Directors (in the meeting held on 30 May 2024) has recommended final dividend of Rs. 0.60 per equity share of ₹ 1/- each (60%) for the Financial Year 2023-24.



Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.46 Ratio analysis

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance in%	Foot notes
a. Current ratio	Current assets	Current liabilities	3.48	4.22	(17.57)	
b. Debt equity ratio	Lease liabilities	Shareholder's equity	0.01	0.01	(3.92)	
c. Debt service coverage ratio	Profit/(loss) after tax + finance costs + depreciation and amortisation+gain/(loss) on sale of fixed assets	Interest + lease payments + principal repayment of preference Shares	36.05	8.17	341.12	1
d. Return on equity ratio (%)	Net profit/(loss) after tax	Average shareholder's equity	11.46%	10.85%	5.63	
e. Inventory turnover ratio	Cost of goods sold	Average inventory	2.98	3.36	(11.47)	
f. Trade receivables turnover ratio	Revenue from operation	Average trade receivables	2.53	2.37	6.45	
g. Trade payable turnover ratio	Purchases	Average trade payables	3.97	4.53	(12.39)	
h. Net capital turnover ratio	Revenue from operation	Working capital	1.26	0.94	34.46	2
i. Net profit ratio (%)	Net profit/(loss) after tax	Revenue from operation	15.68%	15.70%	(0.15)	
j. Return on capital employed (%)	Profit/(loss) before tax + finance costs	Tangible net worth + total debt + deferred tax liability	13.97%	12.06%	15.85	
k. Return on investment (%)	Profit/(loss) before tax + finance costs	Average Total Assets	12.09%	11.74%	2.93	

1 Due to redumption of preference shares in previous year and reduction in finance cost.

2 Due to the increase in the revenue from operations.

Note No.47 Other statutory information

a. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Borrowing secured against current assets

The Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from a Bank on the basis of security of current assets. Quarterly returns filed with such Bank are in agreement with the books of account.

c. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d. Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. Registration of charges or satisfaction with registrar of companies (ROC)

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

f. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

g. Compliance with approved schemes of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

h. Utilisation of borrowed funds and share premium

1. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (All amounts in millions of Indian Rupees, unless otherwise stated)

Note No.47 Other statutory information (Contd..)

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

2. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

i. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

k. Valuation of PP&E and intangible asset

The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the current or previous year.

l. Title deeds of immovable properties

Title deeds of all immovable properties are held in the name of the Company.

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

NITIN TIWARI

Partner

Membership No.: 118894

Place : Mumbai

Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai

Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director

DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer



**Consolidated
Financial
Statements**

Independent Auditor's Report

To the Members of Marksans Pharma Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements 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"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report:

Key Audit Matter	How the Key audit Matter was addressed in our audit
<p>Accounting for Asset Acquisition:</p> <p>During the year, the Holding Company acquired a manufacturing facility related to manufacturing and supply of pharmaceutical formulations in Goa from Teva Pharm India Private Limited as a going concern on a slump sale basis for INR 779.47 Million.</p> <p>The above acquisition was recorded at cost wherein the cost is allocated to the individual identifiable assets based on their relative fair values at the date of purchase viz., April 19, 2023.</p> <p>The determination of fair value involves judgement and estimates and hence we have determined this to be a key audit matter.</p>	<p>Our principal audit procedures included following:</p> <ul style="list-style-type: none"> • Evaluated and tested the design and operating effectiveness of the Holding Company's controls over the recognition and measurement of assets and liabilities. • Inspected the agreement and other documents underlying the acquisition to gain an understanding of the contractual terms and conditions to assess the consideration and the acquired assets. • Understood the process followed by the Company for assessment and determination of the method of accounting, including the identification of assets and liabilities and determination of their fair values with involvement of an Independent Valuer. • Obtained the valuation report issued by the Independent Valuer and evaluated the competence and objectivity of the Independent Valuer. • Involved our internal valuation experts in assessing the appropriateness of the methods used to determine the fair values. • Verified that the cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase, including capitalization of transaction costs. • Evaluated the appropriateness and adequacy of disclosures given in the financial statements.



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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, 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 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 each company.

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

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

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

Other Matters

- a. We did not audit the financial information of eleven subsidiaries, whose financial information reflect total assets of Rs. 18,721.63 million as at March 31, 2024, total revenues of Rs. 20,347.31 million and net cash inflows amounting to Rs. 866.48 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The 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 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 Holding Company and audited by us.

- b. We did not audit the financial information of two subsidiaries whose financial information reflect total assets of Rs. Nil as at March 31, 2024, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit including other comprehensive income of Rs. Nil for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid 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 information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph VI below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on April 1, 2024 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigation that would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - iv. (1) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding



Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- (v) On the basis of our verification, we report that:
 - i. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
 - ii. The Board of Directors of the Holding Company have recommended final dividend for the year after the closure of financial year ended March 31, 2024. The dividend recommended is in accordance with Section 123 of the Act to the extent it applies to recommendation of dividend. (Refer Note 19 to the consolidated financial statements).
- (vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the subsidiaries, as they are incorporated outside India.

Based on our examination, the Holding Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level during the year ended March 31, 2024 to log any direct data changes.

Further, the audit trail feature has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail feature has not operated throughout the year for all the relevant transactions recorded in this accounting software during the year ended March 31, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder. The subsidiary companies are not incorporated in India.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

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

Nitin Tiwari
Partner
Membership No. 118894
UDIN: 24118894BKGQHK3820

Place: Mumbai
Date: May 30, 2024

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 management.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Nitin Tiwari
Partner
Membership No. 118894
UDIN: 24118894BKGQHK3820

Place: Mumbai
Date: May 30, 2024



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARKSANS PHARMA LIMITED

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Marksans Pharma Limited on the consolidated Financial Statements for the year ended March 31, 2024

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Marksans Pharma limited (hereinafter referred to as "the Holding Company")

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to its subsidiaries, as they are incorporated outside India.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, which is a company incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Nitin Tiwari

Partner

Membership No. 118894

UDIN: 24118894BKGQHK3820

Place: Mumbai

Date: May 30, 2024

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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



Consolidated Balance Sheet

as at 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	6,757.10	3,796.43
Capital work-in-progress	4	53.81	72.46
Goodwill	5	394.99	384.89
Other intangible assets	6	607.27	681.73
Intangible assets under development	7	40.35	26.24
Financial assets			
(i) Other financial assets	8	26.19	34.77
Other non-current assets	9	293.79	145.66
Non Current tax assets (net)	10	11.11	8.70
Total non-current assets		8,184.61	5,150.88
Current assets			
Inventories	11	6,179.44	4,847.39
Financial assets			
(i) Investments	12	269.94	5.40
(ii) Trade receivables	13	4,531.77	4,168.46
(iii) Cash and cash equivalents	14a	4,032.77	3,824.37
(iv) Bank balances other than (iii) above	14b	2,703.00	3,325.25
(iv) Other financial assets	15	69.01	36.55
Other current assets	16	789.81	526.43
Current tax assets (net)	17	49.18	19.16
Total current assets		18,624.92	16,753.01
TOTAL ASSETS		26,809.53	21,903.89
Equity and liabilities			
Equity			
Equity share capital	18	453.16	453.16
Other equity	19	20,197.38	16,998.46
Equity attributable to owners of the Company		20,650.54	17,451.62
Non-controlling interest		208.52	199.10
Total equity		20,859.06	17,650.72
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	20	1,900.19	656.89
Provisions	21	45.59	32.52
Deferred tax liabilities (net)	22	106.20	153.86
Total non current liabilities		2,051.98	843.27
Current liabilities			
Financial liabilities			
(i) Borrowings	23	290.91	415.88
(ii) Lease liabilities	24	249.51	156.68
(iii) Trade payables	25		
a) Total outstanding dues of micro enterprises and small enterprises		58.15	155.77
b) Total outstanding dues of other than micro enterprises and small enterprises		2,624.62	2,150.24
(iv) Other financial liabilities	26	154.26	152.91
Other current liabilities	27	302.41	112.38
Provisions	28	19.55	13.26
Current tax liabilities (net)	29	199.08	252.78
Total current liabilities		3,898.49	3,409.90
Total liabilities		5,950.47	4,253.17
Total equity and liabilities		26,809.53	21,903.89

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

NITIN TIWARI

Partner

Membership No.: 118894

Place : Mumbai

Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**MARKSANS PHARMA LIMITED**

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai

Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director

DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Note No.	For Year Ended 31 March 2024	For Year Ended 31 March 2023
INCOME			
Revenue from operations	30	21,774.07	18,521.39
Other income	31	504.22	593.13
Total Income		22,278.29	19,114.52
EXPENSES			
Cost of materials consumed	32	6,677.00	6,129.70
Purchases of stock-in-trade		4,442.84	3,147.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(738.63)	(63.94)
Employee benefits expense	34	2,936.41	2,393.71
Finance costs	35	112.03	91.28
Depreciation and amortization expense	36	742.70	518.53
Other expenses	37	3,870.68	3,520.89
Total expenses		18,043.03	15,737.99
Profit before tax		4,235.26	3,376.53
Tax expense:			
(1) Current tax		1,133.08	715.67
(2) Tax adjustments for earlier years		4.28	(3.33)
(3) Deferred tax		(51.05)	10.98
Total tax expenses		1,086.31	723.32
Profit for the year		3,148.95	2,653.21
Other comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement gains/(losses) of defined benefit plan		3.79	(7.90)
- Income tax relating to above		(0.95)	1.99
Items that will be reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign operations		283.13	528.02
Other comprehensive income for the year, net of tax		285.97	522.11
Total comprehensive income for the year		3,434.92	3,175.32
Profit for the year attributable to:-			
Owners of the Company		3,137.00	2,663.08
Non-controlling interests		11.95	(9.87)
Other comprehensive Income attributable to:-			
Owners of the Company		288.50	520.15
Non-controlling interests		(2.53)	1.96
Total comprehensive Income attributable to:-			
Owners of the Company		3,425.50	3,183.23
Non-controlling interests		9.42	(7.91)
Earnings per equity share (face value per equity share - ₹ 1)	41		
(1) Basic (in ₹)		6.92	6.41
(2) Diluted (in ₹)		6.92	6.41

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants
Firm Registration No.: 105047W

NITIN TIWARI

Partner
Membership No.: 118894

Place : Mumbai
Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED
CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director
DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai
Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director
DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer



Consolidated Statement of Change in Equity

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	453,163,746	453.16	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note 18(c) - share capital)	-	-	50,324,324	50.32
Less: Buy back of equity shares during the year (Refer note 18(e) - Share capital)	-	-	6,474,276	6.47
Equity shares outstanding at the end of the year	453,163,746	453.16	453,163,746	453.16

B Other equity (Refer note 19)

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Convertible warrants				
Balance as at 1 April 2023	0.12	141.47	5,044.98	3,137.37	7,776.03	-	898.49	16,998.46	199.10	17,197.56
Profit for the year	-	-	-	-	3,137.00	-	-	3,137.00	11.95	3,148.95
Other comprehensive income (net of taxes)	-	-	-	-	2.84	-	-	2.84	-	2.84
Total comprehensive income for the year	-	-	-	-	3,139.84	-	-	3,139.84	11.95	3,151.79
Exchange difference on translation of foreign operation	-	-	-	-	-	-	285.66	285.66	(2.53)	283.13
Dividend paid on equity share	-	-	-	-	(226.58)	-	-	(226.58)	-	(226.58)
Balance as at 31 March 2024	0.12	141.47	5,044.98	3,137.37	10,689.29	-	1,184.15	20,197.38	208.52	20,405.90

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Convertible warrants				
Balance as at 1 April 2022	0.12	85.00	1,731.87	3,137.37	5,093.09	931.00	634.94	11,613.39	207.01	11,820.40
Profit for the year	-	-	-	-	2,663.08	-	-	2,663.08	(9.87)	2,653.21
Other comprehensive loss (net of taxes)	-	-	-	-	(5.91)	-	-	(5.91)	-	(5.91)
Total comprehensive income for the year	-	-	-	-	2,657.17	-	-	2,657.17	(9.87)	2,647.30
Exchange difference on translation of foreign operation	-	-	-	-	-	-	528.02	528.02	1.96	529.98

Consolidated Statement of Change in Equity

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

B Other equity (Refer note 19) (Contd..)

Particulars	Reserves and surplus					Other comprehensive income	Total attributable to owners of the Company	Non controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings				
Reclassification (Refer footnote 6)	-	-	-	-	264.47	-	-	-	-
On redemption of preference share	-	50.00	-	-	(50.00)	-	-	-	-
On buyback of equity shares (Refer note 18(e) - share capital)	-	6.47	-	-	(6.47)	-	-	-	-
Buyback of equity shares, net of expenses and tax on buyback (Refer note 18(e) - share capital)	-	-	(314.66)	-	(80.52)	-	(395.18)	-	(395.18)
Dividend paid on equity share	-	-	-	-	(101.71)	-	(101.71)	-	(101.71)
Conversion of share warrant, net of expenses (Refer note 18(c) - share capital)	-	-	3,627.77	-	-	(931.00)	2,696.77	-	2,696.77
Balance as at 31 March 2023	0.12	141.47	5,044.98	3,137.37	7,776.03	-	898.49	199.10	17,197.56

C Nature and purpose of reserves:

1 Capital reserve

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

2 Capital redemption reserve

The Company has redeemed 1,350,000 7% redeemable cumulative preference shares of ₹ 100/- each face value at par out of profits of the Company on various dates. Accordingly, a sum equal to the nominal amount of the preference shares i.e. ₹ 135 million, out of the profits, been transferred to Capital redemption reserve, as and when Preference Shares were redeemed.

During the previous year, the Company bought back and accounted buy back of 6,474,276 equity shares. As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Accordingly, ₹ 6.47 million has been transferred from retained earnings to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

3 Securities premium

Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.



Consolidated Statement of Change in Equity

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

C Nature and purpose of reserves: (Contd..)

4 General reserve

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

5 Retained earnings

Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

6 Foreign currency translation reserve

This reserve represents exchange differences arising on account of conversion of foreign operations to holding company's functional currency.

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

NITIN TIWARI

Partner

Membership No.: 118894

Place : Mumbai

Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED

CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director

DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai

Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director

DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer

Consolidated Cash Flow Statement

(All amounts in million of Indian Rupees)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax	4,235.26	3,376.53
Adjustments to reconcile profit before tax to net cash provided by operating activities		
- Depreciation and amortisation expenses	742.70	518.53
- Exchange differences on translation of assets and liabilities, net	30.36	(1.98)
- (Profit) / loss on sale / disposal of property, plant and equipment, net	(0.94)	2.64
- Gain on redemption of mutual fund investments	(0.52)	-
- Finance costs	112.03	91.28
- Interest income	(337.87)	(120.37)
- (Gain) / loss arising on financial instruments measured at FVTPL, net	(43.11)	108.02
- Loss on lease modification	-	0.65
- Allowance for credit losses on trade receivables (Including bad debts)	51.57	143.61
Operating profit before working capital changes	4,789.48	4,118.91
Changes in working capital:		
Inventories	(1,126.73)	(448.50)
Trade receivables	(371.67)	(275.18)
Non-current/current financial and other assets	(290.41)	(223.17)
Non-current/current financial and other liabilities/provisions/trade payables	526.89	(167.80)
Cash generated from operations	3,527.56	3,004.26
Income tax paid (net)	(1,223.49)	(630.14)
Net cash generated from operating activities (A)	2,304.07	2,374.12
B. Cash flow from investing activities:		
Payments to acquire property, plant and equipment and intangible assets	(2,088.38)	(536.31)
Proceeds from sale of property, plant and equipment	8.54	3.77
Proceeds from / (Investment in) deposits (net)	622.25	(1,896.66)
Purchase of mutual fund Investments	(370.01)	(1.00)
Proceed from sale of mutual fund investment	110.53	-
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	308.67	104.18
Net Cash used in investing activities (B)	(1,408.40)	(2,592.12)
C. Cash flow from financing activities:		
Proceeds from issue of share warrants (net of issue expenses)	-	2,747.09
Buy back of equity shares (including transaction cost ₹ 7.22 million and tax on buy back ₹ 73.30 million)	-	(401.66)
Dividend paid (includes amount transferred to separate bank accounts earmarked for unpaid dividend)	(226.58)	(101.71)
(Repayment) / proceeds from short term borrowings (net)	(124.97)	52.96
Redemption of 7% redeemable cumulative preference shares	-	(50.00)
Payment of principal portion of lease liabilities (including interest on lease liabilities)	(284.00)	(207.73)
Interest cost paid	(51.72)	(60.66)
Net Cash (used in) / generated from financing activities (C)	(687.27)	1,978.29
Net increase in cash and cash equivalents (A+B+C)	208.40	1,760.29
Cash and cash equivalents at the beginning of the year	3,824.37	2,064.06
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	4,032.77	3,824.37

Amount below rounded off criteria



Consolidated Cash Flow Statement

(All amounts in million of Indian Rupees)

Notes

Reconciliation of cash and cash equivalents as per the statement of cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents (Refer note 14a)		
Balances with bank		
In current accounts	1,520.28	872.02
In Exchange Earners' Foreign Currency account (EEFC)	0.01	2.99
Fixed deposit with original maturity less than 3 months	2,512.09	2,949.14
Cash in hand	0.39	0.22
Balances per statement of cash flows	4,032.77	3,824.37

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.

Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes under Para 44A as set out in Ind AS 7 "Statement of Cash flows" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under.

Net debt reconciliation:

31 March 2024	Borrowings	Lease Liabilities (including interest)
Opening Balance	415.88	813.57
Cash Flows	(124.97)	(284.00)
Non - cash movement	-	1,620.13
Closing Balance	290.91	2,149.70

31 March 2023	Prerence Shares	Borrowings	Lease liabilities (including interest)
Opening Balance	50	412.92	694.86
Cash Flows	(50)	2.96	(207.73)
Non - cash movement	-	-	326.44
Closing Balance	-	415.88	813.57

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants
Firm Registration No.: 105047W

NITIN TIWARI

Partner
Membership No.: 118894

Place : Mumbai
Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARKSANS PHARMA LIMITED
CIN: L24110MH1992PLC066364

MARK SALDANHA

Chairman & Managing Director
DIN: 00020983

HARSHAVARDHAN PANIGRAHI

Company Secretary & Compliance Officer

Place : Mumbai
Date : 30 May 2024

SANDRA SALDANHA

Whole - time Director
DIN: 00021023

JITENDRA SHARMA

Chief Financial Officer

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

1. Group information

Marksans Pharma Limited, ("Parent Company" or "Company" or "holding company") is a public limited company incorporated and domiciled in India with a focus on regulated markets, specializing in research, manufacturing and marketing of generic pharmaceutical formulations. The address of its registered office is at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West), Mumbai - 400053, India. The Company is primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulations.

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

The consolidated financial statements comprise the financial statements of the Parent Company Marksans Pharma Limited ("MPL") and the following subsidiaries / step-down subsidiaries (together referred to as "Group"):

Name of the Entity	Year End Date	Country of Incorporation	Ownership held by	% ownership held either directly or through subsidiaries as at 31 March, 2024	% ownership held either directly or through subsidiaries as at 31 March, 2023
Marksans Pharma Inc.	31 March 2024	USA	Marksans Pharma Limited	100%	100%
a) Time-Cap Laboratories Inc.	31 March 2024	USA	Marksans Pharma Inc.	100%	100%
- Custom Coating Inc.	31 March 2024	USA	Time-Cap Laboratories Inc.	100%	100%
- Marksans Realty LLC	31 March 2024	USA	Time-Cap Laboratories Inc.	100%	100%
b) Marise Ann Inc.	31 March 2024	USA	Marksans Pharma Inc.	100%	100%
Nova Pharmaceuticals Australasia Pty Ltd	31 March 2024	Australia	Marksans Pharma Limited	60%	60%
Nova Pharmaceuticals Limited	31 March 2024	Australia	Nova Pharmaceuticals Australasia Pty Ltd	100%	100%
Marksans Pharma (UK) Limited	31 March 2024	UK	Marksans Pharma Limited	100%	100%
a) Relonchem Limited	31 March 2024	UK	Marksans Pharma (UK) Limited	100%	100%
b) Marksans Holdings Limited	31 March 2024	UK	Marksans Pharma (UK) Limited	100%	100%
- Bell, Sons and Co. (Druggists) Limited	31 March 2024	UK	Marksans Holdings Limited	100%	100%
Access Healthcare for Medical Products L.L.C	31 March 2024	UAE	Marksans Pharma Limited	100%	100%
Marksans Pharma GmbH (under liquidation)	31 March 2024	Germany	Marksans Pharma Limited	100%	100%

The Group operates two manufacturing facilities in Goa, one in the UK, and one in the USA. Additionally, the Group maintains four R&D centers located in Goa, Navi Mumbai, the UK, and the USA.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

2. Material accounting policy information

2.1. (i) Statement of compliance and basis of preparation and presentation

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. These consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments) and;
- Defined employee benefit plans.

These consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on 30 May 2024.

The consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations for the foreseeable future.

(ii) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupee (₹) which is the functional currency of the parent company. All amounts are rounded to two decimal places to the nearest Million, unless otherwise stated.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(iv) New accounting standards, amendments and interpretations adopted by the Group effective from April 1, 2023

• Amendments to Ind AS 12 – Income Taxes

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. The amendments to Ind AS 12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply to transactions such as leases and decommissioning obligations and companies are required to recognize deferred tax on such transactions. The adoption of amendments to Ind AS 12 did not have any material impact in the consolidated financial statements.

• Amendments to Ind AS 1 – Presentation of Financial Statements

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment requires the companies to disclose their material accounting

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The adoption of amendments to Ind AS 1 did not have any material impact in the consolidated financial statements.

- **Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help companies distinguish changes in accounting policies from changes in accounting estimates. The adoption of amendments to Ind AS 8 did not have any material impact in the consolidated financial statements.

2.2. Fair value measurements and hierarchy

The Group measures financial instruments, such as investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to

measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on its nature, characteristics, and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.3. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Estimates and judgments involved in applying accounting policies, is in respect of:

- Useful lives of property, plant and equipment and intangible assets
- Useful lives of intangible assets
- Employee benefits
- Accounting for acquisition of group of assets

2.4. Standards issues but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



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2.5. Property, plant and equipment (including Capital Work-in-Progress)

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

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

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

The management's estimate of useful lives is as under:

Asset Category	Useful Life
Buildings-Freehold	30 - 60 years
Plant and Equipment	5 - 15 years
Furniture and Fixtures	5 - 15 years
Vehicles	5 & 10 years
Office equipment	5 - 15 years
Computer	3 - 6 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

2.6. Business combinations and goodwill

2.6.1. Business Combination

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.6.2. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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2.7. Other Intangible assets

Other Intangible assets are initially recognized at cost. Following initial recognition, other intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

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

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

Intangibles Category	Useful Life
Product Licences	5-20 years
OTC Product Licences	5-20 years
Product related intangibles	10 years & Indefinite
Registration Rights and Customer Contracts	3 years

Gains or losses arising from de-recognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

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

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

2.8. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset or cash-generating unit's (CGUs) fair value, less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset,

unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

2.9. Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Cost is determined on weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labor and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. The cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

2.10. Foreign exchange transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Consolidated Statement of Profit and Loss.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

2.11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.



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Financial assets:

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognized if the Group has not retained control over the financial asset. Where the Group retains

control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Income recognition

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short demand deposits which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

Investments

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group measures investment in subsidiaries at cost less provision for impairment, if any.

Trade receivables

Trade receivables are amounts due from customers for the sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at their transaction price, which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as

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held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Consolidated Statement of Profit and Loss.

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Derecognition of financial liabilities

Financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

Derivative financial instruments:

The Group uses derivative financial instruments, such as foreign exchange forward contracts, to manage its exposure to interest rates and foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e., hedge accounting is not followed. Such contracts are accounted for at FVTPL.

Offsetting financial instruments:

Financial assets and liabilities are off-set and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.12. Revenue recognition

The Group derives revenue principally from sales of pharma products. Revenue from the sale of products is recognized when the Group satisfies a performance obligation in accordance with the provisions of the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax and applicable taxes.

Export incentives:

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

Interest income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Consolidated Statement of Profit and Loss.

2.13. Employee Benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions



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have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The group sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to the maximum annual amount set by the Internal Revenue Service. There were no employer contributions under this plan.

Defined benefit plans

The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Gratuity obligation is unfunded. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses arising from changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurement gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

Compensated absences

The employees of the Group are entitled to compensated absences. Accumulated compensated absences, which are expected to be encashed beyond twelve months from the end of the year, are treated as long-term employee benefits. Liability for such benefit is provided on the basis of actual leave balance as at the Consolidated Balance Sheet date. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

2.14. Income Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the

applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against

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current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15. Provisions, Contingent Liabilities and Contingent Assets

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.16. Leases – Group as a Lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether contract involves the use of an identified asset, the Group has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Group has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognized at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Group has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Consolidated statement of profit and loss.

At the inception date, lease liability is recognized at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease if the rate can be determined.

The Group has elected not to apply the requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments and makes strategic decisions.

2.19. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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Note No.3 Property, plant and equipment

Particulars	Land-freehold	Buildings-freehold	Leasehold improvement	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Right of use asset(Refer note 3.1)	Total
Gross block										
Balance as at 1 April 2023	5.10	1,633.09	-	2,979.78	158.50	95.39	52.56	69.22	1,165.68	6,159.32
Acquisition of manufacturing facility (Refer note 3.4 below)	-	212.70	-	217.46	2.85	0.07	0.86	-	185.63	619.57
Additions	-	416.76	105.64	748.69	48.04	5.83	1.24	50.93	1,543.99	2,921.12
Disposals/ Deletions	-	-	-	(14.00)	-	(1.31)	(4.03)	-	-	(19.34)
Translation adjustment	0.08	23.98	-	30.65	1.63	0.01	0.41	-	23.42	80.18
Balance as at 31 March 2024	5.18	2,286.53	105.64	3,962.58	211.02	99.99	51.04	120.15	2,918.72	9,760.85
Accumulated Depreciation										
Balance as at 1 April 2023	-	369.99	-	1,336.29	92.32	74.52	36.49	63.36	389.92	2,362.89
Depreciation	-	63.53	2.71	271.99	18.76	5.48	4.72	6.18	246.37	619.74
Disposals/ Deletions	-	-	-	(10.92)	-	(1.25)	(0.10)	-	-	(12.27)
Translation adjustment	-	5.49	0.02	18.18	1.32	-	0.28	0.02	8.08	33.39
Balance as at 31 March 2024	-	439.01	2.73	1,615.54	112.40	78.75	41.39	69.56	644.37	3,003.75
Carrying value										
Balance as at 31 March 2024	5.18	1,847.52	102.91	2,347.04	98.62	21.24	9.65	50.59	2,274.35	6,757.10

Particulars	Land-freehold	Buildings-freehold	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Right of use asset(Refer note 3.1)	Total
Gross block									
Balance as at 1 April 2022	4.67	1,510.64	2,728.36	106.38	92.85	43.48	67.41	906.26	5,460.05
Acquisition through business combination	-	-	-	0.31	-	-	0.12	-	0.43
Additions	-	40.76	348.87	10.82	5.04	6.68	2.16	283.99	698.32
Disposals/ Deletions	-	-	(82.70)	(0.33)	(3.32)	-	-	(75.45)	(161.80)
Adjustment #	-	(3.26)	(88.56)	40.77	-	(0.07)	(0.48)	-	(51.60)
Translation adjustment	0.43	84.95	73.81	0.55	0.82	2.47	0.01	50.88	213.92
Balance as at 31 March 2023	5.10	1,633.09	2,979.78	158.50	95.39	52.56	69.22	1,165.68	6,159.32
Accumulated Depreciation									
Balance as at 1 April 2022	-	317.98	1,260.45	49.67	69.30	30.81	61.29	254.63	2,044.13
Depreciation	-	39.24	155.21	18.33	8.02	4.07	2.36	192.44	419.67
Disposals/ Deletions	-	-	(76.32)	(0.32)	(3.29)	-	-	(71.60)	(151.53)
Adjustment #	-	(0.14)	(29.40)	23.87	-	(0.02)	(0.29)	-	(5.98)
Translation adjustment	-	12.91	26.35	0.77	0.49	1.63	-	14.45	56.60
Balance as at 31 March 2023	-	369.99	1,336.29	92.32	74.52	36.49	63.36	389.92	2,362.89
Carrying value									
Balance as at 31 March 2023	5.10	1,263.10	1,643.49	66.18	20.87	16.07	5.86	775.76	3,796.43

During the previous year, upon review and consultation with tax experts, the holding company had adjusted and transferred GST input credit capitalised to GST receivables under other non current assets. Further, it includes reclassification from Plant and Equipment to Furniture and Fixtures.

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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.3.1 Right of use asset

The Group has lease contracts for land, building, vehicles and various items of plant and equipment used in its operations. Below are the carrying amounts of right of use assets recognised and the movements during the year:

Particulars	Land	Building	Plant and Equipment	Vehicles	Total
Balance as at 1 April 2023	9.67	1,062.83	85.37	7.81	1,165.68
Acquisition of manufacturing facility (Refer note 3.4 below)	185.63	-	-	-	185.63
Additions	29.11	1,349.23	164.38	1.27	1,543.99
Translation adjustment	-	22.65	0.47	0.30	23.42
Balance as at 31 March 2024	224.41	2,434.71	250.22	9.38	2,918.72
Accumulated depreciation					
Balance as at 1 April 2023	0.75	319.52	66.45	3.20	389.92
Depreciation	7.27	221.04	15.90	2.16	246.37
Translation adjustment	-	7.70	0.23	0.15	8.08
Balance as at 31 March 2024	8.02	548.26	82.58	5.51	644.37
Carrying value					
Balance as at 31 March 2024	216.39	1,886.45	167.64	3.87	2,274.35

Particulars	Land	Building	Plant and Equipment	Vehicles	Total
Balance as at 1 April 2022	9.67	746.76	142.30	7.53	906.26
Additions	-	276.41	7.54	0.04	283.99
Deletions	-	(10.66)	(64.79)	-	(75.45)
Translation adjustment	-	50.32	0.32	0.24	50.88
Balance as at 31 March 2023	9.67	1,062.83	85.37	7.81	1,165.68
Accumulated depreciation					
Balance as at 1 April 2022	0.50	162.52	90.42	1.19	254.63
Depreciation	0.25	149.68	40.63	1.88	192.44
Deletions	-	(6.81)	(64.79)	-	(71.60)
Translation adjustment	-	14.13	0.19	0.13	14.45
Balance as at 31 March 2023	0.75	319.52	66.45	3.20	389.92
Carrying value					
Balance as at 31 March 2023	8.92	743.31	18.92	4.61	775.76

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

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current (Refer note 20)	1,900.19	656.89
Current (Refer note 24)	249.51	156.68
	2,149.70	813.57

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance recognised at the beginning of the year	813.57	694.86
Additions	1,543.99	252.19
Deletions	-	(4.46)
Finance cost accrued	60.31	30.62
Payment of lease liabilities	(284.00)	(207.73)
Translation adjustment	15.83	48.09
Balance recognised at the end of the year	2,149.70	813.57

Incremental borrowing rate applied to lease liabilities is in the range of 2% to 11.93% (Previous year 2% to 10.78%).



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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.3.1 Right of use asset (Contd..)

The below table provides details regarding the contractual maturities of lease liabilities in an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	316.26	183.95
1 year to 5 years	1,197.96	533.06
More than 5 years	1,206.24	230.51

The Group had total cash outflows for leases of ₹ 284.00 million during the year ended 31 March 2024 (31 March 2023: ₹ 207.73 million)

Short term Lease recognised as an expense for the year ended 31 March 2024 is aggregating to ₹ 122.43 million (31 March 2023: ₹ 129.15 million)

Note No.3.2 Addition to property, plant and equipment include capital expenditure as given below:

Particulars	As at 31 March 2024	As at 31 March 2023
R & D expenditure		
Capital Expenditure	31.28	9.92

Note No.3.3

Charge created on property, plant and equipment. Refer note 23 - Borrowings.

Note No.3.4

On 19 April 2023, the Holding Company acquired a manufacturing facility relating to the manufacture and supply of pharmaceutical formulations in Goa from Tevapharm India Private Limited 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 of Rs. 779.47 million for the manufacturing facility (excluding transaction costs of Rs. 45.78 million). The acquisition cost has been allocated to the individual identifiable assets based on their relative fair values at the date of purchase viz., 19 April 2023.

Assets Acquired	
Property, Plant & Equipment and Right of Use Assets (including transaction costs & transfer fees aggregating INR 45.78 Million)	619.57
Inventories	234.90
Other Assets	0.86
Total Assets Acquired (A)	855.33
Liabilities Assumed	
Gratuity	(27.11)
Compensated Absences	(2.97)
Total Liabilities Assumed (B)	(30.08)
Consideration paid for Net acquisition [A+B]	825.25

Note No.4 Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Work-in-progress (CWIP)	53.81	72.46

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.4 Capital work-in-progress (Contd..)

Ageing of Capital work in progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	53.81	-	-	-	53.81

Ageing of capital work in progress is as follows:-

CWIP	Amount in CWIP for a period of 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	72.46	-	-	-	72.46

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

Note No.5 Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at 1 April 2023	384.89	300.25
Goodwill arising on business combination	-	66.83
Effect of translation adjustments	10.10	17.81
Balance as at 31 March 2024	394.99	384.89

Goodwill acquired in business combination is allocated to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to the cash generating units as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Marksans Pharma Inc.	100.03	98.56
Marksans Pharma (UK) Ltd	207.15	199.59
Nova Pharmaceuticals Australasia Pty Ltd	15.90	15.90
Access Healthcare for Medical Products LLC	71.91	70.84
	394.99	384.89

Goodwill is tested for impairment annually or more frequently if indicators of impairment exist. During the current and previous year, the Holding Company has carried out Impairment testing of Goodwill allocated to CGUs. Based on the impairment assessment, no impairment loss was recognized during the current and previous year.

Note No.6 Intangible assets

Particulars	Product Licences	OTC Product Licences	Product related intangibles *	Software	Marketing Rights	Total
Balance as at 1 April 2023	697.49	6.99	836.58	-	197.31	1,738.37
Additions	12.05	-	5.43	19.23	-	36.71
Disposals/Transfers	(0.53)	-	(26.99)	-	-	(27.52)
Translation adjustment	26.40	0.26	1.81	-	3.00	31.47
Balance as at 31 March 2024	735.41	7.25	816.83	19.23	200.31	1,779.03



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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.6 Intangible assets (Contd..)

Particulars	Product Licences	OTC Product Licences	Product related intangibles *	Software	Marketing Rights	Total
Accumulated amortisation						
Balance as at 1 April 2023	453.44	5.97	542.42	-	54.81	1,056.64
Amortisation	37.29	0.24	17.01	2.15	66.27	122.96
Disposals	-	-	(26.99)	-	-	(26.99)
Translation adjustment	17.60	0.22	-	-	1.33	19.15
Balance as at 31 March 2024	508.33	6.43	532.44	2.15	122.41	1,171.76
Carrying value						
Balance as at 31 March 2024	227.08	0.82	284.39	17.08	77.90	607.27

Particulars	Product Licences	OTC Product Licences	Product related intangibles *	Software	Marketing Rights	Total
Balance as at 1 April 2022	675.56	6.77	820.02	-	-	1,502.35
Acquisition through business combination				-	186.37	186.37
Translation adjustment	21.93	0.22	16.56	-	10.94	49.65
Balance as at 31 March 2023	697.49	6.99	836.58	-	197.31	1,738.37
Accumulated Amortisation						
Balance as at 1 April 2022	393.53	5.40	536.50	-	-	935.43
Amortisation	44.97	0.37	5.92	-	53.58	104.84
Translation adjustment	14.94	0.20	-	-	1.23	16.37
Balance as at 31 March 2023	453.44	5.97	542.42	-	54.81	1,056.64
Carrying value						
Balance as at 31 March 2023	244.05	1.02	294.16	-	142.50	681.73

*Product related intangibles includes assets amounting to ₹189.69 million (31 March 2023: ₹186.91 million) which has an indefinite useful life on the basis of renewal and the management's intention to keep it perpetually. At the end of each reporting period, the Management reviews carrying amount of indefinite life product related intangibles to determine whether it has suffered any impairment loss. As on 31 March 2024 and 31 March 2023 no impairment loss is required to be recognised.

Note No.7 Intangible assets under development

Particulars	As at 31 March 2024	As at 31 March 2023
Intangible assets under development	40.35	26.24

Ageing of intangible assets under development is as follows:-

Intangible assets under development	Amount in intangible assets under development for a period of 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	40.35	-	-	-	40.35

Ageing of intangible assets under development is as follows:-

Intangible assets under development	Amount in intangible assets under development for a period of 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	26.24	-	-	-	26.24

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.8 Other financial assets (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Security deposits	24.51	34.77
Bank Deposit with more than 12 month maturity	1.68	-
	26.19	34.77

Note No.9 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Capital advances	121.30	59.53
Balances with government authorities	172.49	86.13
	293.79	145.66

Note No.10 Non current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Non current tax assets (net)	11.11	8.70
	11.11	8.70

Note No.11 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
a. Raw materials and packing materials	2,622.87	2,029.45
b. Work-in-progress	248.00	204.54
c. Finished Goods	2,018.18	1,347.12
d. Stock-in-Trade	1,290.39	1,266.28
	6,179.44	4,847.39

Refer Note 23 for hypothecation of above inventories.

Write-downs of inventories to net realisable value amounted to 96.50 million (31 March 2023 58.28 million).

Note No.12 Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at fair value through profit or loss		
Liquid mutual funds	269.94	5.40
	269.94	5.40
Aggregate amount of quoted investment	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of Un-quoted investment	269.94	5.40
Aggregate amount of impairment in the value of investments	-	-



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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.13 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables from contract with Customers	4,531.77	4,168.46
Breakup of security details		
Trade receivables considered good - secured		
Trade receivables considered good - unsecured	4,584.45	4,162.96
Trade receivables considered good Which have significant increase in credit risk #	-	5.50
Trade receivables - Credit impaired	-	37.12
	4,584.45	4,205.58
Less:- Loss allowance	(52.68)	(37.12)
	4,531.77	4,168.46

#The Group has assessed credit risk on an individual basis.

Ageing of Trade receivable as on March 31 2024

Particulars	Outstanding for following period from the due date of payments						Total
	Not due	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	3,043.58	1,476.26	46.65	17.96	-	-	4584.45
Which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Loss allowance	-	-	(36.85)	(15.83)	-	-	(52.68)
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
	3,043.58	1,476.26	9.80	2.13	-	-	4531.77

Ageing of Trade receivable as on March 31 2023

Particulars	Outstanding for following period from the due date of payments						Total
	Not due	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	1,852.59	2,249.38	55.97	4.10	0.92	-	4162.96
Which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Loss allowance	-	(32.62)	-	(3.58)	(0.92)	-	(37.12)
Disputed Trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	5.50	-	-	-	-	5.50
Credit Impaired	-	32.62	-	3.58	0.92	-	37.12
	1,852.59	2,254.88	55.97	4.10	0.92	-	4168.46

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.14a Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with bank		
In current accounts	1,520.28	872.02
In exchange earners' foreign currency account (EEFC)	0.01	2.99
Fixed deposit with original maturity less than 3 months	2,512.09	2,949.14
Cash in hand	0.39	0.22
	4,032.77	3,824.37

Note No.14b Bank balances other than above

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks *	3.40	2.60
Balances with bank in margin money accounts#	-	1.58
Term deposits with original maturity of more than three months but less than twelve months	2,699.60	3,321.07
	2,703.00	3,325.25

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

Margin money represents money given against bank guarantees.

Note No.15 Other financial assets (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Derivative financial assets - forward contracts	1.10	-
Deposit	10.47	7.21
Interest accrued on fixed deposits	57.44	29.34
	69.01	36.55

Note No.16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Advance to vendors	82.83	70.96
Prepaid expenses	251.26	198.04
Balances with government authorities *	335.57	253.56
Other advances	120.15	3.87
	789.81	526.43

* Balances with government authorities consist of amounts recoverable towards the goods and service tax ("GST") and value added tax.

Note No.17 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets (net)	49.18	19.16
	49.18	19.16



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for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.18 Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 1/- each	550,000,000	550.00	550,000,000	550.00
7% Redeemable cumulative preference shares of ₹ 100/- each	1,400,000	140.00	1,400,000	140.00
	551,400,000	690.00	551,400,000	690.00
Issued, subscribed & fully paid up				
Equity shares of ₹ 1/- each	453,163,746	453.16	453,163,746	453.16
	453,163,746	453.16	453,163,746	453.16

a. Reconciliation of the equity shares outstanding is set out below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	453,163,746	453.16	409,313,698	409.31
Add: Equity shares issued during the year pursuant to conversion of share warrants (Refer note c below)	-	-	50,324,324	50.32
Less: Buy back of equity shares during the year (Refer note e below)	-	-	6,474,276	6.47
Equity shares outstanding at the end of the year	453,163,746	453.16	453,163,746	453.16

b. Terms/rights attached to Equity Shares

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

c. During the previous year, the Company had issued on 20 January 2023, 50,324,324 Equity Shares of ₹ 1/- each face value pursuant to conversion of Convertible Warrants on preferential issue basis. The Company had issued and allotted, 1,000,000 Equity Shares to Mr. Mark Saldanha and 49,324,324 Equity Shares to OrbiMed Asia IV Mauritius FVCI Limited at a price of ₹ 74.00 per Equity Share pursuant to conversion of convertible warrants issued on preferential basis. The Company had raised ₹ 3,724 million from the above preferential issue.

d. The Company has not issued bonus shares during the period of five years immediately preceding the reporting date.

e. During the previous year 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 ₹ 1/- each up to a maximum price of ₹ 60 per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate buy back consideration not exceeding ₹ 600 million ("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 previous 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 ₹ 6.47 million equal to the nominal value of the shares bought back as an appropriation from retained earnings.

The Company has not bought back equity shares for consideration other than cash during the period of five years immediately preceding the reporting date.

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Note No.18 Share capital (Contd..)

f. Details of equity shares held by promoters

Name of shareholder	As at March 31, 2024		As at March 31, 2023		% changed during the year
	No. of shares held at the end of the year	% of total shares	No. of shares held at the end of the year	% of total shares	
Equity shares of ₹ 1/- each fully paid					
Mr. Mark Saldanha	198,491,553	43.80	198,491,553	43.80	-
Mrs. Sandra Saldanha	220,180	0.05	220,180	0.05	-

The percentage shareholding above has been computed considering the outstanding number of shares of 453,163,746 and 453,163,746 as at 31 March 2024 and 31 March 2023, respectively.

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023		Change in current year
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Equity shares of ₹ 1/- each fully paid					
Mr. Mark Saldanha	198,491,553	43.80	198,491,553	43.80	-
OrbiMed Asia IV Mauritius FVCI Limited	49,324,324	10.88	49,324,324	10.88	-

h. The Company has not issued any shares for consideration other than cash in current and previous year.

Note No.19 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
a. Capital Reserves		
Opening balance	0.12	0.12
Closing balance	0.12	0.12
b. Capital redemption reserve		
Opening balance	141.47	85.00
(+) Transferred from Profit and Loss	-	-
On redemption of preference share (Refer footnote 2 of consolidated statement of changes in equity)	-	50.00
On buyback of equity shares (Refer footnote 2 of consolidated statement of changes in equity)	-	6.47
Closing balance	141.47	141.47
c. Securities premium account		
Opening balance	5,044.98	1,731.87
(+) Conversion of share warrant, net of expenses	-	3,627.77
(-) Buy Back of shares	-	(314.66)
Closing balance	5,044.98	5,044.98
d. General reserve		
Opening balance	3,137.37	3,137.37
Closing Balance	3,137.37	3,137.37
e. Retained earnings		
Opening balance	7,776.03	5,093.09
(+) Net Profit for the current year	3,137.00	2,663.08
(+) Impact of reclassification from FCTR	-	264.47
(-) Transfer to capital redemption reserve	-	(56.47)
(-) Buyback Expenses	-	(80.52)
(-) Dividend for the year *	(226.58)	(101.71)
Other comprehensive income/(Loss)		



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.19 Other equity (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Items that will not be reclassified to statement of profit and loss		
(+) Remeasurement of the net defined benefit plans (net of tax)	2.84	(5.91)
Closing Balance	10,689.29	7,776.03
f. Convertible Warrants		
Opening balance	-	931.00
(-) Conversion of share warrants to equity shares	-	(931.00)
Closing balance	-	-
g. Foreign currency translation reserve		
Opening balance	898.49	634.94
(+) For the period	285.66	528.02
(-) Impact of reclassification to retained earnings	-	(264.47)
Closing balance	1,184.15	898.49
	20,197.38	16,998.46

* Dividend paid during the year is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend per share (in absolute ₹)	0.50	0.25
Dividend paid during the year	226.58	101.71

The Board of Directors, in the meeting held on 30 May 2024, has recommended final dividend of ₹ 0.60 per equity share of ₹ 1/- each (60%) for the financial year 2023-24.

Note No.20 Lease liabilities (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer Note 3.1 - Right of use assets)	1,900.19	656.89
	1,900.19	656.89

Note No.21 Provisions (non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 38 - employee post- retirement benefits)	38.96	23.22
Provision for compensated absences	6.63	9.30
	45.59	32.52

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.22 Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items resulting in taxable temporary differences		
Allowance on property, plant and equipment and intangible assets	284.81	256.09
Others	8.12	16.01
Total deferred tax liability	292.93	272.10
Tax effect of items resulting in deductible temporary differences		
Employee benefit obligations	16.16	13.33
Deferred tax on account of leases (Ind AS 116)	3.59	0.98
Loss Allowance for trade receivables	11.47	8.75
Change in fair valuation of financial assets	0.23	1.24
Unrealised profit in inventory	100.71	46.38
Others	55.52	45.57
Total deferred tax assets	187.68	116.25
Net Deferred tax Liability	105.25	155.85
Deferred tax on Other Comprehensive Income assets / (liabilities)	0.95	(1.99)
Net deferred tax liability	106.20	153.86

Note No.22.1 Current Tax:

Particulars	As at 31 March 2024	As at 31 March 2023
Amounts recognised in profit or loss		
Current tax :		
Current year	1,133.08	715.67
Prior years	4.28	(3.33)
Current income tax	1,137.36	712.34
Deferred tax :		
Current year origination and reversal of temporary differences	(51.05)	10.98
Deferred tax expense	(51.05)	10.98
Total income tax recognised in profit or loss	1,086.31	723.32

Particulars	As at 31 March 2024	As at 31 March 2023
Amounts recognised in other comprehensive income		
Deferred tax on other comprehensive income assets/ (liabilities)	(0.95)	1.99
Total income tax recognised in other comprehensive income	(0.95)	1.99

Reconciliation of effective tax rate	As at 31 March 2024	As at 31 March 2023
Profit before tax	4,235.26	3,376.53
Tax using the Company's domestic tax rate	25.17%	25.17%
Expected income tax expenses	1,065.93	849.81
Tax effect of:		
Effect of different tax rates in local and foreign tax jurisdictions	14.35	(150.14)
Corporate social responsibility expenditure disallowed	7.41	5.12
Effect of concessions	(61.29)	(30.61)
Difference on account of different tax rate for short term capital gains	(0.04)	-
Tax adjustments of prior periods	4.28	(3.33)
Others	55.67	52.47
Tax expenses as per statement of profit and loss	1,086.31	723.32



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.23 Borrowings (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Working capital facilities from Bank Borrowings *	290.91	415.88
	290.91	415.88

One of the subsidiaries, Time-Cap Laboratories Inc. has a line of credit available which is secured by the land and building located at 7 Michael Avenue in Farmingdale, New York, as well as by all property and equipment owned by the subsidiary.

One of the subsidiaries, Bell, Sons and Co. (Druggists) Limited has a working capital overdraft facility secured by an all asset debenture charge creating a first charge over all freehold property owned by the subsidiary, all fixtures, fitting, fixed plant, plant & machinery and other equipment, goodwill, unpaid/or uncalled capital, intellectual property, securities, all loan capital, indebtedness, or liabilities on any account owing to the subsidiary including from any other subsidiary or other group companies; all amount realised by the administrator or liquidator of the subsidiary; all documents of title to any item of the property; all monies payable to the subsidiary under insurance; inventory; all claims and causes of action and a floating charge over the remainder of the undertaking and all other assets (Land & Building and Plant & Machinery at Gifford House, Staidburne Crescent, Southport, Merseyside, PR9 9AL). Corporate Guarantee from Marksans Pharma Limited and Marksans Pharma (UK) Limited.

One of the subsidiaries, Relonchem Limited has a working capital overdraft facility secured by an all asset debenture charge creating a first charge over all freehold property owned by the subsidiary, all fixtures, fitting, fixed plant, plant & machinery and other equipment, goodwill, unpaid/or uncalled capital, intellectual property, securities, all loan capital, indebtedness, or liabilities on any account owing to the subsidiary including from any other subsidiary or other group companies; all amount realised by the administrator or liquidator of the subsidiary; all documents of title to any item of the property; all monies payable to the subsidiary under insurance; inventory and book debts; all claims and causes of action and a floating charge over the remainder of the undertaking and all other assets. Corporate Guarantee from Marksans Pharma Limited and Marksans Pharma (UK) Limited.

Note No.24 Lease liabilities (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer Note 3.1 - Right of use assets)	249.51	156.68
	249.51	156.68

Note No.25 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
a) Total outstanding dues to micro enterprises and small enterprises	58.15	155.77
b) Total outstanding dues to other than micro enterprises and small enterprises	2,624.62	2,150.24
	2,682.77	2,306.01

Ageing of Trade payable as on March 31,2024

Particulars	Outstanding for following period from the due date of payments					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	35.28	22.87	-	-	-	58.15
Undisputed - Others	1,419.61	1,186.94	14.12	1.50	2.45	2,624.62
Disputed - MSME	-	-	-	-	-	-
Disputed -Others	-	-	-	-	-	-
Total	1,454.89	1,209.81	14.12	1.50	2.45	2,682.77

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.25 Trade payables (Contd..)

Ageing of Trade payable as on March 31,2023

Particulars	Outstanding for following period from the due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	155.77	-	-	-	155.77
Undisputed - Others	2,144.04	1.88	1.80	2.52	2,150.24
Disputed - MSME	-	-	-	-	-
Disputed -Others	-	-	-	-	-
Total	2,299.81	1.88	1.80	2.52	2,306.01

Note No.26 Other financial liabilities (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Payables for employee benefits	141.82	104.41
Unclaimed Dividend *	3.40	2.60
Security Deposits received	1.51	1.01
Derivative financial liabilities - forward contract	-	37.47
Others	7.53	7.42
	154.26	152.91

* There are no amount due and outstanding to be credited to investor education and protection fund.

Note No.27 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	21.22	9.09
Statutory dues payable	281.19	103.29
	302.41	112.38

Note No.28 Provisions (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 38 - employee post- retirement benefits)	16.79	8.43
Provision for compensated absences	2.76	4.83
	19.55	13.26

Note No.29 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net)	199.08	252.78
	199.08	252.78



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.30 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of products	21,741.95	18,496.19
Other operating revenues :-		
Scrap sales	22.37	17.56
Export incentives	9.75	7.64
	21,774.07	18,521.39

Reconciliation of revenue recognised in the consolidated statement of profit and loss with the contracted price :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	22,895.53	20,395.23
Less : Trade discounts	1,057.80	1,833.02
Less : Sales returns	63.66	40.82
Revenue from operations	21,774.07	18,521.39

Analysis of revenues by geography:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
US & North America	9,181.40	7,746.30
Europe and UK	9,430.21	7,676.10
Australia and New Zealand	2,187.97	2,094.80
Rest of World	974.49	1,004.19
	21,774.07	18,521.39

The performance obligation is satisfied when control of the goods are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Contract Assets from contracts with customers

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables (Refer note 13)	4,531.77	4,168.46

Contract Liabilities from contracts with customers

The Group records a contract liability when cash payments are received in advance of it's performance.

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities from contracts with customers (Refer note 27)	21.22	9.09

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.31 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income on bank deposits at amortised costs	337.87	120.37
Insurance claim received	0.39	-
Profit on sale of Property, Plant and Equipment	0.94	-
Fair value gain on financial instruments measured at fair value through profit or loss	43.11	0.06
Short term gain on redemption of mutual fund	0.52	-
Exchange gain in foreign currency translation & transaction	82.40	397.77
Miscellaneous income	38.99	74.93
	504.22	593.13

Note No.32 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and packing materials		
Inventory at the beginning of the year	2,029.45	1,509.35
Add: Purchases	7,270.42	6,649.80
Less: Inventory at the end of the year	(2,622.87)	(2,029.45)
	6,677.00	6,129.70

Note No.33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year		
Work-in-progress	204.54	106.97
Finished goods	1,347.12	1,343.58
Stock-in-trade	1,266.28	1,284.52
Add: Finished goods acquired on business combination	-	18.93
	2,817.94	2,754.00
Less: Inventory at the end of the year		
Work-in-progress	248.00	204.54
Finished goods	2,018.18	1,347.12
Stock-in-trade	1,290.39	1,266.28
	3,556.57	2,817.94
	(738.63)	(63.94)

Note No.34 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages including bonus	2,751.75	2,233.78
Contribution to provident and other funds	170.11	134.43
Compensated absences	(5.23)	12.60
Gratuity expenses (Refer note 38 - employee post- retirement benefits)	6.26	5.17
Staff welfare expenses	13.52	7.73
	2,936.41	2,393.71



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.35 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense for financial liabilities measured at amortised cost	51.72	26.84
Interest on lease liabilities	60.31	30.62
Other borrowing cost	-	30.32
Dividend on redeemable preference share	-	3.50
	112.03	91.28

Note No.36 Depreciation and amortization expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	619.74	413.69
Amortization of intangible assets	122.96	104.84
	742.70	518.53

Note No.37 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Water, power & fuel	369.37	244.98
Repairs & maintenance - plant and equipments	242.17	175.86
Repairs & maintenance - building	69.66	11.49
Other manufacturing expenses	561.18	367.19
Rent	122.43	129.15
Rates & taxes	33.65	24.65
Travel and conveyance expenses	113.72	90.50
Communication expenses	20.36	17.03
Courier & postage expenses	3.92	3.93
Printing & stationery	17.43	13.36
Auditors remuneration	8.19	8.69
Legal & professional fees	148.42	136.90
Fair value loss on financial instruments measured at fair value through profit or loss	-	108.08
Corporate social responsibility expenses (Refer note 47)	29.45	20.36
Loss on sale of fixed assets	-	2.64
Other operating expenses	493.72	410.21
Food and drug administration fees	129.16	103.66
Freight outward & export clearing expenses	917.50	1,025.34
Bad debts (including loss allowance on doubtful debts)	51.57	143.61
Selling & distribution expenses	355.64	306.53
Miscellaneous expenses	183.14	176.73
	3,870.68	3,520.89

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.38 Employee post- retirement benefits

The following are the employee benefit plans applicable to the employees of the holding company

i Defined contribution Plan

The Holding Company also has a defined contribution plan. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Holding Company's contribution to provident fund ₹ 43.73 million (31 March 2023: ₹ 31.63 million) has been recognised in profit or loss under the head employee benefits expense.

ii Gratuity (defined benefit plan)

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

a Expense recognised in the statement of profit and loss for the year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	4.31	4.16
Interest cost on benefit obligation (net)	1.95	1.01
Total expenses included in employee benefits expense	6.26	5.17

b Expense / (Income) Recognised in Other Comprehensive Income (OCI):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Change in the defined benefit obligations	0.28	(2.09)
Actuarial changes arising from changes in experience of defined benefit obligations	(4.07)	9.99
OCI for the year	(3.79)	7.90

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligations (DBO)	55.75	31.65
Net (assets) / liabilities	55.75	31.65

d Break-up of the defined benefit plan related balance sheet amounts is shown below:

Particulars	As at 31 March 2024	As at 31 March 2023
Current liability	16.79	8.43
Non-current liability	38.96	23.22
	55.75	31.65



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.38 Employee post- retirement benefits (Contd..)

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

Particulars	As at 31 March 2024	As at 31 March 2023
DBO at the beginning of the year	31.65	21.64
Current Service Cost	4.31	4.16
Interest cost on benefit obligation (net)	1.95	1.01
Benefits paid	(5.48)	(3.06)
Liabilities assumed pursuant to acquisition of a manufacturing facility (Refer Note 3.4)	27.11	-
Remeasurements due to Actuarial (Loss) /Gain	(3.79)	7.90
DBO at the end of the year	55.75	31.65

f Change in Fair Value of Assets for the period ending as at 31 March 2024 and 31 March 2023:

The Holding Company has not invested in any plan assets.

g Actuarial assumptions

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount Rate (per annum)	7.14%	7.30%
Rate of salary increase	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate		
Upto 35 years	45.00%	45.00%
36 years to 45 years	40.00%	40.00%
46 years to 55 years	10.00%	10.00%
56 years and above	0.00%	0.00%

- The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

h Retirement age

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Retirement Age	58 Years	58 Years

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.38 Employee post- retirement benefits (Contd..)

i Sensitivity analysis

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount	Amount	%	%
Base scenario	55.75	31.65		
Discount rate: increase by 1%	53.15	29.94	-3.06%	-3.21%
Discount rate: decrease by 1%	56.63	32.00	3.29%	3.45%
Salary escalation rate: increase by 1%	56.35	31.81	2.78%	2.82%
Salary escalation rate: decrease by 1%	53.36	30.11	-2.67%	-2.68%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

j Maturity profile

Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
1 Year (within next 12 Months)	16.79	8.43
2 to 10 Years	44.99	28.34
Above 10 Years	9.84	4.27

k Through its defined benefit plan, the Holding Company is exposed to a number of risks, the most significant of which are detailed below:

1. Changes in bond yields: A decrease in bond yields will increase plan liabilities
2. Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
3. Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

iii Other long term employee benefits:

Compensated absences: (included as a part of salaries and wages in Note 34 amounts to (₹ 5.23 million) (31 March 2023: ₹ 12.60 million) - employee benefits expense) all eligible employees can carry forward and avail / encash leave as per Company's policies.

iv Other contribution plans for foreign entities:

In the United Kingdom, certain social security benefits (such as pension and social security) are funded by employers and employees through mandatory National Insurance contributions. The contribution amounts are determined based upon the employee's salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed ₹ 101.27 million and ₹ 81.45 million to the National Insurance during the years ended 31 March 2024 and 31 March 2023, respectively.

In the United States, medicare and social security benefits are funded by employers and employees. The contribution amounts are determined based upon the employee's salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed ₹ 61.75 million and ₹ 59.48 million during the years ended 31 March 2024 and 31 March 2023, respectively.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.38 Employee post- retirement benefits (Contd..)

38.1 Employee Stock Option Plan

The Shareholders of the Holding Company at the 31st Annual General Meeting held on 28 August 2023, approved Marksans Employees Stock Option Scheme 2023. Under the said scheme, the Company can grant a total of 90,63,274 options to the eligible employees for issue and allotment of equal number of equity shares of ₹ 1/- each face value. The exercise price and other terms and conditions shall be as decided by the Compensation Committee at the time of grant of options from time to time. However, the said scheme has not been implemented yet.

Note No.39 Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Group consists of net debt (borrowings as detailed in note 23 and lease liabilities in note 3.1 offset by cash and cash equivalents balance in note 14a) and total equity of the Group. The Group is not subject to any externally imposed capital requirements. Net debt and equity is given in the table below:

Particulars	As at 31 March 2024	As at 31 March 2023
Total shareholders' equity as reported in balance sheet (A)	20,859.06	17,650.72
Gross Debt		
Lease liability (including current lease liability)	2,149.70	813.57
Current financial liabilities (borrowings)	290.91	415.88
Gross Debt	2,440.61	1,229.45
Less: Cash & cash equivalents	4,032.77	3,824.37
Net Debt (B)	(1,592.16)	(2,594.92)
Total Capital deployed (A-B)	22,451.22	20,245.64
Net debt to equity ratio (B/A)	(0.08)	(0.15)

Note No.40 Financial instruments – fair values and risk management

A. Accounting classification and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Fair value of cash and bank balances, trade receivables and other financial assets, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the previous year.

During the reporting period ending March 31, 2024 and March 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value hierarchy :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.40 Financial instruments – fair values and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	As at 31 March 2024					
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	-	-	26.19	-	-	-
Trade receivables	-	-	4,531.77	-	-	-
Investment-Current #	269.94	-	-	269.94	-	-
Cash and cash equivalents	-	-	4,032.77	-	-	-
Bank balances other than above	-	-	2,703.00	-	-	-
Derivative financial liabilities - forward contract @	1.10	-	-	-	1.10	-
Others current financial assets	-	-	67.91	-	-	-
Total	271.04	-	11,361.64	269.94	1.10	-
Financial Liabilities						
Short term borrowings	-	-	290.91	-	-	-
Current and Non current lease liabilities *	-	-	2,149.70	-	-	2,149.70
Trade payables	-	-	2,682.77	-	-	-
Other current financial liabilities	-	-	154.26	-	-	-
Total	-	-	5,277.64	-	-	2,149.70

Particulars	As at 31 March 2023					
	Carrying amount			Fair Value		
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Other Non-current financial assets	-	-	34.77	-	-	-
Trade receivables	-	-	4,168.46	-	-	-
Investment-Current #	5.40	-	-	5.40	-	-
Cash and cash equivalents	-	-	3,824.37	-	-	-
Bank balances other than above	-	-	3,325.25	-	-	-
Others current financial assets	-	-	36.55	-	-	-
Total	5.40	-	11,389.40	5.40	-	-
Financial Liabilities						
Short term borrowings	-	-	415.88	-	-	-
Current and Non current lease liabilities *	-	-	813.57	-	-	813.57
Trade payables	-	-	2,306.01	-	-	-
Derivative financial liabilities - forward contract @	37.47	-	-	-	37.47	-
Other current financial liabilities	-	-	115.44	-	-	-
Total	37.47	-	3,650.90	-	37.47	813.57

Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

* Lease liabilities are valued using discounted cashflow method using incremental borrowing rate. A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

@ The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.40 Financial instruments – fair values and risk management (Contd..)

B. Financial risk management framework

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Group's principal financial liabilities comprise of trade and other payables.

The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows :

(i) Credit risk analysis

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of ₹ 6,735.77 million at 31 March 2024 (31 March 2023: ₹ 7,149.62 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade and other receivables

As at the year ending 31 March 2024 and 31 March 2023, no customer is exceeding 10% of the Group's total trade receivables.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is in Note 13.

Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

(ii) Liquidity risk analysis

Liquidity risk is the risk that Group will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at 31 March 2024 are as follows :

Particulars	Current	Non-current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	290.91	-	-
Trade payables	2,682.77	-	-
Lease liabilities	316.26	1,197.96	1,206.24
Other current financial liabilities	154.26	-	-
	3,444.20	1,197.96	1,206.24

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.40 Financial instruments – fair values and risk management (Contd..)

The details of the contractual maturities of significant liabilities as at 31 March 2023 are as follows :

Particulars	Current	Non-current	
	Within 1 year	1 to 5 years	More than 5 years
Short term borrowings	415.88	-	-
Trade payables	2,306.01	-	-
Lease liabilities	183.95	533.06	230.51
Other current financial liabilities	152.91	-	-
	3,058.75	533.06	230.51

(iii) Market risk analysis

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks).

(a) Foreign currency risk

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Since a major part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Group is denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Group hedges its trade receivables based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales.

Exposure to currency risk

The Group's exposure to foreign currency risk is as follows :

Particulars	As at March 31, 2024				As at March 31, 2023			
	USD	AED	JPY	EUR	USD	AED	JPY	EUR
Financial assets								
Other current assets	0.64	-	-	0.10	12.54	-	0.18	0.37
Other non-current assets	-	-	-	0.91	41.79	-	-	-
Trade receivables	566.40	0.45	-	1.82	458.33	1.59	-	-
Total	567.04	0.45	-	2.83	512.66	1.59	0.18	0.37
Financial liabilities								
Other Current liability	0.12	-	-	-	8.97	-	-	-
Trade payables	114.73	-	-	47.82	106.97	-	0.92	29.38
Total	114.85	-	-	47.82	115.94	-	0.92	29.38
Net	452.19	0.45	-	(44.99)	396.72	1.59	(0.74)	(29.01)

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.40 Financial instruments – fair values and risk management (Contd..)

Particulars	As at March 31, 2024				As at March 31, 2023			
	USD	AED	JPY	EUR	USD	AED	JPY	EUR
Strengthening	45.22	0.05	-	(4.50)	39.67	0.16	(0.07)	(2.90)
Weakening	(45.22)	(0.05)	-	4.50	(39.67)	(0.16)	0.07	2.90

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The borrowings profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Short term borrowings	USD	290.91	415.88

Cash flow risk in respect of variable rate instruments:

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit by ₹ 2.91 million (Previous year ₹ 4.16 million). This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

Note No.41 Earning per share

Earning per share is calculated by dividing the profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as computed below:

Particulars	As at 31 March 2024	As at 31 March 2023
Earning Per Share (EPS)		
1) Net profit as per the statement of profit and loss available for equity shareholders	3,137.00	2,663.08
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic earning per share of ₹ 1/- each	453.16	415.40
b) For diluted earning per share of ₹ 1/- each	453.16	415.40
3) Earning per share (weighted average)		
Basic ₹	6.92	6.41
Diluted ₹	6.92	6.41

Note No.42

The Group's subsidiaries at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group (%)		Ownership interest held by the Non Controlling Interest (%)		Principal activities
		31 March 2024	31 March 2023	31 March 2024	31 March 2023	
Marksans Pharma (UK) Limited (Wholly owned subsidiary)	UK	100	100	-	-	Investment entity
Marksans Holdings Limited (Step-down subsidiary)	UK	100	100	-	-	Investment entity

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group (%)		Ownership interest held by the Non Controlling Interest (%)		Principal activities
		31 March 2024	31 March 2023	31 March 2024	31 March 2023	
Bell, Sons and Co. (Druggists) Limited (Step-down subsidiary)	UK	100	100	-	-	Manufacture of pharmaceutical products
Relonchem Limited (Step-down subsidiary)	UK	100	100	-	-	Marketing and Distribution of pharmaceutical products
Marksans Pharma Inc. (Wholly owned subsidiary)	US	100	100	-	-	Investment entity
Time-Cap Laboratories Inc. (Step-down subsidiary)	US	100	100	-	-	Manufacture of pharmaceutical products
Custom Coatings Inc. (Step-down subsidiary)	US	100	100	-	-	Manufacture of pharmaceutical products
Marksans Realty LLC (Step-down subsidiary)	US	100	100	-	-	Investment entity
Marise Ann Inc. (Step-down subsidiary)	US	100	100	-	-	Marketing and promotion of branded OTC products
Nova Pharmaceuticals Australasia Pty Ltd (Wholly owned subsidiary)	Australia	60	60	40	40	Marketing and Distribution of pharmaceutical products
Nova Pharmaceuticals Ltd. (Step-down subsidiary)	Australia	100	100	-	-	Investment entity
Access Healthcare for Medical Products LLC.	UAE	100	100	-	-	Marketing and Distribution of pharmaceutical products
Marksans Pharma GmbH (Wholly owned subsidiary) (Under liquidation)	Germany	100	100	-	-	Under liquidation

Note No.43 Related Party Disclosures

(a) Key Management Personnel (KMP)/Directors

Mr. Mark Saldanha	: Managing Director
Mrs. Sandra Saldanha	: Whole-time Director
Mr. Varddhan Vikramaditya Jain	: Whole-time Director
Mr. Jitendra Sharma	: Chief Financial Officer
Mr. Harshavardhan Panigrahi	: Company Secretary
Mr. Abhinna Sundar Mohanty	: Independent Director
Mr. Digant Mahesh Parikh	: Independent Director
Mr. Seetharama Raju Buddharaju	: Independent Director
Dr. Meena Rani Surana (upto 30 May,2023)	: Independent Director
Dr. Sunny Sharma	: Non-executive Director
Mrs. Shailaja Vardhan (w.e.f. 30 May,2023)	: Independent Director



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.43 Related Party Disclosures (Contd..)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent paid	10.65	10.65
Mr. Mark Saldanha	10.65	10.65
Equity shares issued (including securities premium) during the year pursuant to conversion of warrants (Refer note 18 - Share capital)	-	74.00
Mr. Mark Saldanha	-	74.00
Managerial remuneration *	123.03	119.23
Mr. Mark Saldanha	80.78	79.97
Mrs. Sandra Saldanha	7.07	7.07
Mr. Varddhman Vikramaditya Jain	18.75	15.25
Mr. Jitendra Sharma	12.84	14.01
Mr. Harshavardhan Panigrahi	2.84	2.61
Mr. Abhinna Sundar Mohanty	0.02	0.04
Mr. Seetharama Raju Bhuddharaju	0.03	0.04
Mr. Digant Mahesh Parikh	0.40	0.20
Mrs. Shailaja Vardhan	0.30	-
Dr.Meena Rani Surana	-	0.04

Provision made based on actuarial valuation on an overall Group basis are not included in remuneration to key management personnel.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Settlement of amount owned to Managing Director	85.69	-
Mr. Mark Saldanha	85.69	-

(c) Balances outstanding at the end of the year

Particulars	As at 31 March 2024	As at 31 March 2023
Managerial remuneration	5.84	4.04
Mr. Mark Saldanha	3.83	2.23
Mrs. Sandra Saldanha	0.42	0.39
Mr. Varddhman Vikramaditya Jain	0.76	0.70
Mr. Jitendra Sharma	0.65	0.55
Mr. Harshavardhan Panigrahi	0.18	0.17
Amount owned to Managing Director	-	85.69
Mr. Mark Saldanha	-	85.69

Note No.44 Segment information

A. Operating Segments

The Group operates in one reportable business segment namely 'Pharmaceuticals' as per Ind AS 108 on 'Operating Segments'.

B. Geographical Information:

Analysis of revenues by geography:

The following table shows the distribution of the Group's revenues (excluding other operating income) by country, based on the location of the customers:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.44 Segment information (Contd..)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
US & North America	9,181.40	7,746.30
Europe and UK	9,430.21	7,676.10
Australia and New Zealand	2,187.97	2,094.80
Rest of World	974.49	1,004.19
	21,774.07	18,521.39

Analysis of non current assets by geography:

The following table shows the distribution of the Group's non-current assets (other than financial instruments and deferred tax assets) by country, based on the location of assets:

Particulars	As at 31 March 2024	As at 31 March 2023
US & North America	3,513.66	2,058.24
Europe and UK	1,385.22	1,131.26
Australia and New Zealand	110.01	100.89
Rest of World	3,175.72	1,860.49
	8,184.61	5,150.88

C. Information about major customers

During the year ended 31 March 2024, there were no customers having revenues (31 March 2023: ₹ 1,912.46 million) representing approximately 10% of the Group's total revenues.

Note No.45 Provisions, contingent liabilities & contingent assets

Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax on account of disallowances / additions	-	14.47

- (i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the proceedings as it is determinable only on receipt of judgments / decisions pending with the forums / authorities.
- (ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with direct tax authorities. The Group has reviewed its proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

Contingent assets

The Group neither had any contingent assets as on 31 March 2024 nor on 31 March 2023.



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.46 Research and development expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Break-up of research and development expenses included in statement of profit and loss under below heads:		
Material Cost	176.16	129.10
Employee benefits expense		
Salaries, Wages and Bonus	45.81	80.37
Contribution to Provident and other funds	3.60	3.71
	49.41	84.08
Other expenses		
Power and Fuel	3.54	3.27
Laboratory goods and testing expenses	11.54	8.81
Clinical research expense	30.25	22.84
General charges	43.90	36.54
	89.23	71.46
b) Capital Expenditure	31.28	9.92
	346.08	294.56

Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	458.74	78.67

Note No.47 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are community healthcare, free food, sanitation & hygiene, environmental sustainability and education. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year	26.30	20.28
b) Amount approved by the Board to be spent during the year	26.30	20.28
c) Amount spent during the year on :		
(i) Construction / acquisition of any asset		-
(ii) On purposes other than (i) above	29.45	20.36
d) Shortfall at the end of the year	-	-
e) Total of previous year shortfall	-	-
f) Reason for shortfall	NA	NA
g) Excess spent of previous year brought forward to current year	0.08	0.01
h) Excess spent of current year carried forward to next year	3.23	0.08
i) Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure	NA	NA
j) Nature of CSR activities:	Community healthcare, free food, sanitation & hygiene, environmental sustainability and education.	

The Company does not have any ongoing CSR projects for both the years.

No expenditure has been paid to a related party, in relation to CSR expenditure.

There are no short falls at the end of the year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.48 Disclosure of additional information pertaining to the parent company, subsidiaries and associates as per schedule III of Companies act, 2013 :

As at/year ended 31 March 2024

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	Amount	As% of consolidated profit or loss	Amount	As% of Other consolidated comprehensive Income	Amount	As% of consolidated Total comprehensive income	Amount
Parent								
Marksans Pharma Limited	51.39	12,227.05	37.92	1,337.58	0.99	2.84	35.15	1,340.42
Subsidiaries								
Marksans Pharma U.K. Limited	32.84	7,812.28	49.31	1,739.21	85.75	245.23	52.04	1,984.44
Nova Pharmaceuticals Australasia Pty Ltd	2.19	521.32	0.85	29.88	(2.21)	(6.31)	0.62	23.57
Marksans Pharma Inc.	11.96	2,845.06	11.84	417.45	13.45	38.45	11.96	455.90
Access Healthcare for Medical Products LLC	1.62	386.52	0.08	2.92	2.02	5.76	0.23	8.68
Marksans Pharma GmbH	-	-	-	-	-	-	-	-
Sub -Total	100.00	23,792.23	100.00	3,527.04	100.00	285.97	100.00	3,813.01
Less: Effect of intercompany adjustment/ eliminations		(3,141.69)		(378.09)				(378.09)
Grand total		20,650.54		3,148.95		285.97		3,434.92
Non-controlling Interest in a Subsidiary		208.52		11.95		(2.53)		9.42

As at/year ended 31 March 2023

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	Amount	As% of consolidated profit or loss	Amount	As% of Other consolidated comprehensive Income	Amount	As% of consolidated Total comprehensive income	Amount
Parent								
Marksans Pharma Limited	54.31	11,113.21	37.04	1,028.66	(1.39)	(5.91)	31.94	1,022.75
Subsidiaries								
Marksans Pharma (UK) Limited (consolidated)	29.74	6,085.52	61.13	1,697.54	48.58	206.58	59.47	1,904.12
Nova Pharmaceuticals Australasia Pty Ltd (consolidated)	2.43	497.75	(0.89)	(24.67)	1.16	4.91	(0.62)	(19.76)
Marksans Pharma Inc. (consolidated)	11.67	2,389.15	0.44	12.17	47.46	201.80	6.68	213.97
Access Healthcare for Medical Products LLC	1.85	377.83	2.28	63.20	4.19	17.84	2.53	81.04
Marksans Pharma GmbH	-	-	-	-	-	-	-	-
Sub -Total	100.00	20,463.46	100.00	2,776.90	100.00	425.22	100.00	3,202.12
Less: Effect of intercompany adjustment/ eliminations		(3,011.84)		(123.69)		96.89		(26.80)
Grand Total		17,451.62		2,653.21		522.11		3,175.32
Non controlling interest in a subsidiary		199.10		(9.87)		1.96		(7.91)



Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.49

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and are based on their standalone financial statements.

Name of the subsidiary	Principal place of business	Country of incorporation	Held by non-controlling interest	
			As at 31 March 2024	As at 31 March 2023
Nova Pharmaceuticals Australasia Pty Ltd	Australia	Australia	40%	40%

Particulars	As at 31 March 2024	As at 31 March 2023
Current assets	1,057.68	846.91
Non current assets	94.11	84.99
Current liabilities	630.48	434.15
Non current liabilities	-	-
Equity interest attributable to the owners	312.80	298.65
Non controlling interest	208.52	199.10
Revenue	2,010.05	1,927.38
Expenses	1,958.31	1,952.05
Profit/(Loss) for the year	29.88	(24.67)
Profit/(Loss) attributable to the owners of the company	17.93	(14.80)
Profit/(Loss) attributable to the non-controlling interest	11.95	(9.87)
Opening cash & cash equivalents	26.72	137.94
Closing cash & cash equivalents	35.19	26.72
Net Cash inflow/(outflow)	8.47	(111.22)

Note No.50 Subsequent events

The Board of Directors (in the meeting held on 30 May 2024) has recommended final dividend of Rs. 0.60 per equity share of ₹ 1/- each (60%) for the Financial Year 2023-24

Note No.51 Other statutory information

a. Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Borrowing secured against current assets

The Group has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from Bank on the basis of security of current assets. Quarterly returns filed with such Bank are in agreement with the books of account.

c. Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d. Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. Registration of charges or satisfaction with registrar of companies (ROC)

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

f. Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (All amounts in million of Indian Rupees, unless otherwise stated)

Note No.51 Other statutory information (Contd..)

g. Compliance with approved schemes of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

h. Utilisation of borrowed funds and share premium

1. The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
2. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

i. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

k. Valuation of PP&E and intangible asset

The Group has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the current or previous year.

l. Title deeds of Immovable Properties

Title deeds of all immovable properties are held in the name of the Group.

Note No. 52 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued.

The Holding Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

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

NITIN TIWARI
Partner
Membership No.: 118894

Place : Mumbai
Date : 30 May 2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MARKSANS PHARMA LIMITED
CIN: L24110MH1992PLC066364

MARK SALDANHA
Chairman & Managing Director
DIN: 00020983

HARSHAVARDHAN PANIGRAHI
Company Secretary & Compliance Officer

Place : Mumbai
Date : 30 May 2024

SANDRA SALDANHA
Whole - time Director
DIN: 00021023

JITENDRA SHARMA
Chief Financial Officer



Marksans Pharma Limited

CIN: L24110MH1992PLC066364

Regd. Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053

Phone. No. 022-40012000 **Fax No.** 022-40012011

E-mail: companysecretary@marksanspharma.com **Website:** www.marksanspharma.com

NOTICE

To
The Members of
Marksans Pharma Limited

NOTICE is hereby given that the Thirty-Second (32nd) Annual General Meeting of the Members of Marksans Pharma Limited will be held on **Tuesday, September 24, 2024 at 09:30 a.m.** through video conferencing / other audio visual means (VC), to transact the following businesses:

ORDINARY BUSINESS

- To consider and adopt the audited standalone financial statements of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2024 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2024.
- To declare dividend on equity shares recommended by the Board of Directors at its meeting held on May 30, 2024. The Board of Directors recommended equity dividend of ₹ 0.60 (60%) per equity share of ₹ 1/- each face value.
- To appoint a Director in place of Mr. Varddhman Vikramaditya Jain (DIN: 08338573) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

- To approve re-appointment of Mr. Abhinna Sundar Mohanty (DIN: 00007995) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and rules made there under read with Schedule IV and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors, Mr. Abhinna Sundar Mohanty (DIN: 00007995) who was appointed as an Independent

Director of the Company for a term up to July 10, 2024 by the Members of the Company and is eligible for being re-appointed as an Independent Director, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for another term of 5 consecutive years with effect from July 11, 2024 to July 10, 2029.”

“RESOLVED FURTHER THAT any of the Directors of the Company and Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as are necessary to give effect to this resolution.”

- To approve the re-appointment of and remuneration to Mr. Varddhman Vikramaditya Jain (DIN: 08338573) as a Whole-time Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and on the basis of the recommendation of Nomination and Remuneration Committee, re-appointment of Mr. Varddhman Vikramaditya Jain (DIN: 08338573) as a Whole-Time Director in the category of Professional Director designated as Executive Director of the Company be and is hereby approved for a period of Three (3) years with effect from January 24, 2025 to January 23, 2028 on the following remuneration:

Particulars	Amount in ₹ Per Month
Basic	7,50,000.00
HRA	3,75,000.00
Conveyance	1,600.00
Leave Travel Allowance	20,131.00

Particulars	Amount in ₹ Per Month
Medical Reimbursement	1,250.00
Company's contribution to Provident Fund	90,000.00
Gratuity	36,075.00
Other Allowance	6,00,944.00
Total Remuneration Per Month	18,75,000.00
Total Remuneration Per Annum	2,25,00,000.00

“RESOLVED FURTHER THAT Mr. Varddhman Vikramaditya Jain will be entitled to incentive as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company on the basis of performance of the Company.”

“RESOLVED FURTHER THAT remuneration payable to Mr. Varddhman Vikramaditya Jain shall be subject to deduction of tax as per the provisions of the Income Tax Act.”

“RESOLVED FURTHER THAT the remuneration payable to Mr. Varddhman Vikramaditya Jain shall not exceed the limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.”

“RESOLVED FURTHER THAT in case in any financial year during the currency of the tenure of Mr. Varddhman Vikramaditya Jain, the Company has no profit or its profits are inadequate, the Company will pay remuneration as specified above as the minimum remuneration, provided that the total remuneration shall not exceed the ceiling as provided in Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to increase or revise the remuneration of Mr. Varddhman Vikramaditya Jain during his tenure within the limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.”

“RESOLVED FURTHER THAT any of the Directors of the Company and Key Managerial Personnel of the Company be and are hereby authorized severally to do all such acts, deeds and things as may be required to give effect to this resolution.”

6. To approve Marksans Employee Stock Option Scheme 2024 and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter referred to as “the applicable laws”), the Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be necessary from any other authorities, if any and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which expression shall include Nomination and Remuneration Committee or any Compensation Committee which may be constituted by the Board to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Company be and is hereby accorded to the **“MARKSANS EMPLOYEES STOCK OPTION SCHEMES 2024”** (hereinafter referred to as “MARKSANS ESOS 2024 / the Scheme”) and the Board to offer, grant and issue, in one or more tranches, from time to time not exceeding 23,00,000 Employee Stock Options (“Options”) to the eligible employees (as defined in the Scheme) exercisable into equivalent number of paid-up equity shares of face value of ₹ 1/- each of the Company, at such price or prices and on such terms and conditions, as may be determined by the Board in accordance with the Scheme and in due compliance with the applicable laws and regulations issued by the relevant authority, as may be prevailing at that time.”

“RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorized to create, issue and allot equity shares upon exercise of Options from time to time in accordance with the Scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company including dividend entitlement.”

“RESOLVED FURTHER THAT the number of Options that may be granted to any eligible employees in any financial year and in aggregate under the scheme shall not exceed 11,50,000 options.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issue, buy-back of shares, split or consolidation of shares, amalgamation, sale of undertaking, etc. resulting into change in the capital structure of the Company, the Board be and is hereby authorized to make such adjustments as it may deem fit to the quantum of shares to be issued pursuant to the exercise of the options, the exercise price, and other rights and obligations under the options.”

“RESOLVED FURTHER THAT to determine all other terms and conditions for the purpose of giving effect to any grant of Options and consequent issue and allotment of equity shares under the said MARKSANS ESOS 2024, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, and things as it may, in its absolute discretion, deem necessary or desirable



for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard including to amend or modify any of the terms and conditions of the grant of Options and consequent issue and allotment of equity shares without being required to seek any further consent or approval of the members of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to:-

- (a) Administer, implement and superintend MARKSANS ESOS 2024;
- (b) Determine the terms and conditions of grant, issue, re-issue, cancel and withdrawal of options from time to time;
- (c) Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive MARKSANS ESOS 2024 in line with salient features mentioned in the Explanatory Statement annexed herewith and/or any sub-scheme or plan for the purpose of grant of options under MARKSANS ESOS 2024 and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under MARKSANS ESOS 2024 on National Stock Exchange of India Limited and BSE Limited where the Company’s equity shares are listed, as per the terms and conditions of the Listing Regulations and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.”

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

Harshavardhan Panigrahi
Company Secretary

Place: Mumbai
Dated: August 13, 2024

Registered Office:
11th Floor, Grandeur,
Veera Desai Extension Road,
Oshiwara, Andheri (West),
Mumbai – 400053.

NOTES:

- i. The 32nd Annual General Meeting (AGM) is being held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") in accordance with the General Circular Nos. 14/2020, 17/2020, 20/2020, dated 8th April 2020, 13th April 2020, 5th May, 2020 respectively and subsequent circulars issued in this regard, the latest being circular dated September 25, 2023 issued by the Ministry of Corporate Affairs and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" (hereinafter referred collectively as "e-AGM circulars"). The Members shall attend the AGM through VC by following instructions annexed to this Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai, India. The Members are requested to attend the AGM from their respective locations through VC and do not visit the registered office to attend the AGM.
- ii. Since the AGM is being held pursuant to the e-AGM circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. Members who are body corporate may appoint such person as they think fit to act as their representative on their behalf to attend the AGM through VC/OAVM and cast their votes through e-voting.
- iii. Electronic copy of the Annual Report for 2023-24 including the Notice which includes procedure for e-voting and manner of attending the Annual General Meeting through VC/OAVM, is being sent to those Members whose e-mail addresses are registered with the Company / Depositories in view of the e-AGM circulars. The Members may also note that the Notice of the AGM and the Annual Report for 2023-24 are available on the website of the Company at <http://marksanspharma.com/annual-reports.html>, which can be downloaded.
- iv. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer and elimination of any possibility of loss of documents. Any requests for transfer of securities are not permitted unless the securities are held in dematerialized form with a depository. Further, transmission or transposition of securities held in physical form can be effected only in dematerialized form.
- v. As a part of green initiative, the members holding physical shares who have not registered their e-mail address are requested to register them with the Company to receive e-communication from the Company. For registering e-mail address, the Members are requested to provide name, folio no., Mobile No., E-mail address, scanned copies of self attested share certificate(s) (both sides) through e-mail on companysecretary@marksanspharma.com or alternatively, members can register their e-mail address with the Company's RTA through website link at <https://www.bigshareonline.com/InvestorRegistration.aspx>.
- vi. In line with MCA Circulars and circulars issued by SEBI, the Notice calling the AGM along with the Report is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. A Member can request for a physical copy of the Report by sending an e-mail to the Company at companysecretary@marksanspharma.com. Members may note that the Report will also be available on the website of the Company at <https://www.marksanspharma.com/annual-reports.html>, the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and <https://www.nseindia.com> respectively.
- vii. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested and all other documents referred to in the accompanying Notice will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents physically can inspect at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting. For inspection, physically or electronically, the Members are requested to send a request through e-mail on companysecretary@marksanspharma.com with folio no. or DP/Client Id at least three working days in advance.
- viii. The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on companysecretary@marksanspharma.com at least seven working days before the date of the AGM so as to enable the Management to keep the information ready and provide it at the AGM.
- ix. The Company has fixed September 17, 2024 as the record date for determining entitlement of Members to receive dividend for the financial year ended March 31, 2024, if approved by the Members at the AGM.
- x. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or after October 05, 2024 subject to deduction of tax at source, as applicable:
 - to all the Members in respect of shares held in physical form whose names appear in the Company's Register of Members as at the close of business hours on the record date; and
 - to all Beneficial Owners in respect of shares held in dematerialized form whose names appear in the list of Beneficial Owners furnished by Depositories as at the close of business hours on the record date.
- xi. Members holding shares in dematerialized form may note that bank particulars registered against their respective depository



accounts will be used by the Company for payment of dividend. The Company or its RTA, M/s Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form are requested to intimate their bank particulars and/or change in bank particulars to the Company's RTA.

- xii. Dividend income on equity shares is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in accordance with the provisions of the Income Tax Act, 1961 ("IT Act") read with amendments thereof. The shareholders are requested to update their PAN with the Company/Registrar & Transfer Agents viz. Bigshare Services Private Limited ("RTA") (in case of shares held in physical form) and with the Depositories/Depository Participants ("DPs") (in case of shares held in demat form).
- xiii. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), dividend declared by the Company for the financial year 2013-14, 2014-15 & 2015-16 which remained unclaimed till its due date along with corresponding shares in respect of which dividend remained unclaimed for seven consecutive years till its due date were transferred to the Investor Education and Protection Fund (IEPF) in compliance with the provisions of the Rules.

However, such shareholder whose dividend/shares have been transferred to IEPF, can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF by making an application in Form IEPF-5 online and send the physical copy of the same duly signed along with requisite documents enumerated in the said Form IEPF-5 to the Company at its Registered Office or to M/s Bigshare Services Private Limited, RTA of the Company for verification of claim. The Company will then send a verification report to IEPF Authority for refund of the unclaimed dividend amount and transfer of the shares back to the shareholder.

- xiv. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), dividend declared by the Company for the financial year 2016-17, which will remain unclaimed for a period of seven years till October 31, 2024 shall be transferred to the IEPF and the corresponding shares on which dividend will remain unclaimed for seven consecutive years shall also be transferred to IEPF as per the procedure set out in the Rules. In this regard, the Company has sent individual notice to each concerned members requesting them to claim their unpaid dividend and avoid the transfer of shares to IEPF on or before October 30, 2024 and the Company has also uploaded full details of such members on the website of the Company at <http://marksanspharma.com/shares-liable-for-transfer-to-iepf.html>.
- xv. Members who have not encashed their dividend warrant(s)/demand drafts or who have not received dividend through ECS for the FY 2016-17 and thereafter are requested to make their claims to the Company's RTA, M/s Bigshare Services Private Limited, without any delay.

Due date for transfer of unclaimed dividend to IEPF are as under:

Year of Dividend	Dividend rate per share (₹)	Date of Declaration	Due date of transfer to IEPF
2016-17	0.05	26th September, 2017	31st October, 2024
2017-18	0.05	27th September, 2018	2nd November, 2025
2018-19	0.05	26th September, 2019	1st November, 2026
2019-20	0.10	29th September, 2020	1st November, 2027
2020-21	0.25	23rd September, 2021	28th October, 2028
2021-22	0.25	29th August, 2022	3rd October, 2029
2022-23	0.50	30th May, 2023	4th July, 2030

Note: Shares on which dividend declared for the FY 2016-17 and remaining unclaimed for 7 (Seven) consecutive years, will also be transferred to IEPF.

- xvi. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc for shares held in electronic form to their Depository Participants (DPs) and for shares held in physical form to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1, Form ISR-2 and

Form ISR-3 (as applicable) the format of which can be downloaded from the website of the Company at <http://marksanspharma.com/forms.html>. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, in the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details have already been sent by the Company.

- xvii. In accordance with Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, all requests for transfer of securities shall be processed only if the securities are held in dematerialized form. Therefore, Members holding shares of the Company in physical form are requested to kindly get their shares dematerialized in case they wish to transfer their shares since physical transfer/ issuance of equity shares have been disallowed by SEBI. Members can contact Company's RTA at investor@bigshareonline.com for assistance in this regard. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which can be downloaded from the Company's website at <http://marksanspharma.com/forms.html>.
- xviii. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/ she may submit the same in Form ISR-3 or Form SH-14. The said form can be downloaded from the Company's website at <http://marksanspharma.com/forms.html>. Members are requested to submit the said form to their Depository Participant in case the shares are held in dematerialized form and to the Company's RTA at investor@bigshareonline.com in case the shares are held in physical form, quoting their folio no.
- xix. In terms of Section 108 of the Companies Act, 2013 read with Rule 20(2) of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility to its Members, being eligible to vote, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.
- xx. In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered **Tuesday, September 17, 2024** to determine the eligibility of members to vote by electronic means (**Cut-off date**). The persons whose names appear on the Register of Members/List of Beneficial Owners as on Cut-Off date would be entitled to vote through electronic means.
- xxi. The Company has engaged the services of Bigshare Services Private Limited (Bigshare) to provide e-voting facilities for enabling the members to cast their vote in a secured manner and to attend the meeting through video conferencing or other audio visual means. The members may cast their votes on electronic voting system and attend the meeting from their respective locations. The remote e-voting facility will be available during the following Period:
- Commencement of remote e-voting: On Saturday, September 21, 2024 at 09:00 a.m.
- Conclusion of remote e-voting: On Monday, September 23, 2024 at 05:00 p.m.
- The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Bigshare upon expiry of aforesaid period. However, remote e-voting facility will be available during the period of the AGM on Tuesday, September 24, 2024.
- xxii. Instructions and other information relating to e-voting and attending AGM through VC is annexed to this notice for information of the Shareholders. Any person, who acquires shares of the Company and become members of the Company after dispatch of the Notice and holding shares as on the cut-off-date i.e. September 17, 2024 shall follow the same instructions relating to e-voting and attending AGM through VC as given in the accompanying Notice.
- xxiii. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
- xxiv. Only those Members, who are present at the AGM through VC/ OAVM and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting during the AGM.
- xxv. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/folio no., PAN, mobile number along with their queries at companysecretary@marksanspharma.com at least 7 working days before the date of AGM. Those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- xxvi. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, not later than two days of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of the Company or the person authorized by him, who shall countersign the same.



- xxvii. Based on the scrutinizer's report, the Company will submit within two working days of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- xxviii. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at <https://www.marksanspharma.com/others-disclosures.html> immediately after the declaration of the result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.
- xxix. Brief resume of Director seeking to be re-appointed, as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
- xxx. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4

Pursuant to the provisions of the Companies Act, 2013 ("the Act") read with relevant rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), an Independent Director can hold the office for a term of up to 5 consecutive years on the Board of a company, but is eligible for re-appointment for another term of up to 5 consecutive years on passing of a special resolution by the company, based on the report of performance evaluation.

Mr. Abhinna Sundar Mohanty (DIN: 00007995) was appointed as an Independent Director on the Board of the Company vide resolution passed at the Twenty-Seventh Annual General Meeting held on September 26, 2019 from July 11, 2019 to July 10, 2024. Mr. Abhinna Sundar Mohanty is eligible to be re-appointed as an Independent Director for another term of up to 5 consecutive years.

In accordance with the aforesaid, necessary performance evaluation was carried out. Based on the report of performance evaluation covering various aspects including attendance and level of participation, interpersonal relationship, understanding of the roles and responsibilities, etc. and based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Company, the Board of Directors through circular resolution passed on July 09, 2024, approved the re-appointment of Mr. Abhinna Sundar Mohanty as an Independent Director of the Company for a second term of 5 consecutive years with effect from July 11, 2024 to July 10, 2029. The re-appointment of Mr. Abhinna Sundar Mohanty is subject to approval by the Members at the ensuing Annual General Meeting by way of a special resolution.

The Company has received a notice in accordance with the provisions of Section 160 of the Act proposing the candidature of Mr. Abhinna Sundar Mohanty for the office of Independent Director.

The Nomination and Remuneration Committee finalized the desired attributes for selection of Independent Director and based on those attributes, the Committee recommended to the Board the candidature of Mr. Abhinna Sundar Mohanty. The Board considers that his association with the Company would be of immense benefit to the Company and it is desirable to avail his service as an Independent Director. In the opinion of the Board of Directors, he fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Resolution set out at Item No.4 of the accompanying Notice for approval of the Members of the Company.

Save and except Mr. Abhinna Sundar Mohanty and his relative, being the appointee, none of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5

The tenure of Mr. Varddhman Vikramaditya Jain (DIN:08338573) as a Whole-time Director of the Company will expire on January 23, 2025. In terms of Section 196 read with Schedule V of the Companies Act, 2013, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and subject to approval of Members of the Company at the ensuing Annual General Meeting, re-appointed Mr. Varddhman Vikramaditya Jain as a Whole-time Director of the Company for a further period of three (3) years with effect from January 24, 2025 to January 23, 2028. The re-appointment of and remuneration to Mr. Varddhman Vikramaditya Jain has also been approved by the Audit Committee of the Company.

Mr. Varddhman Vikramaditya Jain is an M. Pharm (Pharmaceuticals). He is a Pharmaceutical professional with technical background who has worked with various multinational organizations. He specializes in the area of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing. In a career span of almost 30 Years, Mr. Jain has successfully handled several regulatory inspection including USFDA, UKMHRA, PMDA Japan and WHO with good leadership and sound technical knowledge. He has given the organization very sound systems which are capable of standing up to very tough regulatory inspections of recent years.

Mr. Varddhman Vikramaditya Jain is associated with Marksans Pharma Limited since May 2016 heading overall operations of the Company's Goa factory. His in-depth knowledge and experience in the aforesaid field shall be of great help to the Company in the long run. The appointment of Mr. Varddhman Vikramaditya Jain is appropriate and in the best interest of the Company.

The remuneration to Mr. Varddhman Vikramaditya Jain has been recommended by the Nomination and Remuneration Committee and is in line with the remuneration package that is necessary to encourage good professionals to important position such as that occupied by Mr. Varddhman Vikramaditya Jain and is commensurate with the functions and responsibilities that is being discharged by him.

Accordingly, the resolution in item no. 5 of the notice for approving the re-appointment of and remuneration to Mr. Varddhman Vikramaditya Jain as a Whole-time Director is being proposed for consideration of the members.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.



Item No. 6

In the present competitive environment and in the long term interest of the Company and its shareholders, it is necessary that the Company adopt suitable measures for attracting and retaining qualified, talented and competent employees. Stock option is an effective instrument to foster a sense of ownership and belonging amongst the employees and provide an opportunity to participate in the growth of the Company besides creating long term wealth in their hands.

The Members had at the 31st Annual General Meeting held on August 28, 2023, approved Marksans Employees Stock Option Scheme 2023. However, the said Scheme has not been implemented yet and therefore, as a measure of abundant precaution; the Board is seeking fresh approval of the Scheme under the title "Marksans Employees Stock Option Scheme 2024".

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2024 ("Marksans ESOS 2024"). Grant of stock options under Marksans ESOS 2024 shall be as per the terms and conditions as may be decided by the Board from time to time in accordance with the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The salient features of Marksans ESOS 2024 are as under:-

1. Brief description of the Scheme:

This Scheme shall be termed **MARKSANS EMPLOYEES STOCK OPTION SCHEME 2024** ("Scheme") and shall be formulated to grant of options to the eligible employees to motivate and retain key talent in the Company with a view to achieve long term business goals. The Scheme shall be effective from the date of approval by the members in the 32nd AGM and shall continue to be in force until (i) its termination by the Board or the Nomination & Remuneration Committee of Board as authorized or (ii) the date on which all of the Options available for issuance under the scheme have been issued and exercised, whichever is earlier. The Board of Directors or the Nomination & Remuneration Committee of the Board as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the scheme.

2. Total number of Options to be granted

- (i) A total of Options would be available for grant to eligible employees under the scheme, in one or more tranches, which in aggregate shall be exercisable into not more than 23,00,000 equity shares of the Company.
- (ii) Each option when exercised would give the option holder a right to get one fully paid equity share of ₹ 1 each face value of the Company.

- (iii) The options which will lapse, expire or be forfeited due to any reason including the reason of lapse of exercise period or due to resignation of the eligible employees or otherwise, will be available for further grant to the eligible employees. The Board is authorized to re-grant such lapsed / expired options as per the scheme.

- (iv) Number and price of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split, consolidation of shares, amalgamation, sale of undertaking, etc. of the Company in such manner that the total value of the options in the hands of the option holders remains the same after such corporate action(s).

3. Identification of Classes of Employees entitled to participate in Marksans ESOS 2024

All employees as designated by the company, who is exclusively working in India or outside India; or a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director, shall be eligible to participate in the scheme. An employee who is a Promoter or belonging to promoter group; or a director, who either himself or through his relative or through body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme.

4. Requirements of Vesting, minimum and maximum period of Vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company. The vesting period shall be decided by the Compensation Committee from time to time but shall not be less than one (1) year and not more than five (5) years from the date of grant of options. Vesting may happen in one or more tranches.

5. Exercise Price or Pricing formula

The exercise price and/or the pricing formula shall be decided by the Compensation Committee from time to time subject to the exercise price not less than the Face Value. Employees shall bear all tax liability in relation to grant of options.

6. Exercise Period and process of exercise

The Compensation Committee shall decide the exercise period from time to time which can be extended upto five (5) years from the vesting date(s). The option holders can exercise options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee from time to time.

7. Appraisal process for determining the eligibility of the employees

The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee at its sole discretion from time to time. In case of performance linked stock options, the number of vested stock options may vary from the original number of stock options granted.

8. Maximum number of options to be granted per employee

Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis. However, it is proposed that options not exceeding 23,00,000 equity shares of ₹ 1/- each face value in the aggregate can be granted at any point of time. Further, maximum number of options can be granted per employee shall not exceed 11,50,000 options in any year.

9. The conditions under which option vested in employees may lapse:

The vested and unvested options shall lapse and cannot be exercised in case of termination of employment due to the cause (including but not limited to negligence, non-achievement of targets indicated to such employee by the Company including but not limited to revenue or profit targets, or otherwise under the terms of the appointment letter/employment agreement, fraud, professional misconduct, moral turpitude etc) or due to such conditions which may be construed to be a cause for such actions by the Committee. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse. In case of resignation/ termination (other than due to cause), all the unvested options would lapse and the vested options can be exercised by the employee stock option grantee within the period stipulated in the grant letter. In case of death or permanent incapacity, all the Options Granted to him till such date and lying unvested shall Vest to the option grantee or the Beneficiary of the deceased option grantee, as applicable, and shall be exercised within the period stipulated in the grant letter.

10. Maximum quantum of benefits to be provided per employee under the Scheme:

The Scheme does not contemplate any benefit other than allowing eligible employee to receive equity shares of the Company upon exercise of options. In this context, the maximum benefit shall be the difference between the exercise price of the

options and the market price of the equity shares of the Company as on the date of exercise of options.

11. Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations.

12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both

This scheme shall involve new issue of shares by the Company.

13. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

Not Applicable since the scheme will be administered by the Committee.

14. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme(s);

Not applicable as secondary acquisition is not permitted.

15. Transferability options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death or permanent disability of an employee stock option holder while in employment, the right to exercise options granted to him till such date shall be transferred to his legal heirs or nominees.

16. Accounting Policies

The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect of shares issued under Marksans ESOS 2024.

17. Method of Valuation

The Company shall use one of the applicable methods (intrinsic value or fair value) to value its options. In case the Company calculates the employee compensation cost using intrinsic value of options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of options, shall be disclosed in the Directors Report and also the impact of this difference on Statement of Profit and Loss and on Earnings Per Share (EPS) of the Company shall be disclosed in the Directors Report.



18. Mandatory lock-in period under the Scheme:

The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall not be subject to any lock-in period

In terms of the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Marksans ESOS 2024 is required to be approved by the Members by way of a Special Resolution.

A copy of the draft Marksans ESOS 2024 will be available for inspection on all working days (Monday to Friday) between 11.00 a.m. to 1.00 p.m. at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions set out in Item no. 6 of the accompanying Notice, except to the extent of the stock options that may be granted to them under Marksans ESOS 2024.

Section 62 of the Companies Act, 2013 inter – alia provides that wherever it is proposed to increase the subscribed capital of the Company by the allotment of further shares, such further shares

shall be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders in the general meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to grant options and allot shares to employees in the manner set out in the resolutions. Accordingly, the Board recommends the resolutions set out at Item No. 6 of the Notice for approval of the Members as a Special Resolution.

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

Place : Mumbai
Dated: August 13, 2024

Harshavardhan Panigrahi
Company Secretary

Details of Directors seeking approval of Members for appointment/ re-appointment or approval of remuneration at the Thirty-Second (32nd) AGM of the Company

[Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India]

Name	Mr. Varddhman Vikramaditya Jain (DIN: 08338573)
Age	54 years
Qualification	M. Pharm
Date of first appointment on Board	January 24, 2019
Nature of expertise in specific functional areas	Manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosages.
Brief profile including experience	Has over 30 years of experience in the areas of manufacturing, quality R&D, compliance & regulatory affairs both for API and finished dosage form manufacturing.
Directorships held in other companies (excluding foreign companies) as on August 13, 2024	Nil
Memberships/ Chairpersonship of committees across companies as on August 13, 2024 (only Statutory Committees as required to be constituted under the Act considered)	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA
Listed entities from which the Director has resigned in the past three years	Nil
No. of shares held in the Company (as on March 31, 2024)	Nil
No. of board meetings attended during the year	All meetings (i.e. 5 out of 5 meetings)
Relationship with other Directors / Key Managerial Personnel.	None
Terms and conditions of appointment including remuneration last drawn	As mentioned in the resolution under Item 5 of the notice

Name	Mr. Abhinna Sundar Mohanty (DIN: 00007995)
Age	70 years
Qualification	M.Sc. (Mathematics)
Date of first appointment on Board	July 11, 2019
Nature of expertise in specific functional areas	Sales and Marketing, Business Development and Business Strategy.
Brief profile including experience	He has 44 years of experience in the pharmaceutical industry. He started his career with Alembic and went on to build his career through every cadre in sales and marketing department of Pharma industry. During his career, he was engaged in sales, marketing, business development and business strategy for over 27 years in Pharma industry. He was instrumental in globalizing branded business of Pharma sector in most part of the world
Directorships held in other companies (excluding foreign companies) as on July 09, 2024	<ol style="list-style-type: none"> 1. Rytus Therapeutics Limited 2. Rytus Healthcare Foundation 3. SSB Seva Kartavya Foundation
Memberships/ Chairpersonship of committees across companies as on July 09, 2024 (only Statutory Committees as required to be constituted under the Act considered)	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Please refer explanatory statement forming part of this Notice
Listed entities from which the Director has resigned in the past three years	Nil
No. of shares held in the Company (as on March 31, 2024)	Nil
No. of board meetings attended during the year	4 out of 5 meetings
Relationship with other Directors/ Key Managerial Personnel.	None
Terms and conditions of appointment including remuneration last drawn	As mentioned in the resolution under Item 4 of the notice



THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and General Circular Nos. 14/2020, 17/2020, 20/2020, dated 8th April 2020, 13th April 2020, 5th May, 2020 respectively and subsequent circulars issued in this regard, the latest being circular dated September 25, 2023 issued by the Ministry of Corporate Affairs and Circular SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 issued by SEBI, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed the services of Bigshare Services Private Limited (Bigshare) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during AGM will be provided by Bigshare.
- ii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- iv. The members may cast their votes on electronic voting system and attend the meeting from their respective locations. The voting period begins on Saturday, September 21, 2024 from 9:00 a.m. (I.S.T) and ends on Monday, September 23, 2024 at 5:00 p.m. (I.S.T). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off i.e. September 17, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter. However, remote e-voting facility will be available during the period of the AGM on Tuesday, September 24, 2024.

- v. **Instructions and other information relating to e-voting and attending AGM through VC is annexed to this notice for information of the Shareholders.** Any person, who acquires shares of the Company and become members of the Company after dispatch of the Notice and holding shares as on the cut-off-date i.e. September 17, 2024 shall follow the same instructions relating to e-voting and attending AGM through VC as given in the accompanying Notice.

A person who is not a Member as on the Cutoff date should treat this Notice for information purposes only.

- vi. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- vii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- viii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- ix. Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat** mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL EASI / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to EASI/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2) After successful login the EASI / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for EASI/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



x. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

xi. LOGIN METHOD FOR E-VOTING FOR SHAREHOLDER OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE & PHYSICAL MODE IS GIVEN BELOW:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on **“LOGIN”** button under the **‘INVESTOR LOGIN’** section to Login on E-Voting Platform.
- Please enter you **‘USER ID’** (User id description is given below) and **‘PASSWORD’** which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID** followed by 8 Digit Client ID as user id.
 - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note: If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on I AM NOT A ROBOT (CAPTCHA) option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on **‘LOGIN’** under **‘INVESTOR LOGIN’** tab and then Click on **‘Forgot your password?’**

- Enter **“User ID”** and **“Registered email ID”** Click on I AM NOT A ROBOT (CAPTCHA) option and click on **‘Reset’**.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on **“VIEW EVENT DETAILS (CURRENT)”** under **‘EVENTS’** option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on **“VOTE NOW”** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option **“INFAVOUR”, “NOT IN FAVOUR”** or **“ABSTAIN”** and click on **“SUBMIT VOTE”**. A confirmation box will be displayed. Click **“OK”** to confirm, else **“CANCEL”** to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can **“CHANGE PASSWORD”** or **“VIEW/ UPDATE PROFILE”** under **“PROFILE”** option on investor portal.

Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on **“REGISTER”** under **“CUSTODIAN LOGIN”**, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with **“User id and password will be sent via email on your registered email id”**.
- NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on **‘LOGIN’** under **‘CUSTODIAN LOGIN’** tab and further Click on **‘Forgot your password?’**

- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare **E-voting system page** will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.
- Note:** The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your votes elect “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

xii. PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system page** will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to attend the AGM under the dropdown option.
- For joining virtual meeting, you need to click on “**VC/OAVM**” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.



INSTRUCTIONS ON DEDUCTION OF TAX AT SOURCE ON DIVIDEND

Dear Shareholder(s),

The Board of Directors of your company at its Meeting held on May 30, 2024 has recommended dividend of ₹ 0.60 (60%) per equity share of ₹ 1/- each for the Financial Year ended March 31, 2024. The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to the shareholders holding equity shares of the Company, either in dematerialised or in physical form as on record date i.e. September 17, 2024.

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by a company is taxable in the hands of shareholders and the company will be required to deduct tax at source ('TDS') at the time of making the payment of the dividend to the shareholders at the applicable rates.

These instructions summarize the applicable TDS provisions as per the Act, for Resident and Non-Resident shareholder categories.

A. Resident Shareholders:

Resident Individual Shareholders: In terms of the provisions of the Income Tax Act, 1961, tax deductible at source is @ 10% on the amount of dividend declared and paid by the Company in the financial year 2023-24 provided valid PAN is registered by the Shareholder.

No tax shall be deducted on the dividend payable to resident individuals if –

- i. Total dividend payable to the shareholder during the Financial Year 2023-24 does not exceed ₹ 5,000/- (Rupees Five Thousand only); or
- ii. The shareholder provides a written declaration in prescribed Form 15G (applicable for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (applicable to an Individual above the age of 60 years with no tax liability on total income) and send duly filled Forms at tds@bigshareonline.com.

Form 15G and 15H can be downloaded from the website of the RTA of the Company at <https://www.bigshareonline.com//>.

Please note that PAN is mandatory. If PAN is not registered/ PAN is invalid, tax would be deducted @20% as per Section 206AA of the Income Tax Act, 1961. **No claim shall lie against the Company for such taxes deducted.**

Resident Shareholders other than individuals: In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Income-tax Act, 1961, no tax shall be

deducted at source ('NIL rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. The minimum details required for the aforesaid category are given below:

Insurance Companies: Public and Other Insurance Companies, a declaration that they have a full beneficial interest with respect to the shares owned by them along with PAN.

Mutual Funds: Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.

Alternative Investment Fund (AIF): AIF established / incorporated in India - Self-declaration that their income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.

Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income as per Section 196 of the Act: Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.

Other Resident Non Individual Shareholders: Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit a self attested copy of the PAN card along with the documentary evidence in relation to the exemption from the provisions of TDS as per Income Tax Act, 1961.

In cases where shareholders provide certificate under section 197 of the Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

Application of NIL rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

B. Non- Resident Shareholders

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case certificate issued under section 197/ 195 of the Income Tax Act, 1961 is given by the

non-resident shareholders, rate specified in the said certificate shall be considered on submission of self-attested copy thereof.

However, as per Section 90 of the Income tax Act, the nonresident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

1. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident
3. Self-declaration in Form 10F available at [https://www.bigshareonline.com/ /Resources.aspx#fp](https://www.bigshareonline.com/Resources.aspx#fp) if all the details required in this form are not mentioned in the TRC
4. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty
5. Self-declaration of Beneficial ownership by the nonresident shareholder containing the following:
 - a) Shareholder is and will continue to remain a tax resident of the country of his residence during the financial year 2024-25;
 - b) Shareholder is eligible to claim the beneficial DTAA rate, including having regard to the Principal Purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the company;
 - c) Shareholder has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner;
 - d) Shareholder is the ultimate beneficial owner of the shareholding in the company and dividend receivable from the company; and
 - e) Shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2024-25.

The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholders.

Where the PAN is either not available or is invalid, DTAA benefit shall not be granted and tax shall be deducted at the prescribed rate or 20% (plus applicable surcharge and cess), whichever is higher.

Notwithstanding as mentioned above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ("FII") and

Foreign Portfolio Investors ("FPI") in accordance with the provisions of section 196D of the Act. Such TDS rate shall not be reduced on account of the applicable favorable DTAA rate, if any.

Notwithstanding anything contained herein, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Income-tax Act, 1961 or at the rates in force (plus applicable surcharge and cess), whichever is higher, from the dividend payable to such shareholder in accordance with Section on 94A of the Income Tax Act, 1961.

C. For all Shareholders

Please note that the aforementioned documents are required to be submitted through post to the Registrar and Transfer Agent viz. Bigshare Services Pvt. Ltd. or online at www.bigshareonline.com by uploading all supporting documents. In case of any query, shareholders can write to investor@bigshareonline.com and copy to companysecretary@marksanspharma.com on or before September 06, 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication on the tax determination / deduction shall be entertained post September 06, 2024. The Company is obligated to deduct TDS and no request will be entertained for revision of TDS return thereafter.

Kindly note that where the requisite documents furnished by the shareholders are incomplete or not properly executed, DTAA benefit / lower rate benefit shall not be granted and tax shall be deducted at the prescribed rates as mentioned above (plus surcharge and cess, wherever applicable). In case the requisite documents are submitted by the shareholders through his/ her registered email, the Company has full right to demand for the original documents and the shareholders undertake to abide by such request. Documents received by Registered Post or from registered email ID will only be accepted.



In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts. It is clarified that in such cases the total dividend amount will be clubbed on the basis of the PAN of the shareholder and prescribed tax as applicable will be deducted by the company.

We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the dividend.

It may further be noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with the shareholder to file the return of income in India and claim an appropriate refund, if eligible.

No claim shall lie against the Company for such taxes deducted.

In order to facilitate receipt of dividend directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf/ bank pass-book statement with your name and bank account details and a duly self-attested copy of your PAN card with Company's RTA M/s Bigshare Services Pvt. Ltd. We also request you to register your email IDs and mobile numbers with the Company or Bigshare Services Private Limited at the above mentioned email IDs.

We request your cooperation in this regard.

Yours faithfully,
For **Marksans Pharma Limited**

Sd/-
Harshavardhan Panigrahi
Company Secretary



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