Marksans Pharma Ltd.

1st October, 2018

BSE Limited
Corporate Relation Department
Phiroze Jeejeeboi Towers,
Dalal Street,
Mumbai – 400001.
Scrip Code: 524404

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.
Symbol: MARKSANS

Dear Sir/Madam,

Sub: Submission of Annual Report for the Financial Year 2017-18.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith kindly find Annual Report of the Company for the Financial Year 2017-18 duly approved and adopted in the Annual General Meeting of the Company held on 27th September, 2018.

You are requested to note the above in your records.

Thanking You,
For **Marksans Pharma Limited**

Harshavardhan Panigrahi
Company Secretary & Manager-Legal

Enclosed as above

Marksans Pharma Ltd.
11th Floor, "GRANDEUR", Opp. Gundecha Symphony, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai - 400 053 • Tel.: +91 22 4001 2000 • Fax : +91-22 4001 2011
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Marksans Pharma Ltd.

newhorizon

MARKSANS PHARMA LTD.
ANNUAL REPORT 2017-18

At Marksans, we believe that a challenge is merely a mask for new opportunities.

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The result is that we embrace challenges. We respond with speed. We perceive what most might miss. We transform problems into opportunities.

We strengthened processes, built capabilities, extended the value-chain, empowered professionals and delivered profitable growth.

In doing so, we believe we are attractively placed to perceive a new horizon.

10 things to know about Marksans Pharma Limited

1 Background

Marksans Pharma is India's leading pharmaceutical player focusing on the key regulated markets of the US, the UK and Australia, among others. The Company is engaged in the research, manufacture and marketing of generic pharma solutions in these markets.

2 Ethics

Vision: To build a global pharmaceutical company with a strong presence across both regulated and emerging markets – export-focused from day one!

Core values

Achievement	Respect	Knowledge	Honesty and integrity
We applaud achievement and strive towards our vision with perseverance	We respect all our stakeholders	We value knowledge for it empowers our people to develop innovative solutions and to manage change	We perform our duties with extreme honesty and integrity

3 Presence

Marksans Pharma is headquartered in Mumbai. It has subsidiaries in the United Kingdom, United States and Australia coupled with proprietary marketing networks in these countries (among a handful Indian companies).The Company has three manufacturing units in India, the UK and the US:

4
Listing

The Company is listed on the Bombay Stock Exchange (scrip code: 524404) and the National Stock Exchange (scrip code: MARKSANS). The company enjoyed a market capitalization of ₹1,295.48 crore as on 31 March 2018.

5
Compliance

Marksans strengthened its compliance in line with demanding standards of regulated markets. The company's manufacturing units are USFDA and UKMHRA and Australian TGA-approved, strengthening revenues from regulated markets. The Company consistently strengthened its compliance standards through proactive investments in people, technologies and processes.

6
Markets

The Company markets products in 25+ countries with the UK and the US being the largest. The Company's prominent markets, include Australia, New Zealand, Canada and several other European countries. To expand its global footprint, Marksans entered into strategic tie-ups and acquired key players in major markets.

7
Portfolio

Marksans Pharma manufactures and markets analgesics, expectorants, anti-diabetic, cardiovascular, central nervous system, gastrointestinal and oncologic drugs as well as antibiotics and anti-allergics. The Company undertakes cutting-edge R&D initiatives and offers CRM services to global pharmaceutical companies.

8
Verticals

The Company's business is classified under four heads: North America/ US generics, Europe/UK generics (Relonchem & Bell in the UK), Australia and New Zealand (Nova in Australia), and rest of the world generics (CIS, Middle Eastern, African and South-East Asian countries, among others).

Farmingdale, United States
5 bn
tablets and hard capsules per annum

Verna, Goa
2.4 bn
capsules per annum

5 bn
tablets per annum

Southport, United Kingdom
13.6 mn
bottles per annum

7.8 mn
tubes per annum

5.7 mn
sachets per annum

9 Segment-wise exports

Therapeutic segment-wise exports on a consolidated basis for the last three years

Sales In ₹ Crores

Segment	2017-18	2016-17	2015-16
Pain management	286.58	271.82	370.58
Cardiovascular System (CVS)	140.43	112.70	113.15
Cough and cold	113.52	110.29	127.25
Central Nervous System (CNS)	106.71	40.51	43.95
Anti-diabetic	80.34	92.65	147.09
Gastrointestinal	78.56	66.82	44.79
Miscellaneous	77.05	44.88	29.31
Anti-allergic	21.93	16.97	15.54
Anti-biotic	7.93	17.42	10.54
Total	**913.05**	**774.18**	**902.19**

Segment	2017-18	2016-17	2015-16
Rx	510.76	325.14	404.36
OTC	402.29	448.93	497.83
Total	913.05	774.18	902.19
Rx	55.94%	42.00%	44.82%
OTC	44.06%	58.00%	55.18%
Total	**100.00%**	**100.00%**	**100.00%**

10 Milestones

2001

Incorporated as a wholly-owned subsidiary of Glenmark Pharmaceuticals Limited

2003

Spun-off into a separate entity called Glenmark Laboratories Limited with the name changed to Marksans Pharma Limited

2005

Acquired Nova Pharmaceuticals Australasia Private Limited

Country-wise exports on a consolidated basis for the last three years

Sales in ₹ crores

Country- wise exports	2017-18	2016-17	2015-16
Europe and the UK	415.16	286.18	418.19
The US and North America	371.50	349.43	325.81
Australia and New Zealand	99.07	105.60	107.76
RoW	27.32	32.98	50.43
Total	**913.05**	**774.18**	**902.19**

2007

Acquired Bell Sons & Company (Druggists) Limited in the UK

2008

Acquired Relonchem Limited in the UK

2011

Received first ANDA approval in the USA

2015

Acquired Time-Cap Laboratories Inc. in the US

Key therapeutic segments addressed by Marksans Pharma

Pain management

Overview
Extremely fragmented market with several small and large players

Key markets
- North America has the largest market share
- Europe is the second largest in terms of market share

Key growth drivers
- Cancer pain management in terms of disease identification
- On the basis of type of therapeutics, the market for opioids and NSAIDS will flourish
- Growing geriatric population, changing lifestyles, rising number of surgeries and an alarming rise in the incidence of chronic diseases

Expected market size
US$488,253.4 mn by the end of 2025

Cardiovascular system (CVS)

Overview
It covers the drugs used to treat conditions that affect the heart or blood vessels including heart stroke, coronary artery diseases, valvular diseases, peripheral venous diseases, pericarditis, endocarditis, cardiac tumours, arteriosclerosis, and lymphatic diseases.

Market size
US$80 bn in 2016

Key markets
- North America was the largest region in 2017, with ~40% market share
- Asia Pacific was the second-largest region with ~23% market share
- Western Europe was the third-largest region with ~20% market share

Relevance
According to the WHO, cardiovascular diseases account for 31% deaths globally affecting ~ 17.7 million individuals

Expected market size
US$91 bn by 2025

Central nervous system (CNS)

Overview
Includes medications that are used in the treatment of diseases affecting the brain or spinal cord.

Market size
~US$71 billion in 2017

Key markets
North America was the largest in 2017 with ~40% market share

Expected market size
~US$82 billion in 2020.

Anti-diabetic

Overview
Escalating diabetic prevalence is driving the global anti-diabetics market. According to the WHO, diabetes will be among the leading causes of death by 2030.

Market size
The global anti-diabetic drug market is valued at US$49,600 million in 2017

Growth drivers
Growing geriatric population, sedentary lifestyles, increasing obesity, high-stress levels are considered as the major driving factors for the growth of the oral anti-diabetic drugs market

Expected market size
~US$96,700 million by the end of 2025, growing at a CAGR of 10% during 2018-2025

Anti-allergy

Overview
It includes drugs used for treating inhaled allergy, food allergy and drug allergy

Key market
North America

Growth drivers
- The growing consumption of tobacco and subsequent prevalence of tobacco-induced allergies
- Growing incidences of asthma and allergic rhinitis

Expected market size
US$41.17 bn by 2025, expanding at a 5.5% CAGR between 2017 and 2025

Gastrointestinal

Overview
These medicines are used for the treatment of ulcerative colitis, diverticular disease, perianal infections, anal fissures, haemorrhoids, constipation and irritable bowel syndrome. The key gastrointestinal diseases drug categories include anti-peptic agents (antacids, antagonists, proton pump inhibitors, sucralfate, and misoprostol), anti-emetics, adsorbents, anti-cholinergics, opiates, intestinal flora modifiers, emollient/surfactants, hyperosmotics, salines, and simulants/irritants.

Market size
~US$54 billion in 2017

Key markets
North America was the largest region with >30% market share

Expected market size
It is expected to grow at a CAGR of 4.8% between 2017 and 2023, to reach US$59.3 billion by 2024.

Anti-biotic

Overview
Antibiotic drugs are used to treat bacterial infections.

Market size
US$39.8 billion in 2015

Trend
~37 promising molecules were being investigated within the US market with the majority of them being in phase II of clinical trials and are anticipated to hit the market between 2018 and 2020

Growth drivers
Predicted rise in the incidence of infectious diseases across the globe, emerging infectious diseases, and the current gap in supply and demand of antibiotics

Growth
It is expected to witness a CAGR of 4% over 2018 to 2024

Cough, cold and allergy medicines

Overview
Cough, cold and allergy medicines are among the most common OTC (over-the-counter) categories

Key market
The Asia-Pacific excluding Japan enjoys the primary market share

Growth drivers
- Increasing number of immunosuppressed individuals
- Rising global geriatric population

Expected market size
The market is poised to grow at a CAGR of 4.9% between 2017 and 2022 to reach a valuation of ~US$37,300 mn

Mark Saldanha,
Managing Director

"Our perfromance in 2017-18 reflects that we have resumed our growth journey"

Dear shareholders,

It gives me pleasure to review the performance of the Company during the fiscal gone by.

A convergence of adverse external realities had decelerated our growth during FY2016-17. We underwent a number of audits during the year under review and I am pleased to report that we passed them all, validating our competence in this segment that holds out attractive revenue prospects across the foreseeable future.

I am even more pleased to informed that we reported a turnaround in performance during the year under review. We reported a 17.94% growth in revenues, a 67.78% growth in EBIDTA, a 272.69% growth in PAT, indicating conclusively that we have resumed our growth journey.

Operational highlights, FY2017-18

The most prominent achievement of FY2017-18 was the successful completion of factory audits by UK MHRA in UK (Bell) and US FDA (Time-Cap). These approvals provided us with necessary clearances to resume our presence in these regulated markets.

Although a number of Indian companies had also faced regulatory hurdles in the past and to this extent we were not the only ones who were affected, I am pleased to state that Marksans was one of the quickest in clearing them successfully. This early resolution was the result of proactive measures taken in standardising critical processes, training people in functional and behavioural aspects and ensuring a rigorous compliance with stringent norms.

A sluggish UK market was one of the reasons behind our underperformance in FY2016-17. A visible improvement in the market during FY2017-18 allowed us to grow our Europe and the UK formulations revenues by 45.07% and improve EBITDA margins by 1,214 bps y-o-y.

We consolidated our US presence during our first full-year of integrated operations, penetrating deeper and adding a number of customers that helped reinforce revenues by 6.32% y-o-y. The US continues to be one of the largest revenue-contributing geographies for Marksans, generating 40.69% of revenues and supplying products to all major customers.

We launched nine products across geographies during the year under review, strengthening our performance and creating revenue engines for the future.

Prepared for tomorrow

At Marksans, FY2017-18 marked the beginning of a new growth phase for good reasons.

One, the US, the UK and Australian geographies remained key Marksans markets with all of them being now empowered with all regulatory approvals, we are free to sell our products in these markets.

Two, we are among a handful of Indian players with a proprietary marketing presence in the world's largest pharma market – the US. By eliminating third-parties from the value chain, we protected our margins.

Three, we strengthened our US product pipeline to be launched in three to five years covering high-growth segments like cardiovascular, pain management, anti-diabetic, central nervous system, gastroenterology and anti-allergy, among others.

Four, the UK market, post-Brexit, began to report a rebound and our recent UK MHRA certification has brightened our prospects in that country.

Five, our state-of-the-art R&D centre in Navi Mumbai focusing on formulations and novel drug delivery systems addressing the regulated markets became functional under a strong team.

Six, we took a number of decisive initiatives in preparing dossiers for regulated markets, covering an exciting basket of products by leveraging proprietary R&D capabilities.

Seven, the combination of the right capacities and capabilities is expected to translate into sustainable growth.

Eight, we repaid long-term loans, deleveraged the Balance Sheet and reinvested the surplus in R&D, capacity creation and brownfield expansion.

Nine, we are widening our products portfolio in the complex and high-margin generics segment.

Ten, following our strong base in regulated markets, we are focusing on emerging markets segregated across four groups (South East Asia, Middle East, Russia/CIS countries and Africa), deepening our focus in each and filing relevant dossiers. We launched the CNS-Cerebella division in FY2017-18 and ramped our Indian marketing team to derive 10% of our revenues from this geography by 2022.

Creating a forward-integrated business model

We are proud to state that we are among a few mid and small-sized pharma companies to have created an integrated business model. Our in-house R&D team is engaged in creating and filing dossiers across major markets and helping commercialise these products through front-end companies. This distinctive business model makes it possible to develop products with low project investments coupled with low intermediation expenses as we market directly to customers.

In conclusion

I must thank all our shareholders for their support through a challenging phase. I must assure that we are on the verge of capitalising on opportunities that continue enhancing value for all our stakeholders across the foreseeable future.

Mark Saldanha
Managing Director

Our performance ambition

Goal

To be among the top Indian pharmaceutical companies operating in the US, Europe and emerging markets

Demand drivers

- Growing incidence of lifestyle diseases
- Lucrative opportunities in the off-patent market
- Less competition in niche dosage forms

Strategic roadmap

- Ramp-up R&D capacities for product development
- Increase proportion of in-house products manufacture
- Market through own companies in key markets
- Build a robust pipeline of high-growth products
- Gain approvals from key regulatory authorities
- Penetrate deeper in emerging markets

Key initiatives, FY2017-18

- Launched nine new products across markets
- Entered two geographies in emerging markets
- Underwent audits by regulatory authorities
- Filed approvals for 12 new products

Financial performance

- Grew revenue by 17.94% y-o-y
- Increased EBIDTA by 67.78% y-o-y
- Enhanced net profit by 272.62% y-o-y

Differentiators

- Strategic focus on regulated markets
- Low-cost manufacturing capabilities
- Forward-integrated business model
- Wide range of products
- Niche formulations with few competitors
- Adequate manufacturing capacities across locations
- IP rights for >500 products in semi-regulated markets

Benefits of soft gel capsules

Soft gels are easy to swallow and once swallowed, release their contents very quickly.

They possess the ability to mask odours and unpleasant tastes

They possess and elegant appearance

They readily dissolve in the gastric juices of the digestive tract

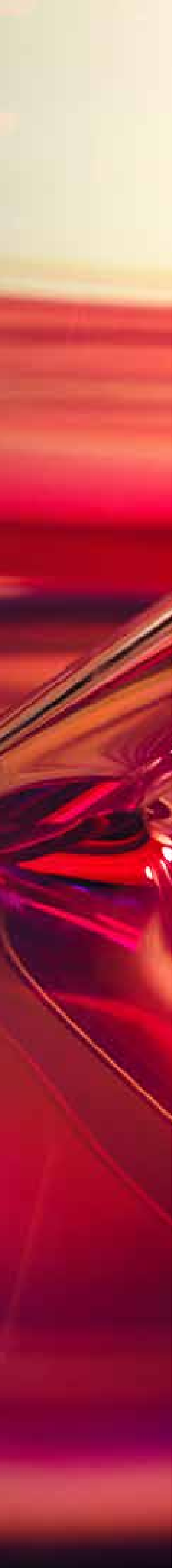
They may enhance the bioavailability of the active ingredient

In specialized dosage forms, soft gels can be made into chewable, extended release, captabs, among others. They can also be used for ophthalmic preparations, e.g. aplicaps, vaginal/rectal suppositories.

They ensure dosage accuracy, uniformity and precision dosage

Product security ensured through a tamper-resistant packaging (a punctured or tamper softgel will leak or become discolored). It also prevents counterfeit.

Provides better product stability as sealed container protects from light for photosensitive formulation, oxidation and degradation.



Research and development

R&D continues to be the backbone of the Marksans growth story.

In FY2017-18, Marksans commissioned a state-of-the-art R&D centre at Navi Mumbai (apart from one in Goa) equipped with latest technologies, equipment and high calibre scientists addressing the development of new products across different delivery platforms for USA,UK/EU, Australia, Canada and RoW markets.

The company's R&D is focussed on the development of new products and drug delivery systems, working on new formulations based on a defined pipeline.

The new products are selected on the basis of the additional value we can bring to the market as opposed to a me-too approach. This product selection is based on insights in existing and potential markets.

The company leverages its capability through expertise in oral dosage forms like tablets, capsule, soft gelatine capsules, modified/ extended release dosage forms, tropical creams and ointments and oral liquids.

It continues to focus on OTC and prescription products across focus markets.

The company's R&D facilities develop skills that ensure product safety, efficacy and quality from design to commercial manufacture by following new quality by design (QBD) principles and software. These enable the design of experiments approach in developing robust, reproducible and regulatory-compliant products.

The company focuses on the accelerated development of products at affordable prices through a defined strategy. The new R&D facility enhanced the company's capability to accelerate product development and address a growing demand for new products in USA, UK/EU, Canada, Australia and RoW marked by faster turnaround in the generic and OTC segments.

The current year has seen faster development of new products in various dosage forms like oral solids, oral liquids and soft gelatine capsules for different products for various markets. The company is positioned for sustained growth as its research facilities provide a basket of new products.

The Company registered products across markets, nearing regulatory approvals based on targeted milestones for approval based on complete filing of about 10 products by March 2019.

The company continues to explore opportunities through in-house expertise and collaborations.

Its portfolio management is designed around the following attributes:

- Sound scientific development of critical and life-saving products using latest technologies and profiling
- Using innovative delivery platforms like Rapi-Tec , Min-Gels and Reda-tec to develop new products, benefiting through enhanced patient comfort as well as improved dosing and safety compliances
- Continued high service to markets through a reliable supply chain
- Differentiated portfolio for the US, UK/EU, Australia, Canada and other markets for OTC and prescription products segments

Outlook

The Company expects to encounter exciting opportunities in developed markets through integrated product development, cGMP compliance, regulatory compliance and utilisation of latest technologies.

The Company pursues an innovative R&D approach backed with low risk and decisive management inputs that facilitate a healthy pipeline of products. Our R&D drives innovation in meeting business strategy and success.

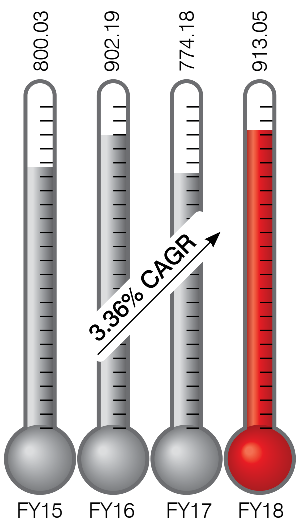
The Company continues to be engaged in the creation of a strong product pipeline along with efficient regulatory filings coupled with excellence in cGMP and manufacturing operations.

The company continues to maintain regulatory certifications with MHRA, TGA and USFDA, based on recent inspections.

FY18 was a turnaround year for the company

Better revenues

₹, crore



Definition

Sales growth without deducting GST.

Why we measure

This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply-chain management.

Performance

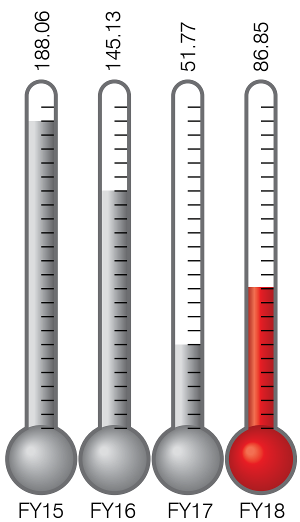
Our aggregate sales increased by 17.94% to ₹913.05 crore in FY 18.

Value impact

Creates a robust growth engine on which to build profits.

Growing profitability

EBIDTA ₹, crore



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure

It is an index that showcases the company's ability to optimize business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

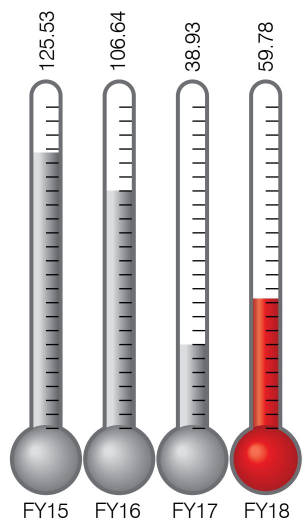
Performance

The company reported a 67.76% increase in its EBIDTA in FY 18 – an outcome of painstaking efforts of its team in improving operational efficiency.

Value impact

Higher EBIDTA reflects better operational efficiency.

Cash profit ₹, crore



Definition

Profit earned during the year adding depreciation and deferred tax.

Why we measure

It highlights the strength in the business model in generating value for its shareholders.

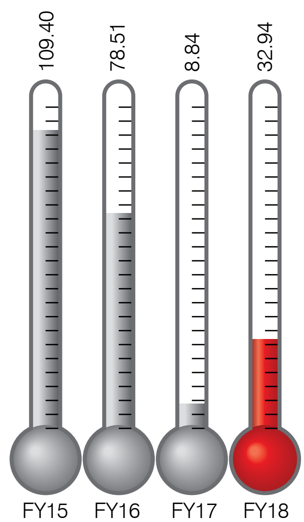
Performance

The company reported a 53.56% increase in its cash profit in FY18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact

Strong cash pool generated in the business.

PAT ₹, crore



Definition

Profit earned during the year after deducting all expenses and provisions.

Why we measure

It highlights the strength in the business model in generating value for its shareholders.

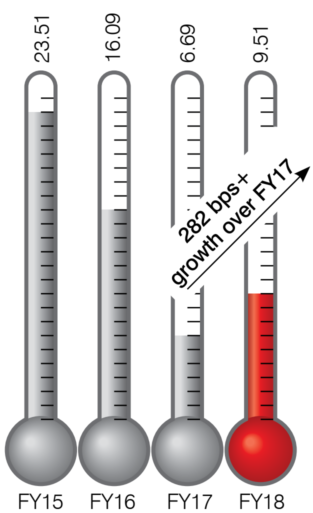
Performance

The company reported a 272.62% increase in its net profit in FY18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact

Adequate cash pool available for reinvestment, accelerating the growth engine.

EBIDTA margin
%



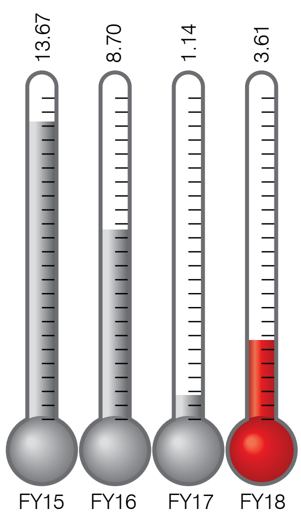
Definition
EBITDA margin is an assessment of a company's operating profitability as a percentage of its total revenue.

Why we measure
The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
The company reported a 282 bps increase in EBIDTA margin in FY18. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business.

Value impact
Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses.

PAT margin
%



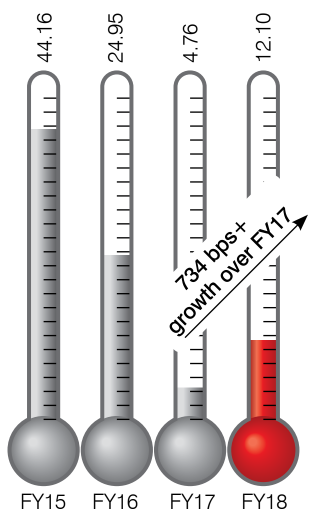
Definition
PAT margin is a profitability ratio used to measure a company's overall business efficiency. Higher the PAT margin, better for the company.

Why we measure
The PAT margin gives an idea of how much a company earns (after accounting for interest and taxes) on each rupee of sales.

Performance
The company reported a 247 bps increase in PAT margin in FY18. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business.

Value impact
Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses.

Robust returns
ROCE (%)



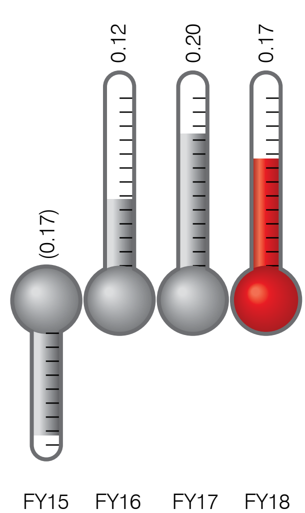
Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance
The company reported a 734 bps increase in ROCE in FY18 – a showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

Value impact
Enhanced ROCE can potentially drive valuations and perception.

Deleveraged Balance Sheet
Debt-equity ratio



Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure
This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

Performance
The Company's gearing moderated from 2.62 in FY12 to 0.17 in FY18. It is recommend that this ratio be read in conjunction with net debt/ operating profit (declining, indicating a growing ability to service debt).

Value impact
Enhanced shareholder value by keeping the equity side constant while enhanced flexibility in progressively moderating debt cost.

How we have transformed over the years

Geographic presence and growth	• Marksans commenced business with CRAMS directed at the UK and Australian markets • The Company entered the US market in 2011-12; acquired Time-Cap Laboratories in 2015 • The Company entered the regulated Australian market with the acquisition of Nova • The Company now has a global presence across 25 countries	**The Company was largely a manufacturing company**	• Marksans commenced operations as a formulations manufacturing enterprise • The Company entered into front-end marketing in regulated markets • The Company was among a few Indian mid-sized companies with front-end marketing capabilities • The Company invested in a state-of-the-art R&D facility, strengthening integration
Wider product basket	• Marksans commenced its journey with products addressing the pain management segment • The Company focused on high-growth areas impacted by lifestyle disorders • The Company launched soft gelatin capsules, a niche category • The Company now offers products across >10 therapeutic segments	**Deleveraged Balance Sheet**	• Marksans reported a peak debt-equity ratio of >3 in 2008 • The Company ploughed profits into debt repayment and business expansion • The Company repaid all long-term debt in 2014-15 • The Company's debt-equity ratio was 0.17 as on 31st March 2018

Our business strategy

Value-creation matrix

Focus on innovation
- Niche dosage forms to drive margins
- Create a strong pipeline of products

Cost leadership
- Focus on low-cost manufacture
- Majority of manufacturing conducted in-house

We enhance value for our ecosystem through various business-building initiatives

Enhancing **shareholder value through**

- Focus on growing therapeutic segments
- Niche categories like soft gel capsules
- Strong product pipeline
- Forward-integrated business model
- Deleveraged balance sheet
- Expanding presence in key emerging markets
- Surplus reinvestment
- Build new distribution channels

Business sustainability driving **value creation for stakeholders**

Shareholders	• Strong dividend policy • Drive market capitalisation • Focus on free cash generation
People	• Employee and vendor engagement • Drive professional and personal development • Fair wages
Customers	• Effective problem-solving • Quality products
Communities	• Environment-friendly • Responsible and ethical • Drive community development

Supplier of choice
- Quality products
- On-time supply
- Presence in high-growth therapeutic segments

Robust people practice
- Superior talent management
- Industry-best compensation packages

Responsible corporate citizenship
- Society
- Education
- Healthcare

Stronger innovation focus

In the business of pharmaceuticals, success is derived from the manufacture and marketing of non-infringing products.

Marksans invested in innovation that translated into a strong product pipeline, ensuring efficient product filing with regulatory agencies that translated into a superior market access on the one hand coupled with strengthening the product pipeline leading to a sustainable growth in revenues on the other.

Cost leadership

In the business of pharmaceuticals, the sustainably competitive company is inevitably the one with the lowest costs.

Over the years, Marksans has invested in initiatives related to process excellence, maximised share of in-house manufacture and direct marketing in key markets, helping moderate operating costs and enhance margins.

Supplier of choice

In the business of pharmaceuticals, success is derived from the ability to enhance or protect one's profitability through a presence in niche under-penetrated segments.

Over the years, Marksans emerged as a respected pharmaceutical player, deriving 95% of its revenues from regulated markets. The Company engaged in the manufacture of soft gelatin capsules, a space largely ring-fenced from competition due to high knowledge barriers.

Robust people practices

In the business of pharmaceutical manufacture and marketing, there is a premium on capabilities related to product selection, geographic presence and process integrity that could influence profitability.

Marksans has consistently invested in growing its human capital through prudent recruitment, engagement and empowerment translating into career growth.

The Company's team of 785 people comprised MBAs, PhDs, scientists and others as on 31 March 2018.

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities: Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, a good 60 bps higher than the previous year.

Crude oil prices increased in 2017, the prices at the beginning of the year being $54.13 per barrel, declining to a low of $46.78 per barrel in June 2017 and closing the year at $61.02 per barrel, the highest since 2013.

Global economic growth for 6 years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

A review of the various national economies is provided below:

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US$1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2 in 2017 despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

Euro zone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, Euro zone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. Unemployment declined to 8.8% in October 2017, the lowest since January 2009. (Source: WEO January 2018, focus economics).

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. The region is being transformed by technologies and the Internet, strengthening the digital economy. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Prospects for emerging market and developing economies in sub-Saharan Africa, Middle East, and Latin America was lacklustre with several experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustment to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and impact of tax policy changes in the US. *(Source: WEO, IMF)*

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.6% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies, and achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP.

The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant steps towards the resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

India's economic success helped South Asia emerge as the fastest-growing region in the world. India is the world's seventh-largest economy, growing faster than any other large economy (except China). The country is home to 1.34 billion people – 18% of the world's population. It is likely to overtake China as the world's most populous country by 2024. By 2050, India's economy is projected to be the world's second-largest (behind China).

World Economic Forum's Global Competitiveness Report 2017 ranked India at an impressive 23 in the Global Competitiveness Index from 39 in 2016. Disruptions by demonetisation could have dampened short-term GDP growth, but could prove beneficial across the long-term. The imposition increased digital transactions, now easier to track and tax.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as the corporate sector adjusts to the GST. Over the medium-term, GST introduction is expected to catalyse economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit to the private sector and spur investment. *(Source: IMF, World Bank)*

Global pharmaceutical sector overview

The global prescription drug market grew by 1.2% during 2017 to reach US$825 billion from US$814 billion in 2016 following in a dip in the US dollar value compared to other currencies, especially Asian ones. Owing to rising healthcare spending across the globe, the global pharmaceutical industry has grown visibly. Of the revenues generated from pharmaceutical industry,

Pharmaceutical spending per capita (US$)

The US 1,160	Switzerland 1,056	Canada 838	Japan 803
Germany 766	Ireland 684	Belgium 679	France 688

the majority share belonged to the US, which accounted for a 33% share, followed by Western Europe (22%), China (10%) and Japan (9%).

Global biopharmaceuticals sector overview

Global spending on biopharmaceuticals grew by 7% to reach US$197 billion in 2017. These drugs now account for a 24% share of the overall market. Within this category, drugs using antibody technology grew by 16.6% to reach US$100 billion. Over the past decade, the biopharmaceutical market has grown at a CAGR of 7.4% compared with 2% for all other drugs.

Global generics sector overview

Generic drugs are low-priced copies of off-patent medicines. They serve a critical purpose in healthcare provision: allowing cheap competition to older medicines frees up resources to pay for newer, innovative treatments. Generics drugs have made it possible to reduce the total cost of care as they cost 75-90% less than their branded equivalents. The global generic drugs market reached ~US$ 245 billion in 2017. The use of generics saved the US healthcare system an amount of US$253 billion during 2016 and US$1.67 trillion over the last decade. Generic drugs make up >80% of the volume of drugs dispensed around the world, and the volume is expected to grow as more drugs lose patent protection. The global generic drugs market was pegged at US$185 billion in 2016, 17% of the global pharmaceutical market. Generic drugs accounted for 28% of the total pharmaceutical sales worldwide in 2017. Additionally, there were 847 generics approved in 2017, up by 37% from the previous record (633) in 2016 as well as 73 unique ANDAs approved during the same period. *(Source: Association for Accessible Medicines)*

Outlook

The global pharmaceutical sector is estimated to reach US$1.5 trillion by 2021(invoice price basis). Generic drugs are estimated to account for 29.2% of the total pharmaceutical sales worldwide by 2022. The worldwide market for diabetic drugs is expected to grow at a CAGR of ~5.4% over the next five years, to reach US$77,900 million in 2023 (from US$57,000 million in 2017). Global branded drugs spending is forecast to increase to ~US$ 832 billion by 2021 while global generic drugs spending is expected to increase to ~US$ 505 billion by 2021. Generic drug sales are expected to account for a 29.2% share of the total pharmaceutical sales worldwide in 2022, compared to ~28% in 2017. Emerging markets and the US will drive this in a bid to cut down on healthcare costs. (Source: Quintiles-IMS, IFPMA, Euler Hermes)

Growth drivers

Healthcare budgets: Global healthcare budgets are projected to increase at a rate of 4.1% between 2017 and 2021, up from a rate of 1.3% between in 2012 and 2016.

Generic drugs: Generic drugs are available at 75-90% cheaper than their branded equivalents. Aided by generic drugs, the global pharmaceutical sector is estimated to grow.

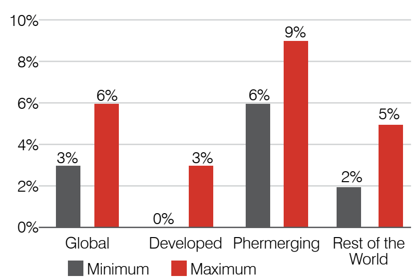
Governmental focus: Governments of low-income countries have been striving to lift the healthcare standards of their respective countries. Consequently, the healthcare expenditure as percentage of GDP in these countries have increased palpably.

Increasing awareness: Increasing awareness across the world has propelled people to increase their healthcare expenditures.

Diabetic patients: In 2017, ~8.8% of the adult population worldwide had diabetes. This figure is projected to rise to 9.9% by 2045.

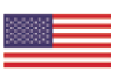
(Source: Statista, CIO WM Research)

Projected growth of the world pharmaceutical market between 2018 and 2022*



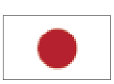
(Source: Statista)

Share of pharmaceutical revenues (%)


The US
33


Western Europe
22


China
10

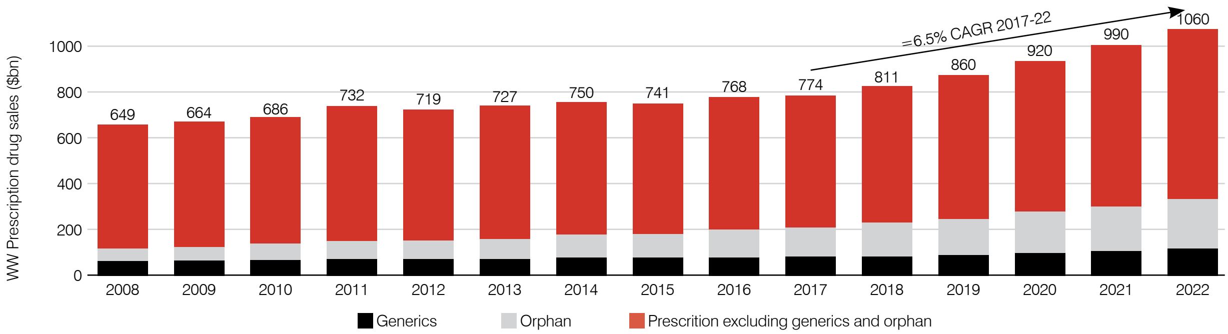

Japan
9


Russia
4


India
4

(Source: Statista)

Worldwide total prescription drug sales



(Source: Deloitte)

Indian pharmaceutical market overview

The Indian pharmaceutical sector was valued at US$33 billion in 2017. India's pharmaceutical exports stood at US$17.27 billion in 2017-18. In 2017, 38% of India's formulated product exports were to the US followed by 20% to Sub-Saharan Africa. India is the world's largest provider of generic medicines with the country's generic drugs accounting for a 20% share of global generic drug exports (in terms of volume). India's drugs are exported to >200 countries in the world, with the US being the key market. Indian pharmaceutical industry addresses >50% of the global demand of vaccines, 40% of generics in the US and 25% of all medicines in the UK. Indian pharma companies spend 8-13% of their total turnover on R&D initiatives. OTC medicines and patented drugs constitute 21% and 9%, respectively, of the US$20 billion-market. Indian companies received 304 ANDA approvals from the USFDA in 2017. The country accounts for ~30% (by volume) and ~10% (value) of American generics market worth US$70-80 billion.

Outlook

The Indian pharmaceutical industry is expected to grow from US$33 billion in 2017 to US$55 billion by 2020 at a CAGR of 22.4% between 2015 and 2020 and the export is expected to reach US$20 billion by 2020. The domestic generic drug market is expected to reach US$27.9 billion by 2020 from US$26.1 billion in 2016. India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of ~30% a year and reach US$100 billion by 2025. Medical spending in India is expected to increase at a CAGR of 9-12% between 2018 and 2022 to US$26-30 billion. The Indian OTC market is expected to grow at a CAGR of 9% between 2016 and 2026.

Government initiatives

- In March 2018, the Drug Controller General of India announced plans to start a single-window facility to provide consents, approvals and other information.
- The Government of India invoked the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the affordability and availability of medicines.
- The National Health Protection Scheme is the largest government-funded healthcare programme in the world, and is expected to benefit 100 million poor families in the country by providing a cover of up to ₹5 lac per family per year for secondary and tertiary care hospitalisation.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture.

(Source: IBEF)

Demand drivers

Rising population: 1.5 million people are added every year to India's population and it is estimated that India will become the most populous country by 2022. Consequently, the patient pool is expected to increase at a rate of 20% over the next decade.

Governmental impetus: >650 million people are expected to be covered by health insurance by 2020. Central Government-sponsored programmes provided health benefits to >380 million people classified to be living below the poverty line during 2017.

Medical tourism: Serving >300,000 international patients annually, India's medical travel industry is growing at a rate of 25%. India welcomes most of its medical travellers from Bangladesh, the Turkic States, the Middle East and East Africa as well as a number of developed countries.

Rising incomes: Increase in incomes could drive 73 million households to the middle-class over the next decade, accompanied by an increase in unhealthy lifestyles.

Chronic diseases: Cardiovascular diseases (coronary heart disease, stroke, and hypertension) contribute to 45% of all non-communicable disease-related deaths in India, followed by chronic respiratory diseases (22%), cancer (12%) and diabetes (3%).

Hospital market: >160,000 hospital beds are expected to be added each year across the next decade. The hospital market size is expected to increase by US$ 200 billion by 2024.

Generic drugs: Generic drugs manufactured in India account for 20% of global exports in terms of volume, making it the largest provider of generic medicines globally. The generics drug market accounts for ~70% of the Indian pharmaceutical industry and is expected to reach US$27.9 billion by 2020.

(Source: Financial Express, Economic Survey, Livemint, IBEF, WHO)

Export of formulated products from India in 2017

(Source: IBEF)

Pharmaceutical exports from India

(US$ billion)

Year	Value
FY12	10.1
FY13	12.6
FY14	14.5
FY15	14.9
FY16	16.9
FY17	16.8
FY18	17.3

(Source: IBEF)

Human resources

Marksans Pharma believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride association. The employee count stood at 1000 as on March 31, 2018.

Financial review, FY2017-18

Consolidated income for the year increased to ₹912.69 crore compared to ₹767.16 crore in the previous fiscal. Consolidated profit before tax for the year stood at ₹49.80 crore compared to ₹14.90 crore in the previous fiscal. Consolidated profit after tax for the year stood at ₹32.94 crore compared to ₹8.84 crore in the previous fiscal.

GEOGRAPHIC REVIEW

The United States

3,715
Total revenues (₹ mn)

6.32%
y-o-y growth

40.69%
Contribution to total revenues

Overview

The US represents the Company's second-largest market. The Company possesses more than 30 products, positioned in the niche soft gel category and driving superior margins. With 100% integration of Time-Cap Laboratories, the Company created a proprietary marketing presence in the US market. The Company created a strong distribution channel marketing products to major US customers.

Highlights, 2017-18

- Revenue from the US market grew 6.32% over FY17, contributing to 40.69% of the Company's revenues. Margins were under pressure owing to consolidation
- Launched two products and received CRL for 4 ANDAs for approval with the USFDA
- Completed 100% integration with Time-Cap Laboratories
- Added over a dozen customers

Overview of the US market

Size of economy	Per capita income	Health expenditure per capita
Largest (US$20.4 tn)	US$ 53128 (2017)	US$10,348

The U.S. pharmaceutical market is the world's most important national market. Together with Canada and Mexico, it represents the largest continental pharma market worldwide. The United States alone holds over 30 to 40 percent of the global pharmaceutical market.

Specialty drug spending now represents 46.5% of the net per-capita spends in the US. Of the US$12 billion in net spending on new drugs, 75% was for specialty products exclusively. Biosimilars reached around US$900 million in sales in the US in 2017.

The US prescription drug market increased by 1.8% to US$325 bn in 2017, up from US$319 bn in 2016, and currently represents 39% of the global market.

The US generic drug market has witnessed a transformation over the last three decades. From less than 20% of the total prescriptions, generic drugs now account for the majority of the total prescriptions dispensed in the United States. During 2011-2017, the US generic drug market grew at a CAGR of 13% and currently represents a multibillion dollar industry.

The biggest catalyst of this industry is the significantly lower price of generics compared to branded drugs. Although generics are chemically identical to their branded counterparts, they are typically sold at substantial discounts from the branded price.

This has enabled governments and third-party payers to save billions of dollars in healthcare expenditures and resulted in lower co-payments for patients. Other factors such as patent expiration of blockbuster innovator drugs, ageing population and an increasing prevalence of chronic diseases have also acted as catalysts for this market.

Way forward

With a strong marketing team and long-standing relationship with its key customers, the Company expects to strengthen its US operations in the coming years. It expects to add 4-5 new products to its portfolio during the year under review

COUNTRY REVIEW

The UK

4,152
Total revenues (₹ mn)

45.07%
y-o-y growth

45.47%
Contribution to total revenues

Overview

Marksans' UK business is driven by its two subsidiaries – Relonchem and Bell. The UK business is the highest contributor to the Company's revenues. Bell has a strong OTC portfolio with more than 50 products across diverse therapeutic segments and Relonchem's portfolio comprises high-end Rx portfolio of over 100 products. The Company also provides contract manufacturing & research services to some of the pharmaceutical companies in the EU. The Company is positioned as one of the top-10 Indian pharma companies in the UK. The Company tied up with all major retailers such as AAH, Lyods, NHS,Tesco, Asda, Morrisons, Coop, Boots and Superdrug, among others, to market its products.

Highlights, 2017-18

- Grew revenues from this market by 45.07%, enhancing contribution to total revenues to 45.47% in FY18
- Successful completion of UKMHRA audit at the Goa facility resulted in supply resumption from the Goa unit
- Launched five products and filed six MAs during the year under review

Overview of the UK market

Size of economy	Per capita income	Health expenditure per capita
US$ 2.62 tn (2017)	US$ 39753.24 (2017)	US$ 4192

The UK pharmaceutical market is set to grow from US$28.8 billion in 2015 to approximately $43 billion by 2020, at a CAGR of 8.4%, driven primarily by a robust life sciences industry, according to research and consulting firm GlobalData.

Outlook

The Company expects that the UK market will witness significant growth in the coming years. The Company is awaiting approval for around 20 MAs in the UK market.

COUNTRY REVIEW

Australia and New Zealand

991
Total revenues (₹ mn)

6.18%
y-o-y growth

10.85%
Contribution to total revenues

Overview

Marksans carries out business operations in Australia and New Zealand through its subsidiary Nova Pharmaceuticals, a research driven specialty pharmaceuticals company. Nova is one of the leading generics and private label suppliers in Australia.

Highlights 2017-18

- The Australian business generated revenue of ₹99 crore in FY18, a growth of 6.18% over FY17, the third largest revenue contributor for the Company.
- During the year under review, the Company launched two new products in this market

Overview of the Australian market

Size of economy	Per capita income	Health expenditure per capita
US$1323.42 tn (2017)	US$ 55925.93 (2017)	US$ 4708

Australia's pharmaceutical market is set to rise from >$22.85 billion in 2016 to $25.2 billion by 2020 registering a CAGR of 2%. Currently, the pharmaceutical market in Australia represents a knowledge-based, technology-intensive industry, and is positioned to advance Australia's economic output and social well-being. The industry receives significant financial support from the government through the sale of medicine listed in the PBS and the R&D tax incentive,

Outlook

Australia and New Zealand will continue to remain focus markets for the Company.

COUNTRY REVIEW

Rest of the world

273
Total revenues (₹ mn)

17.14%
y-o-y growth

2.99%
Contribution to total revenues

Overview

After creating a significant presence in some of the world's largest regulated markets, Marksans entered the emerging countries across the world. The Company is primarily targeting four major clusters – South East Asia, Russia and the CIS, Middle East and Africa. In these four clusters, it is targeting specific countries like Ukraine, Sri Lanka and Myanmar. The Company has already started filing for approvals in these countries.

Outlook

The Company is strengthening its presence in the target markets and expects to generate 10% of the Company's revenue by FY22.

Operational Review

Revenue
Standalone turnover of the Company increased from ₹21,584.00 Lakh in 2016-17 to ₹29,466.23 Lakh in 2017-18 i.e. increased by 36.52%. This growth has been driven by strong performance of exports to UK & USA.

Cost of sales
Cost of sales increased to ₹16,934.76 Lakh in 2017-18 from ₹11,237.36 Lakh in 2016-17 on account of increase in sales.

Other expenses
Other expenses increased from ₹3,920.74 Lakh in 2016-17 to ₹4300.95 Lakh in 2017-18 i.e. increased by 9.70%..

Depreciation and amortization expenses
Depreciation and amortization expenses decreased from ₹1,500.16 Lakh in 2016-17 to ₹1,225.07 Lakh in 2017-18 i.e. a decrease by 18.34%

Finance cost
Finance cost increased from ₹449.04 Lakh in 2016-17 to ₹766.83 Lakh in 2017-18 i.e. increased by 70.77% on account of increase in interest costs and bank charges.

Reserves and surplus
Reserves and surplus is ₹38,803.97 Lakh in 2017-18 compared to ₹37,795.31 Lakh in 2016-17, an increase of 2.67%.

Short-term borrowings
Short-term borrowings decreased to ₹6,630.88 Lakh in 2017-18 from ₹7,322.92 Lakh in 2016-17 i.e. decrease by 9.45 % due to optimization of working capital cycle.

Trade payables
Trade payables increased to ₹2,333.28 Lakh in 2017-18 from ₹2,060.33 Lakh in 2016-17 i.e. increased by 13.25%.

Other current financial liabilities
Other current financial liabilities increased to ₹126.29 Lakh in 2017-18 from ₹71.20 Lakh in 2016-17, an increase of 77.37%.

Property, plant and equipment
The Company's tangible assets decreased to ₹8,788.18 Lakh in 2017-18 from ₹9,189.77 Lakh in 2016-17, a decrease of 4.37% due to depreciation charge during the year.

Intangible assets
During 2017-18, the Company's intangible assets reduced to ₹0.85 Lakh from ₹202.15 Lakh in 2016-17 due to amortization charge during the year.

Other non-current financial assets
Other non-current financial assets increased to ₹81.66 Lakh in 2017-18 from ₹58.81 Lakh in 2016-17.

Inventories
Inventories increased to ₹4,229.28 Lakh in 2017-18 from ₹2,924.29 Lakh in 2016-17 i.e. increased by 44.63% mainly to support the increase in sale of formulation.

Trade receivables
Trade receivables increased to ₹16,887.22 Lakh in 2017-18 from ₹15,479.85 Lakh in 2016-17 due to higher credit period to customers.

Other current assets
Other current assets decreased to ₹1,899.23 Lakh in 2017-18 from ₹2,991.79 Lakh in 2016-17.

Cash and cash equivalents
Cash and cash equivalents decreased to ₹71.35 Lakh in 2017-18 from ₹256.18 Lakh in 2016-17.

Risk management

Industry risk
A slowdown in the global pharmaceutical market may adversely affect offtake.

Mitigation: The global pharmaceutical market is set to grow at a CAGR of 6.5% per annum to reach US$ 1.5 trillion by 2021.

Regulatory risk
Unforeseen changes in the regulatory environment could lead to operational disruptions.

Mitigation: Marksans is regularly training its human resources with regulatory developments and ensures conformance of the guidelines across the plants. The Company invested in plant automation which is driving regulatory compliances.

Finance risk
Unavailability of long-term funding at competitive costs can be detrimental to the prospects of the Company

Mitigation: The Company is regularly ploughing back profit generated from operations, back in the business to drive growth as well as research and development activities. The Company effectively manages working capital to reduce dependence on borrowed funds for working capital operations.

Innovation risk
The products manufactured by the Company may lose their relevance in the marketplace.

Mitigation: Marksans has been investing in research and development to create strong product pipeline. The Company has a strong pipeline of 40 products to be launched in the next three years.

Margins risk
The Company's margins may erode owing to external pricing pressures.

Mitigation: Being present in India, the Company enjoys a low-cost manufacturing base, resulting in cost competitiveness. Besides, being a significant player in the soft gel segment, the Company suffers lower competition and enjoys better margins.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors. The system is under constant review by the Chairman, Managing Director, COO, CFO and a few others, which ensures any discrepancies are immediately noted and suitable action can be taken in case of any lapses.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Directors' Report

Dear Shareholders,

The Directors take pleasure in presenting the Twenty Sixth (26) Annual Reports along with the financial statements for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2017-18	2016-17
Turnover	29,466.23	21,584.00
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	2,890.31	2,694.83
Less: Depreciation & Amortization Expenses	1,225.07	1,500.16
Non-recurring expenses	-	-
Tax expenses	422.51	40.15
Profit after Tax	1,242.73	1,154.52

OPERATIONS/STATE OF AFFAIRS OF THE COMPANY

During the year 2017-18, your Company achieved turnover of Rs. 29,466.23 Lakh with net profit of Rs. 1,242.73 Lakh as compared to turnover of Rs. 21,584.00 Lakh with net profit of Rs. 1,154.52 Lakh in the previous year.

On consolidated basis, your Company achieved turnover of Rs. 91,269.20 Lakh with net profit of Rs. 3,580.10 Lakh as compared to turnover of Rs. 76,716.13 Lakh with net profit of Rs. 1,133.41 Lakh in the previous year. During the year, US and North America Formulation business reported growth of 6.32% and Europe and UK reported growth of 45.07%

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

Your Directors have recommended a Dividend, subject to approval of the Members at the ensuing Annual General Meeting, of Re. 0.05/-(5%) per equity share of Re. 1/- each and dividend of Rs. 7/-(7%) per preference share of Rs. 100/- each for the financial year ended 31st March, 2018. Total cash outflow on account of dividend payment including dividend distribution tax will be Rs. 330.57 Lakh for the financial year ended 31st March, 2018. The Dividend will be paid in compliance with applicable regulations. Company's policy on the Dividend Distribution is available on the Company's website www.marksanspharma.com.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

i. Performance of Marksans Pharma (UK) Limited, through its step down subsidiaries Bell, Sons & Co. (Druggists) Limited and Relonchem Limited which operates in the European markets, has shown satisfactory growth. The Directors foresee further growth in the forthcoming years.

ii. Marksans Pharma Inc., through its step down subsidiary, Time-Cap Laboratories Inc. which operates mainly in US and North America, has achieved sales of USD 52,483,447 as compared to sales of USD 38,691,660 during previous year.

iii. Performance of Nova Pharmaceuticals Australasia Pty Ltd. (your company holds 60% of the share capital) which operates mainly in Australia was satisfactory.

Pursuant to a Central Government's Circular dated 8th February, 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 subsidiaries of subsidiaries are attached to the Consolidated Balance Sheet. Statement on the highlight of performance of subsidiary companies and their contribution to the overall performance of the company are given in Note No. 2.20 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 Equity Share Capital of the Company.

During the year under review, your Company has redeemed 1,00,000 Preference Shares of Rs. 100/- each at par. Accordingly, Issued, Subscribed and Paid-up Preference Share Capital has reduced from 11,00,000 Preference Shares of Rs. 100/- each to 10,00,000 Preference Shares of Rs. 100/- each with effect from 14th March, 2018.

The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise, during the year under review.

The Company has not issued ESOP or sweat equity shares to Directors or employees, during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Company's Board comprises of 6 (Six) Directors, of which 3 (Three) are Non-Executives Independent and 3 (Three) Directors are Executives.

a. **Appointment / resignations of Directors:**

During the year under review, Mr. Naresh Balwant Wadhwa (DIN: 01999073) has resigned as an Independent Director with effect from 02.01.2018 and Mr. Digant Mahesh Parikh (DIN: 00212589) has been appointed as Additional Independent Director with effect from 14.03.2018.

b. **Retirement of Director by rotation:**

In terms of Section 152 of the Companies Act, 2013, Dr. Vinay Gopal Nayak (DIN: 02577389) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

c. **Appointment / resignation of Key Managerial Personnel:**

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

NUMBER OF MEETINGS OF THE BOARD

The Board met 6 (Six) times in financial year 2017-18 on 29.05.2017, 11.08.2017, 13.11.2017, 12.02.2018, 14.03.2018 and 27.03.2018.

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:

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.

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 authorised to identify and appoint a suitable person for the position of KMP (other than Managing / Whole-time Director) and Senior Management.

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 thereunder. Remuneration of KMP (other than Managing / 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.

The 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.

An Independent Director is not entitled to stock option of the Company.

During the financial year ended 31st March, 2017, the remuneration paid to Dr. Vinay Gopal Nayak, Whole-time Director has exceeded the permissible limit as prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by Rs. 79,52,068.00 due to inadequacy of profit. Members of the Company have at the 25th AGM held on 26th September, 2017 approved waiver of recovery of such excess payment subject to approval of Central Government. The Company has applied to the Central Government for approval of such excess payment and waiver of recovery of the same which is pending. Pending such approval, the excess amount is held by Dr. Viany Gopal Nayak in trust for the Company.

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 2017-18. 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 also 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 2017-18. 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 under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company proactively keeps its Directors 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 is available on the Company's website www.marksanspharma.com.

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

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 for all listed companies. All the policies adopted by your Company are available on the website www.marksanspharma.com. These policies are reviewed periodically by the Board and updated based on need and new compliance requirement. Key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description
Code of Conduct for Directors & Employees	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	The Code provides framework for dealing with securities of the Company by directors and employees of the Company
Policy on Related Party Transactions	The Policy regulates all transactions between the Company and its related parties
Corporate Social Responsibility (CSR) Policy	The Policy outlines Company's strategy to bring about a positive impact on society
Whistle Blower Policy (Vigil Mechanism)	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
Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information	The Code envisages fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.
Dividend Distribution Policy	The Policy envisages criteria for distribution of dividend.

DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was 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 are given in the notes to the Financial Statements.

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 domestic and global scenario.

Your Company is setting 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 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 successful GMP audit by US FDA, UK MHRA and Australian TGA Authorities.

PARTICULARS REGARDING CONSERVATION OF ENERGY, 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, the relevant information and data are 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 businesses and functions 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 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. Your Company's virtually every aspect of the business 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 environment regulations compliant.

RELATED PARTY TRANSACTIONS

There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel or their relatives.

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 are placed before the Audit Committee for information and are 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 website www.marksanspharma.com.

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. Details of the Whistle Blower Policy are available on the Company's website www.marksanspharma.com.

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. We confirm that during the financial year 2017-18, no employee of the Company was denied access to the Audit Committee. During the financial year 2017-18, there were no instance of any unethical behavior, 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 analyses 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.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2017-18, your Company has not spent any amount towards CSR. Your Company understands its responsibility towards the Society, Community, Environment and committed to spend sensibly after identifying right avenues for the purpose. The CSR Committee had been meeting and discussing with number of NGOs to actively support and channelize the Company's activities especially in the areas around the Company's Goa Plant. However, even after meeting number of NGOs, the Committee could not identify any suitable NGOs for the purpose and therefore required more time to meet other NGOs and / or explore the appropriate avenues to achieve its CSR objectives.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure - B** 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 to redress complaints regarding sexual harassment at Mumbai office as well as Goa plant. 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 both the sites.

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

There are no orders passed by the Regulators/Courts/tribunal which would impact the going concern status of the Company and its future operations.

CHANGE IN THE NATURE OF BUSINESS

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

MATERIAL CHANGES & COMMITMENT IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred 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 trustee 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 - C**.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014 is annexed to this report as **Annexure - D**.

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 31st March, 2018, the Company's permanent employee strength was 785 (717 as on 31st March, 2017).

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, if any;

- the directors had 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 31st March, 2018 and Profit of the Company for the period ended 31st March, 2018;
- 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;
- had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT & AUDITORS

Statutory Audit

The Auditors, M/s. V. S. Lalpuria & Company, Chartered Accountants (Firm Registration No. 105581W), were appointed as Auditors at the 25th Annual General Meeting held on 26th September, 2017 for a term of five (5) years i.e. till the conclusion of the 30th Annual General Meeting of the Company. However, M/s. V. S. Lalpuria & Company have tendered their resignation as the Statutory Auditor effective from the conclusion of the ensuing Annual General Meeting citing personal reason. Your directors, on the recommendation of the Audit Committee, is proposing M/s. Bhuta Shah & Co. LLP, Chartered Accountant (Firm Registration No. W100100), for appointment as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s. V. S. Lalpuria & Company.

The Auditors report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013, the Board of Directors has appointed Ms. Khushboo Bakul Gopani, a Practicing Company Secretary (Membership No.29194, Certificate of Practice No. 10560) as Secretarial Auditor to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed to this report as **Annexure - G**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except one observation which is self explanatory.

Cost Audit

As specified under Section 148(1) of the Companies Act, 2013, your Company maintains cost accounting records. However, your Company is a 100% export oriented unit and therefore, it is exempted from audit of its cost accounting records.

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

Mumbai
Dated: 25th August, 2018

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.

a) Intensified internal audit aimed at detecting wastage and leakage of utility Circuits.

b) Scheduled production to avoid usage of diesel during "Weekly Power Shutdown".

c) Optimisation of Agro Waste Fired Boilers.

d) Optimisation in use of cooling water pumps.

e) Use of energy efficient pumps and motors.

f) Chemical dosing of cooling/chilling water system.

g) Installed energy efficient motors for chilling plant compressors.

h) Cold insulation ducting and HVAC system was checked and sections redone.

i) Conducted compressed air audit.

j) Optimised air compressor pressure.

b) Additional investments:

a) Continuously install electronic devices to improve quality of power and reduction of energy consumption.

b) Install efficient steam boiler burner.

c) Harmonics and power factor improvements.

d) Install energy saving lamps.

e) Install VFD for air compressor motors.

c) Impact of above measures:

The adoption of energy conservation measures have resulted in considerable savings and increased level of awarness 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 resulted in overall efficiency improvement and reduced consumption of fuel, water and power resulted in lowering overall costs..

d) Energy Consumption:

Particulars	2017-18	2016-17
1. Electricity		
(a) Purchases		
Units (kwhs)	8433300	8881920
Total Amount (Rs.)	50791976.00	50196808.00
Rate/ Unit (Rs.)	6.02	5.65
(b) Own Generation		
Through Diesel		
Units (in'000 kwhrs)	525.87	431.83
Units per Ltr of Diesel Oil	3.70	3.70
Cost/ Unit (Rs.)	15.68	15.36
2. Agro Waste Consumption		
Qty (units in '000)	3005.37	3451.70
Total Amount (Rs. '000)	11185.43	12198.40
Average Rate	3.72	3.53

B. Technology Absorption

Research and Development (R&D)

1 Specific areas in which R&D 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. 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

a. Capital expenditure	Nil
b. Revenue expenditure	Rs. 526.59 Lakh
c. Total	Rs. 526.59 Lakh
d. Total R&D expenditure as a percentage of total standalone revenue	1.79%

The Company is also setting 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.

Technology absorption, adaptation and innovation.

1. 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.

2. 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.

3. Imported Technology

Nil

C. Foreign Exchange Earnings & Outgo

During the financial year 2017-18, the Company used foreign exchange amounting to Rs. 4,553.77 Lakh (Previous Year Rs. 2,112.21 Lakh) and earned foreign exchange amounting to Rs. 28,137.77 Lakh (Previous Year Rs. 20,607.18 Lakh).

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

Mark Saldanha
Chairman & Managing Director
DIN: 00020983

Mumbai
Dated: 25th August, 2018

Annexure B

Annexure to the Report of the Board of Directors

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities and build a better sustainable way of life for weaker sections of society. The Company's CSR policy is available on the Company's website at http://marksanspharma.com/compliances.html
2.	Composition of CSR Committee	(i) Dr. Vinay Gopal Nayak - Chairman (ii) Mrs. Sandra Saldanha – Member (iii) Mr. Seetharama R. Buddharaju – Member
3.	Average Net Profits of the Company for last three financial years	Rs. 6,675.35 Lakh
4.	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	Rs. 133.51 Lakh
5.	Details of CSR Spent during the financial year	Nil
	- Total Amount to be spent for the financial year	Rs. 133.51 Lakh
	- Amount unspent, if any	Rs. 133.51 Lakh
	- Manner in which the amount spent during the financial year	N.A.
6.	Reasons for not spending the amount	During the year 2017-18, the Company has not spent any amount towards CSR. The Committee had been meeting and discussing with number of NGOs to actively support and channelize the Company's CSR activities especially in the areas around the Company's Goa Plant. However even after meeting number of NGOs, the Committee could not identify any suitable NGOs for the purpose and therefore, required more time to meet other NGOs and/or explore appropriate avenues to achieve its CSR objectives. Company had undertaken to scale-up its domestic operation and set-up a state-of-the-art R&D Centre. These two projects would require extensive cash outflow. In view of the aforesaid, the CSR Committee decided to defer the CSR expenditure.

The CSR Committee confirms that implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Place: Mumbai
Date: 25th August, 2018

Dr. Vinay Gopal Nayak
Chairman - CSR Committee

Mr. Mark Saldanha
Managing Director

Annexure C

Annexure to the Report of the Board of Directors

Corporate Governance Report 2017-18

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 with the mandatory requirements of Regulation 34(3) and Schedule V of the SEBI (LODR) Regulations, 2015.

Board of Directors

As on the date of this report, the total number of Directors on the Board is six (6). Out of that three (3) Directors are non-executive and independent. During the financial year under review, Six (6) Board Meetings were held on the following dates: 29.05.2017, 11.08.2017, 13.11.2017, 12.02.2018, 14.03.2018 and 27.03.20018.

None of the Directors are members of more than 10 Committees of the Board nor are the Chairman of more than 5 Committees of the Board across all the companies in which they are directors. The details as to Composition, Status, Attendance at the Board Meetings and the last Annual General Meeting, outside Directorship and other Committees membership are as follows:

Name of the Director	Executive/ Non-executive/ Independent/ Promoter	No. of Shares in the Company	No. of Board Meetings attended out of 6 held	No. of outside directorship in Public Limited Companies*	Member-ship held in Committee of Directors**	Chairman-ship held in Committee of Directors**	Whether attended last AGM
Mr. Mark Saldanha (Chairman & Managing Director)	Executive, Non-Independent & Promoter	197491553	6	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha	Executive, Non-Independent & Promoter	180	6	Nil	Nil	Nil	Yes
Dr. Vinay Gopal Nayak	Executive & Non-Independent	Nil	6	Nil	Nil	Nil	Yes
Mr. Seetharama R. Buddharaju	Non-executive & Independent	Nil	6	Nil	Nil	Nil	Yes
Mr. Naresh Balwant. Wadhwa (upto 02.01.2018)	Non-executive & Independent	774883	2	Nil	Nil	Nil	No
Mr. Ajay Shivram Joshi	Non-executive & Independent	Nil	6	Nil	Nil	Nil	No
Mr. Digant Mahesh Parikh (w.e.f. 14.03.2018)	Non-executive & Independent	Nil	0	Nil	Nil	Nil	NA

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

** Membership/Chairmanship in Committee of Directors includes Audit Committee and Stakeholders Relationship Committee in public companies only. This does not include membership/chairmanship in Committee of Directors of Marksans Pharma Limited.

Audit Committee

The Audit Committee consists of Directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Dr. Vinay Gopal Nayak, Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh. 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 Audit Committee are those prescribed under Regulation 18 and Schedule V of the SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

During the financial year under review, the Audit Committee met four (4) times on 29.05.2017, 11.08.2017, 13.11.2017 and 12.02.2018. The necessary quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Attendance of the members of the Audit Committee was as under:

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.	Dr. Vinay G. Nayak	Member	Executive & Non Independent	4
3.	Mr. Naresh Balwant Wadhwa (upto 02.01.2018)	Member	Non-executive & Independent	2
4.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	4
5.	Digant Mahesh Parikh (w.e.f. 14.03.2018)	Member	Non-executive & Independent	-

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company consists of independent directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh. The Committee has power to determine remuneration of the Directors, Key Managerial Personnel and other employees of the Company as per the provisions of Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

During the financial year under review, the Nomination and Remuneration Committee met three (3) times on 11.08.2017, 12.02.2018 and 14.03.2018. The necessary quorum was present at all the meetings. Attendance of the members of the Nomination and Remuneration Committee was as under:

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. Naresh Balwant Wadhwa (upto 02.01.2018)	Member	Non-executive &Independent	0
3.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	3
4.	Mr. Digant Mahesh Parikh (w.e.f. 14.03.2018)	Member	Non-executive & Independent	-

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 authorised 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 authorised 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.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of Directors, namely Mr. Seetharama Raju Buddharaju (Chairman), Dr. Vinay Gopal Nayak, Mr. Ajay Shivram Joshi and Mr. Digant Mahesh Parikh. 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 improve the level of investor services.

Number of complaints received during the year	6
Number of complaints resolved to the satisfaction of complainants	6
Number of complaints outstanding as on 31.03.2018	0

During the financial year under review, Stakeholders Relationship Committee met four (4) times on 29.05.2017, 11.08.2017, 13.11.2017 and 12.02.2018. The necessary quorum was present at all the meetings.

Attendance of the members of the Stakeholders' Relationship Committee was as under.

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. Naresh Balwant Wadhwa (upto 02.01.2018)	Member	Non Executive & Independent	2
3.	Mr. Ajay Shivram Joshi	Member	Non-executive & Independent	4
4.	Mr. Digant Mahesh Parikh (w.e.f. 14.03.2018)	Member	Non-executive & Independent	-
5.	Dr. Vinay Gopal Nayak	Member	Executive & Non-Independent	4

Corporate Social Responsibility (CSR) Committee

CSR Committee of the Company consists of directors, namely Dr. Vinay G. Nayak (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. CSR Committee is responsible for execution, implementation, monitoring and reporting to the Board the projects and programs undertaken under the said CSR Policy.

During the financial year under review, CSR Committee met two (2) times on 29.05.2017 and 12.02.2018. The necessary quorum was present at the meetings. Attendance of the members at CSR Committee meetings was as under:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 2 held
1.	Dr. Vinay G. Nayak	Chairman	Executive & Non-independent	2
2.	Mrs. Sandra Saldanha	Member	Executive & Non-independent	2
3.	Mr. Seetharama R. Buddharaju	Member	Non-executive & Independent	2

Risk Management Committee

Risk Management Committee of the Company consists of directors, namely Dr. Vinay G. Nayak (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. Risk Management 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 two (2) times on 29.05.2017 and 12.02.2018. The necessary quorum was present at the meetings. Attendance of the members at Risk Management Committee meetings was as under:

Sr. No.	Name of Committee Member	Position	Category	Meetings Attended out of 2 held
1.	Dr. Vinay G. Nayak	Chairman	Executive & Non-independent	2
2.	Mr. Seetharama R. Buddharaju	Member	Non-executive & Independent	2
3.	Mr. Jitendra Sharma	Member	Chief Financial Officer	2

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 authorised Mr. Mark Saldanha, Managing Director, Mr. Jitendra Sharma, Chief Financial Officer and Mr. Harshavardhan Panigrahi, Company Secretary of the Company to approve the share transfers lodged in physical mode, dematerialization/rematerialisation of shares, issue of duplicate share certificate on surrender of defaced/damaged/mutilated share certificates. The shares lodged in physical mode are transferred and returned in 15 days from the date of receipt, so long as the documents are complete in all respects. As on 31.03.2018, no shares were pending for transfer.

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

Disclosures

a) The Company has been selling goods to its subsidiaries, Bell, Sons & Co (Druggists) Limited, Relonchem Limited, Time-Cap Laboratories Inc. and Nova Pharmaceuticals Australasia Pty Ltd from time to time. These subsidiaries are considered as related parties. 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 information. The Audit Committee has granted an omnibus (ad hoc) approval to such types of transactions for smooth operations and in the interest of the Company and in accordance with the Company's Policy on Related Party Transactions. Sales to Nova Pharmaceuticals Australasia Pty. Ltd., in which the Company holds 60% of the share capital is within the limit of the Omnibus (ad hoc) approval of the Audit Committee of the Company. Details of related party transactions during the year ended 31st March, 2018 has been set out under Note No. 37 of the Notes annexed to the Financial Statements for the year ended 31st March, 2018. As such, there is 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 is available on the Company's website www.marksanspharma.com.

b) There was no non-compliance during the last three years by the Company on any matter related to the capital market. Consequently, there were neither any penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

c) 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 website www.marksanspharma.com. 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 2017-18, there was no instance 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.

d) The Company is not into any commodity trading activities.

e) More than 95% of the Company's revenue are 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.

f) 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.

g) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:

   i. The Company has an executive chairperson.

   ii. Half-yearly declaration of financial performance including summary of the significant events in last six-months are presently not being sent to the shareholders.

   iii. Every endeavor is made to make the financial statements with unmodified audit opinion.

   iv. At present, the post of chairperson and chief executive officer or managing director is one.

   v. The internal auditors' reports are placed before the Audit Committee from time to time.

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. The Company has only foreign subsidiaries.
25	Independent Directors	Yes
26	Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

Directors Remuneration

The executive directors are paid remuneration under the applicable provisions of the Companies Act, 2013 with approval of the shareholders in the General Meeting. Details of the remuneration paid to the executive directors of the Company during the year ended 31st March, 2018 are given herebelow.

(Amount in ₹)

Particulars	Mr. Mark Saldanha	Mrs. Sandra Saldanha	Dr. Vinay G. Nayak
Basic	96,00,000	10,80,000	1,08,00,000
Allowances	7,72,320	59,34,564	1,09,78,600
Bonus	60,000	12,000	-
Medical Reimbursement	-	15,000	15,000
Company's Contribution to Provident Fund and other contribution	11,52,000	1,29,600	12,96,000
Gratuity	4,15,680	46,764	4,10,400
Total	**1,20,00,000**	**72,17,928**	**2,35,00,000**

Note:

- The above figure does not include provisions for encashable leave.
- Dr. Vinay G. Nayak is entitled to KRA based Variable Pay of upto Rs. 45,00,000 and EBITDA based Company Incentive of upto Rs. 20,00,000 as approved by the Board of Directors.

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.

Means of Communication

Quarterly, Half-yearly, and Annual results of the Company are published in one English and one Marathi newspaper. These 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 has not made any presentation to institutional investors or analysts.

General Body Meetings

Annual General Meetings	Date	Time	Venue	No. of Special Resolutions
Twenty Fifth	26.09.2017	10.30 A.M.	GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053.	4*
Twenty Fourth	29.09.2016	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor D.N. Nagar, Link Road, Andheri (West), Mumbai – 400053.	1**
Twenty Third	29.09.2015	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor D.N. Nagar, Link Road, Andheri (West), Mumbai – 400053.	2***

* Four (4) Special Resolutions were passed in the AGM held on 26th September, 2017:-

1. Approval of re-appointment of Mrs. Sandra Saldanha (DIN 00021023) as a Whole-time Director.
2. Waiver of recovery of excess remuneration paid to Dr. Vinay Gopal Nayak, Whole-time Director for the financial year 2016-17.
3. Payment of remuneration to Dr. Vinay Gopal Nayak, Whole-time Director.
4. Approval of Marksans Employees Stock Option Scheme 2017.

** One (1) Special Resolution was passed in the AGM held on 29th September, 2016 for approval of Marksans Employees Stock Option Scheme 2016.

*** Two (2) Special Resolutions were passed in the AGM held on 29th September, 2015:-

1. Re-appointment of Mr. Mark Saldanha (DIN: 00020983) as Managing Director of the Company.
2. Approval and adoption of new set of Articles of Association of the Company.

Postal ballot

As of date, there is no proposal to pass any resolution by postal ballot. However, the Company is providing e-voting facility to its members to exercise their votes electronically.

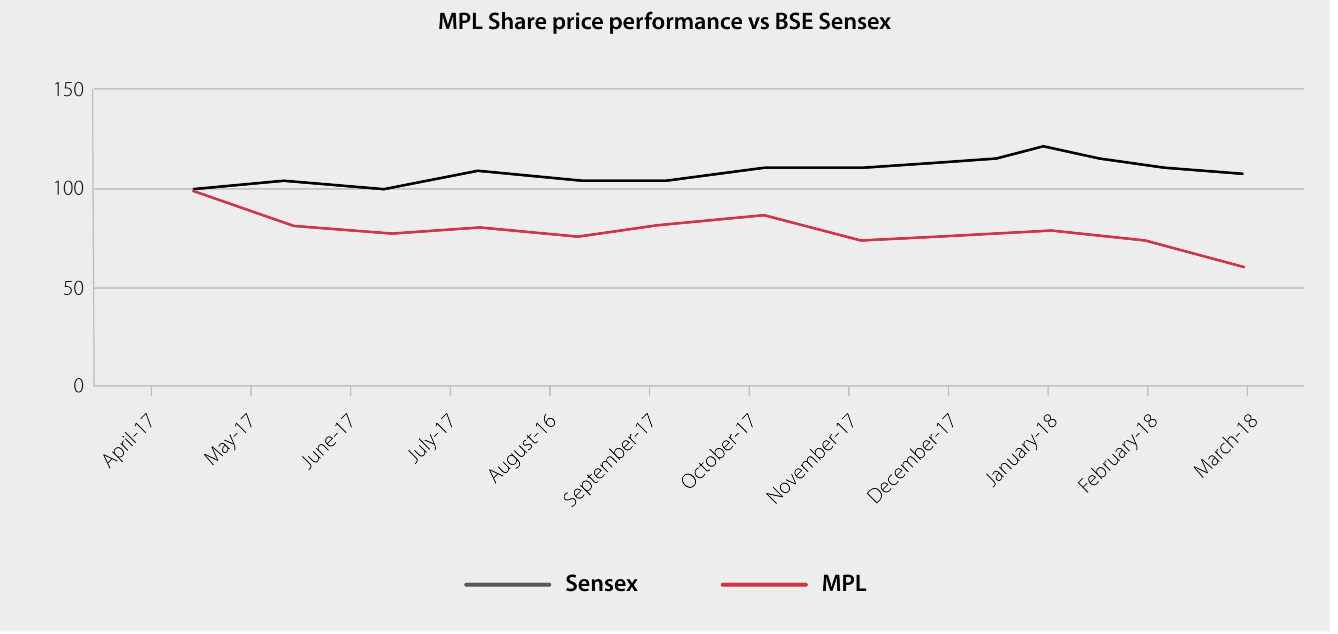
General Shareholder Information

AGM	Twenty Sixth Annual General Meeting.
Day & Date	Thursday, 27th, September, 2018
Financial Year	2017-2018
Time	10:30 AM
Venue	GMS Banquet, Next to D. N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400 053.
Financial calendar	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
Date of Book Closure	From Saturday, 22nd, September, 2018, upto Thursday, 27th, September, 2018 (both days inclusive).
Dividend payment date	On or after 4th October, 2018.
Listing on Stock Exchanges	BSE Limited The National Stock Exchange of India Limited (NSE) The annual listing fees for the year 2018-19 have been paid.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026

Market price data on BSE during the period April 2017 to March 2018

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)
April 2017	47.10	58.25	47.00	51.95
May 2017	52.00	56.25	38.00	42.80
June 2017	42.80	47.15	40.40	40.90
July 2017	41.30	45.30	41.05	42.55
August 2017	42.80	43.25	35.75	39.80
September 2017	40.00	48.40	38.75	42.50
October 2017	43.30	51.70	42.40	44.65
November 2017	44.20	52.25	39.00	39.15
December 2017	39.50	41.20	34.25	39.90
January 2018	40.00	50.25	39.25	40.45
February 2018	39.95	42.70	35.95	38.25
March 2018	38.05	39.10	31.00	31.65

Marksans Pharma Ltd ("MPL") share price performance versus BSE Sensex during April 2017 - March 2018.



Shareholding Pattern as on 31.03.2018

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Individual	124394	97.6183	159271903	38.9119
Bodies Corporate	1044	0.8193	21623329	5.2828
Trust	1	0.0008	2000	0.0005
Bank & Financial Institution (includes NBFC)	16	0.0126	1486037	0.363
Clearing Members	302	0.2370	4510388	1.1019
NRIs	1616	1.2682	5935225	1.4500
FIIs (includes FPI)	54	0.0424	18993083	4.6402
Total	**127429**	**100.00**	**409313698**	**100.00**
Promoters	2	0.01	197491733	48.25
Non-Promoters	127427	99.99	211821965	51.75
Total	**127429**	**100**	**409313698**	**100**

Distribution of Shareholding as on 31.03.2018

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	122824	96.3862	71805937	17.5430
5001 – 10000	2448	1.9211	18763677	4.5842
10001 – 20000	1085	0.8515	15948539	3.8964
20001 – 30000	365	0.2864	9225679	2.2539
30001 – 40000	182	0.1428	6471757	1.5811
40001 – 50000	124	0.0973	5754026	1.4058
50001 – 100000	230	0.1805	16714610	4.0860
Above 100000	171	0.1342	264619473	64.6493
Total	**127429**	**100.00**	**409313698**	**100.00**

Registrar and Transfer Agents	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri (East), Mumbai – 400059. Ph. No. 022-62638200 Fax No. 022-62638299 E-mail: investor@bigshareonline.com; Website: www.bigshareonline.com Our 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.
Dematerialization of the Shares and Liquidity	Based on SEBI directives, Company's shares are traded in dematerialized form. As on 31.03.2018, 99.54% of the paid up equity share capital of the Company was in dematerialized form.
Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	–
Plant Locations	**India Formulation Plant** Marksans Pharma Limited L-82 & L-83 Verna Industrial Estate, Verna, Goa- 403 722. **U.K. Plant** Bell, Sons & Co (Druggists) Ltd. Slaidburn Crescent, Southport, PR9 9AL. **U.S.A. Plant** Time-Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York- 11735, USA.
Address for Correspondence	Mr. Harshavardhan Panigrahi Company Secretary & Manager-Legal Marksans Pharma Limited 11th Floor, Grandeur, Veera-Desai Extension Road, Oshiwara, Andheri (West), Mumbai 400 053. Tel. No. : 022- 40012000 Fax No. 022- 40012011 Email: companysecretary@marksanspharma.com

Brief resume of the person proposed to be Re-appointed as Director of the Company at the Annual General Meeting.

Name	Dr. Vinay Gopal Nayak (DIN: 02577389)
Age	61 Years
Qualification	M.Sc and Ph.D in Chemistry
Experience	Has over 32 years of experience in the areas of manufacturing, quality, R&D, compliance and regulatory affairs both for API and finished dosage from manufacturing.
Name of the other public Companies in which also holds directorship	Nil
Name of the other public Companies in the committee of which also holds membership / chairmanship	Nil
No. of shares held in the Company as on 31.03.2018	Nil
Relationship with other Directors / Key Managerial Personnel	None

Brief resume of the person proposed to be appointed as Independent Director of the Company at the Annual General Meeting.

Name	Mr. Digant Mahesh Parikh (DIN: 00212589)
Age	46 Years
Qualification	B.Com and MBA in Finance
Experience	He has over 23 years of experience in diverse industries in areas of Corporate Finance, Strategic Planning and Business Set-up & Scale up. He is a visiting faculty at leading management schools for the subjects in the field of Corporate & Retail Finance and Banking.
Name of the other public Companies in which also holds directorship	Nil
Name of the other public Companies in the committee of which also holds membership / chairmanship	Nil
No. of shares held in the Company as on 31.03.2018	Nil
Relationship with other Directors / Key Managerial Personnel	None

Auditor’s Certificate on Corporate Governance

To,
The Members,
MARKSANS PHARMA LTD.

We have examined the compliance of conditions of Corporate Governance by MARKSANS PHARMA LIMITED for the year ended 31st March, 2018 as stipulated in SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that as per the records maintained by the Company, there were no investor grievances remaining unattended / pending for a period exceeding one month.

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.

For V. S. Lalpuria & Company
Chartered Accountants

V S Lalpuria
Proprietor
Membership No. 15926
F. No. 105581W

Place: Mumbai
Date: 6th August, 2018

CEO / CFO Certification

To,
The Board of Directors
Marksans Pharma Ltd.

This is to certify with reference to the Annual Accounts of the Company for the year ended 31st March, 2018 that:-

a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2018 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 except implementation of Ind AS ; and

   iii. That there is no instance of any fraud which we have become aware.

For Marksans Pharma Limited

Place: Mumbai
Date: 30th May, 2018

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 31st March, 2018, 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: 30th May, 2018

Mark Saldanha
Managing Director

Annexure D

Annexure to the Report of the Board of Directors

Form No. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

Extract of Annual Return

As on the financial year ended on 31/03/2018

I. Registration & Other Details:

i	CIN	L24110MH1992PLC066364
ii	Registration Date	16-04-1992
iii	Name of the Company	Marksans Pharma Limited
iv	Category of the Company	Public Company
v	**Address of the Registered office & contact details**	
	Address	11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (West)
	Town / City	Mumbai
	State	Maharashtra - 400053
	Country Name	India
	Telephone (with STD Code)	022-40012000
	Fax Number	022-40012011
	Email Address	companysecretary@marksanspharma.com
	Website, if any	www.marksanspharma.com
vi	Whether listed company	Yes
vii	**Name and Address of Registrar & Transfer Agents (RTA):**	
	Name of RTA	Bigshare Services Private Limited
	Address	1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Near Keys Hotel, Marol, Andheri (East)
	Town / City	Mumbai
	State	Maharashtra
	Pin Code	400059
	Telephone	022-62638200
	Fax Number	022-62638299
	Email Address	investor@bigshareonline.com

II. Principal Business Activity of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated: 1

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Formulation of pharmaceutical products	210	100.00

III. Particulars of holding, Subsidiary and Associate Companies

No. of Companies for which information is being filled: 3

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Marksans Pharma (UK) Ltd. Cheshire House, Gorsay Lane, Widnes, WA8 ORP	NA	Subsidiary	100	2(87)
2	Marksans Pharma Inc. The Corporation, 3 Philllps Lane, Lake Gorve, New York - 11755, USA.	NA	Subsidiary	100	2(87)
3	Nova Pharmaceuticals Australasia Pty Ltd. Suite 305, 10 Norbik Drive, Bella Vista NSW 2153. Australia	NA	Subsidiary	60	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	197491733	0	197491733	48.25	197491733	0	197491733	48.25	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRI - Individual/	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individual/	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	**197491733**	**0**	**197491733**	**48.25**	**197491733**	**0**	**197491733**	**48.25**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	1155627	2000	1157627	0.28	1070366	2000	1072366	0.26	-0.02
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	19236124	0	19236124	4.70	6050846	0	6050846	1.48	-3.22
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investor	14931096	0	14931096	3.65	12942237	0	12942237	3.16	-0.49
Sub-total (B)(1):-	**35322847**	**2000**	**35324847**	**8.63**	**20063449**	**2000**	**20065449**	**4.9**	**-3.73**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	20998513	3000	21001513	5.13	21620329	3000	21623329	5.28	0.15
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	102100806	900240	103001046	25.16	128772584	884290	129656874	31.68	6.52
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	38418070	979000	39397070	9.63	28636029	979000	29615029	7.24	-2.39
c) Others (specify)									
i. Clearing Member	3571263	0	3571263	0.87	4510388	0	4510388	1.10	0.23
ii. NRI	6002449	0	6002449	1.46	5935225	0	5935225	1.45	-0.01
iii. Directors & Relatives	1699572	0	1699572	0.42	0	0	0	0.00	-0.42
iv. Trust	2000	0	2000	0.00	2000	0	2000	0.00	0.00
v. NBFC	1822205	0	1822205	0.45	413671	0	413671	0.10	-0.35
Sub-total (B)(2):-	**174614878**	**1882240**	**176497118**	**43.12**	**189890226**	**1866290**	**191756516**	**46.85**	**3.73**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**209937725**	**1884240**	**211821965**	**51.75**	**209953675**	**1868290**	**211821965**	**51.75**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**407429458**	**1884240**	**409313698**	**100.00**	**407445408**	**1868290**	**409313698**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Mark Saldanha	197491553	48.25	0%	197491553	48.25	0%	0.00
2	Mrs. Sandra Saldanha	180	0%	0%	180	0%	0%	0%
	Total	**197491733**	**48.25**	**0%**	**197491733**	**48.25**	**0%**	**0.00**

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No. I - Mr. Mark Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year		197491553	48.25	197491553	48.25
Changes During the Year					
Increase					
Date	**Reason for Increase**				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		197491553	48.25	197491553	48.25

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No. II - Mrs. Sandra Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year		180	0%	180	0%
Changes During the Year					
Increase					
Date	**Reason for Increase**				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		180	0%	180	0%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Annexure - D-I)

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No. 1- Mr. Mark Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year		197491553	48.25	197491553	48.25
Changes During the Year					
Increase					
Date	**Reason for Increase**				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		197491553	48.25	197491553	48.25

Sl. No. 2 - Mrs. Sandra Saldanha		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year		180	0%	180	0%
Changes During the Year					
Increase					
Date	**Reason for Increase**				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		180	0%	180	0%

S. No.: 3 Mr. Naresh Wadhwa (upto 02.01.2018)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year		749883	0.18	749883	0.18
Changes During the Year					
Increase					
Date	**Reason for Increase**				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	25000	0.00	774883	0.18
Decrease					
Date	**Reason for Decrease**				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year (Mr. Naresh Wadhwa resigned as Director w.e.f. 02.01.2018)		774883	0.18	774883	0.18

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	732292199	5732699	0	738024898
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**732292199**	**5732699**	**0**	**738024898**

Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	5488800	95339	0	5584139
* Reduction	69204622	0	0	69204622
Net Change	**-63715822**	**95339**	**0**	**-63620483**

Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	668576377	5828038	0	674404415
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**668576377**	**5828038**	**0**	**674404415**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
		Mr. Mark Saldanha	Mrs. Sandra Saldanha	Dr. Vinay G. Nayak	
1	Gross salary	1,04,32,320.00	70,29,564.00	2,03,88,760.00	3,78,50,644.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,32,320.00	70,29,564.00	2,03,88,760.00	3,78,50,644.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	**1,04,32,320.00**	**70,29,564.00**	**2,03,88,760.00**	**3,78,50,644.00**
	Ceiling as per the Act*	2,40,00,000.00	2,40,00,000.00	2,40,00,000.00	7,20,00,000.00

* Based on effective capital as per schedule V of the Companies Act, 2013

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name Other Directors				Total Amount (₹)
		Mr. Naresh Wadhwa*	Mr. S. R. Buddharaju	Mr. Ajay Joshi	Mr. Digant Parikh**	
1	**Independent Directors**					
	Fee for attending board and committee meetings	25000	0	0	0	25000
	Commission	0	0	0	0	
	Others, please specify	0	0	0	0	
	Total (1)	**0**				**25000**
2	**Other Non-Executive Directors**					
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	**0**	**0**	**0**	**0**	**0**
	Total (B)=(1+2)	**0**	**0**	**0**	**0**	**25000**
	Overall Ceiling as per the Act	Sitting fees of ₹1 Lakh per meeting				
	Total Managerial Remuneration (A+B)					**3,78,75,644.00**

* Mr. Naresh Wadhwa resigned as director w.e.f 02.01.2018

** Mr. Digant Parikh appointed as Additional Independent Director w.e.f. 14.03.2018

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
		Mr. Jitendra Sharma	Mr. Harshavardhan Panigrahi	
1	Gross salary	87,87,032	20,07,733.20	1,07,94,765.20
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	87,87,032	20,07,733.20	1,07,94,765.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0		0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify…	0	0	0
5	Others, please specify	0	0	0
	Total	**87,87,032**	**20,07,733.20**	**1,07,94,765.20**

VII. Penalties / Punishment/ Compounding of offences:

There were no Penalties, Punishments or Compunding of offences during the year ended March 31, 2018

(Annexure - D-I)

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
1	MUKUL MAHAVIR PRASAD AGRAWAL	3000000	0.73	07.04.2017	600000	0.15	Purchased	3600000	0.88
				22.09.2017	400000	0.09	Purchased	4000000	0.98
				24.11.2017	-200000	0.04	Sold	3800000	0.93
				12.01.2018	-150000	0.03	Sold	3650000	0.89
				23.03.2018	50000	0.01	Purchased	3700000	0.9
				30.03.2018	100000	0.02	Purchased	3800000	0.93
				31.03.2018	-	-	-	3800000	0.93
2	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATION EQUITY	2867821	0.7	07.07.2017	4550	0	Purchased	2872371	0.7
				14.07.2017	3250	0	Purchased	2875621	0.7
				04.08.2017	2860	0	Purchased	2878481	0.7
				11.08.2017	3770	0	Purchased	2882251	0.71
				01.09.2017	4680	0	Purchased	2886931	0.71
				31.03.2018	-	-	-	2886931	0.71
3	VANGUARD TOTAL INTERANTIONAL STOCK INDEX FUND	2723185	0.67	31.03.2018	-	-	-	2723185	0.67
4	NATTY FERNANDES	2274213	0.56	31.03.2018	-	-	-	2274213	0.56
5	MV SCIF MAURITIUS	1852319	0.45	07.04.2017	41966	0.01	Purchased	1894285	0.46
				14.04.2017	20982	0	Purchased	1915267	0.47
				21.04.2017	20971	0	Purchased	1936238	0.47
				28.04.2017	209698	0.05	Purchased	2145936	0.52
				05.05.2017	41936	0.01	Purchased	2187872	0.53
				19.05.2017	209611	0.05	Purchased	2397483	0.59
				02.06.2017	20961	0	Purchased	2418444	0.59
				16.06.2017	42604	0.01	Purchased	2461048	0.6
				23.06.2017	87934	0.02	Purchased	2548982	0.62
				07.07.2017	-130470	0.03	Sold	2418512	0.59
				21.07.2017	-43496	0.01	Sold	2375016	0.58
				11.08.2017	29522	0	Purchased	2404538	0.59
				15.09.2017	-87548	0.02	Sold	2316990	0.57
				20.09.2017	-92500	0.02	Sold	2224490	0.54
				29.09.2017	7241	0	Purchased	2231731	0.55
				06.10.2017	2293	0	Purchased	2234024	0.55
				27.10.2017	33723	0	Purchased	2267747	0.55
				31.10.2017	41844	0.01	Purchased	2309591	0.56
				03.11.2017	62763	0.01	Purchased	2372354	0.58

Sr. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
				10.11.2017	83584	0.02	Purchased	2455938	0.6
				15.12.2017	20872	0	Purchased	2476810	0.61
				22.12.2017	-29733	0	Sold	2447077	0.6
				12.01.2018	-20702	0	Sold	2426375	0.59
				09.02.2018	-103444	0.02	Sold	2322931	0.57
				16.02.2018	10752	0	Purchased	2333683	0.57
				16.03.2018	-41436	0.01	Sold	2292247	0.56
				23.03.2018	-111008	0.02	Sold	2181239	0.53
				31.03.2018				2181239	0.53
6	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT	1781794	0.44	14.04.2017	-142028	0.03	Sold	1639766	0.40
				19.01.2018	340605	0.08	Purchased	1980371	0.48
				26.01.2018	81329	0.01	Purchased	2061700	0.50
				02.02.2018	21876	0	Purchased	2083576	0.51
				09.02.2018	47976	0.01	Purchased	2131552	0.52
				16.02.2018	23499	0	Purchased	2155051	0.53
				02.03.2018	17495	0	Purchased	2172546	0.53
				31.03.2018				2172546	0.53
7	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	747546	0.18	09.02.2018	117982	0.02	Purchased	865528	0.21
				16.02.2018	21944	0	Purchased	887472	0.22
				23.02.2018	290572	0.07	Purchased	1178044	0.29
				02.03.2018	198419	0.5	Purchased	1376463	0.34
				09.03.2018	54951	0.01	Purchased	1431414	0.35
				31.03.2018				1431414	0.35
8	SIMON FERNANDES	1380025	0.34	31.03.2018				1380025	0.34
9	CHARTERED FINANCE & LEASIN LIMITED	0	0	30.03.2018	1273266	0.31	Purchased	1273266	0.31
				31.03.2018				1273266	0.31
10	KARVY STOCK BROKING LIMITED - CLIENT ACCOUNT - BSE CM	755132	0.18	07.04.2017	-79869	0.01	Sold	675263	0.17
				14.04.2017	6486	0	Purchased	681749	0.17
				21.04.2017	-22860	0	Sold	658889	0.16
				28.04.2017	21617	0	Purchased	680506	0.17
				05.05.2017	-7571	0	Sold	672935	0.16
				12.05.2017	-29736	0	Sold	643199	0.16
				19.05.2017	808	0	Purchased	644007	0.16
				26.05.2017	22473	0	Purchased	666480	0.16
				02.06.2017	81057	0.01	Purchased	747537	0.18
				09.06.2017	57089	0.01	Purchased	804626	0.20
				16.06.2017	-16517	0	Sold	788109	0.19
				23.06.2017	-17139	0	Sold	770970	0.19

Sr. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
				30.06.2017	18546	0	Purchased	789516	0.19
				07.07.2017	-22106	0	Sold	767410	0.19
				14.07.2017	22184	0	Purchased	789594	0.19
				21.07.2017	-37086	0	Sold	752508	0.18
				28.07.2017	-23520	0	Sold	728988	0.18
				04.08.2017	-31244	0	Sold	697744	0.17
				11.08.2017	83706	0.02	Purchased	781450	0.19
				18.08.2017	-42756	0.01	Sold	738694	0.18
				25.08.2017	46092	0.01	Purchased	784786	0.19
				01.09.2017	-51434	0.01	Sold	733352	0.18
				08.09.2017	-16734	0	Sold	716618	0.18
				15.09.2017	-19057	0	Sold	697561	0.17
				20.09.2017	-53963	0.01	Sold	643598	0.16
				22.09.2017	-31879	0	Sold	611719	0.15
				26.09.2017	-12859	0	Sold	598860	0.15
				29.09.2017	38557	0	Purchased	637417	0.16
				06.10.2017	-47929	0.01	Sold	589488	0.14
				13.10.2017	67288	0.01	Purchased	656776	0.16
				20.10.2017	-15082	0	Sold	641694	0.16
				27.10.2017	16642	0	Purchased	658336	0.16
				31.10.2017	-32769	0	Sold	625567	0.15
				03.11.2017	-30049	0	Sold	595518	0.15
				10.11.2017	-51418	0.01	Sold	544100	0.15
				17.11.2017	280856	0.06	Purchased	824956	0.20
				24.11.2017	-14062	0	Sold	810894	0.20
				01.12.2017	34255	0	Purchased	845149	0.21
				08.12.2017	227847	0.05	Purchased	1072996	0.26
				15.12.2017	26313	0	Purchased	1099309	0.27
				22.12.2017	-62255	0.01	Sold	1037054	0.25
				29.12.2017	-20362	0	Sold	1016692	0.25
				05.01.2018	-26747	0	Sold	989945	0.24
				12.01.2018	-179881	0.04	Sold	810064	0.20
				19.01.2018	-66089	0.01	Sold	743975	0.18
				26.01.2018	-13749	0	Sold	730226	0.18
				02.02.2018	17298	0	Purchased	747524	0.18
				09.02.2018	31297	0	Purchased	778821	0.19
				16.02.2018	26453	0	Purchased	805274	0.20
				23.02.2018	33451	0	Purchased	838725	0.20
				02.03.2018	26474	0	Purchased	865199	0.21

Sr. No.	Name of the Shareholders	Shareholdings		Date wise Increase/ Decrease in Shareholdings during the year	No. of Shares	% of total shares of the co.	Reason	Cummulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total shares of the co.					No. of Shares	% of total shares of the company
				09.03.2018	-22955	0	Sold	842244	0.21
				16.03.2018	359745	0.08	Purchased	1201989	0.29
				23.03.2018	26321	0	Purchased	1228310	0.30
				30.03.2018	3803	0	Purchased	1232113	0.30
				31.03.2018				1232113	0.30

Annexure E

Annexure to the Report of the Board of Directors

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

1. Ratio of remuneration of each Director to the median remuneration of employees
    a. Mr. Mark Saldanha, Managing Director: 56.63
    b. Mrs. Sandra Saldanha, Whole-time Director: 38.16
    c. Dr. Vinay Gopal Nayak, Whole-time Director: 110.68
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31st March, 2018
    a. Mr. Mark Saldanha, Managing Director: 0
    b. Mrs. Sandra Saldanha, Whole-time Director: 0
    c. Dr. Vinay Gopal Nayak, Whole-time Director: 2.19
    d. Mr. Jitendra Sharma, Chief Financial Officer: 0
    e. Mr. Harshavardhan Panigrahi, Company Secretary: 14
3. Percentage increase in the median remuneration of employees in the financial year ended 31st March, 2018 in comparison to the financial year ended 31st March, 2017: 31.60%
4. Number of permanent employees as on 31st March, 2018: 785
5. Explanation on relationship between average increase in remuneration and company performance: Increase in remuneration is based on individual performance.
6. Comparison of the remuneration of KMP against the company performance: Remuneration is based on individual performance.
7. Variation in the market capitalization: decreased by 32.87% (Rs. 192991.41 Lakh as on 31.03.2017 and Rs. 129547.79 Lakh as on 31.03.2018)
8. Variation in the Price Earning Ratio: Increased by 62.89 (47.15/0.28 as on 31.03.2017 and 31.65/0.30 as on 31.03.2018)
9. Variation in Net Worth: Increased by 2.41% (Rs. 41888.45 Lakh as on 31.03.2017 and Rs. 42897.12 Lakh as on 31.03.2018)
10. Key parameters for any variable component of remuneration availed by the Directors: Not Applicable
11. Ratio of remuneration of the highest paid Director to that of employees not being a Director and receiving remuneration in excess of the highest paid Director: Not Applicable
12. 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 employees pursuant to provisions of 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

1.	Name of Employee	**Mr. Mark Saldanha**	**Mrs. Sandra Saldanha**	**Dr. Vinay G. Nayak**	**Mr. Jitendra Sharma**
2.	Age	45 Years	46 Years	61 years	48 Years
3.	Qualification	Science Graduate	MA (Sociology)	M.Sc. and Ph.D in Chemistry	B.Com, CA and CWA
4.	Experience	22 Years	22 Years	32 years	25 Years
5.	Designation	Managing Director	Whole-time Director	Whole-time Director	Chief Financial Officer
6.	Date of Commencement of Employment	6th October, 2005	25th September, 2014	21st March, 2016	06th September 2002
7.	Gross Remuneration	Rs. 1,04,32,320	Rs. 70,29,564	Rs. 2,03,88,760	Rs. 87,87,032
8.	Previous Employment	-	-	Emcure Pharmaceuticals Ltd.	-
9.	Percentage of equity shares held in the Company	48.25% (197491553 equity shares of Re. 1/- each)	- (180 equity Shares of Re. 1/- each)	Nil	Nil
10.	Whether relative of any director or manager of the Company	Relative of Mrs. Sandra Saldanha, Whole-time Director	Relative of Mr. Mark Saldanha, Managing Director	No	No

1.	Name of Employee	**Mr. Varddhman Jain**	**Mr. Abhinna S. Mohanty**	**Mr. Sunil K Rane**	**Mr. Sopan Pisal**
2.	Age	48 Years	64 Years	48 Years	46 Years
3.	Qualification	M. Pharm	B.Sc.	PG Diploma - Analytical Chemistry	PG Diploma - Analytical Chemistry
4.	Experience	26 Years	41 Years	26 Years	24 Years
5.	Designation	Site Director - Goa Plant	Head – India Formulations & Emerging Markets	Sr. Vice President QC	Director - QA
6.	Date of Commencement of Employment	24th May, 2016	5th July, 2016	4th April, 2016	10th March, 2016
7.	Gross Remuneration	Rs. 77,70,945.20	Rs. 75,00,000	Rs. 60,25,002.72	Rs. 43,95,000
8.	Previous Employment	Watson Pharma Pvt. Ltd.	-	Emcure Pharmaceuticals Ltd.	-
9.	Percentage of equity shares held in the Company	Nil	- (2687 Equity Shares of Re. 1/- each)	Nil	Nil
10.	Whether relative of any director or manager of the Company	No	No	No	No

1.	Name of Employee	**Mr. Mahesh Pandey**	**Mr. Amit Sakpal (w.e.f. 17.04.2017)**
2.	Age	54 Years	38 Years
3.	Qualification	B.A. (History) and Dip. in Export management	B.Pharm and Dip. in Pharmaceuticals Management
4.	Experience	25 Years	16 Years
5.	Designation	GM – Logistics	VP – Africa Operations
6.	Date of Commencement of Employment	1st January, 2013	17th April, 2017
7.	Gross Remuneration	Rs.22,47,113	Rs.21,39,130
8.	Previous Employment	Emcure Pharmaceuticals Limited	Zifam Pinnacle Healthcare Pharmaceuticals Limited
9.	Percentage of equity shares held in the Company	- (17500 Equity Shares of Re. 1/- each)	Nil
10.	Whether relative of any director or manager of the Company	No	No

Annexure G

Secretarial Audit Report

For The Financial Year Ended on 31st March, 2018

[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 - 400053

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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:

I 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, 2018 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, Overseas Direct Investment and External Commercial Borrowings;

(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, 2009 **(Not Applicable to the Company during the Audit Period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period);**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit 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 **(Not Applicable to the Company during the Audit Period);**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)and**

i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015

(vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
2. Drugs (Price Control) Order, 2013 as amended.
3. Air (Prevention and Control of Pollution) Act, 1974;
4. Water (Prevention and Control of Pollution) Act, 1981;

Having regard to the compliance system prevailing in the Company, I, further report that on the examination of the relevant records and documents in pursuance thereof, on test-check basis, the Company has complied with the same.

I 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 Secretarial Standards issued by The Institute of Company Secretaries of India. Further the Company has generally complied with provisions of the Companies Act and Rules framed thereunder, Regulations and Guidelines subject to following observations:

(i) Company has not spent expenditure towards Corporate Social Responsibility pursuant to Section 135 of the Act.

I 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.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I 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.

I 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.

Khushboo B Gopani
Practicing Company Secretary
Membership No. A29194
CP No. 10560

Place: Mumbai
Date: 6th August, 2018

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

Annexure A

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My 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.

Khushboo Bakul Gopani
Practicing Company Secretary
Membership No. A29194
CP No. 10560

Place: Mumbai
Date: 6th August, 2018

Independent Auditor's Report

To the Members of
MARKSANS PHARMA LTD

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of **MARKSANS PHARMA LTD** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies Indian Accounting Standards Rules 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit of the Ind AS Financial Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanation given to us the aforesaid standalone Ind AS financial statements give the required information by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act:-

    (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;

    (ii) In the case of Statement of Profit and Loss, of the profit including other comprehensive income for the year ended on that date;

    (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

9. We draw attention to Note No 25.1 to the Ind AS financial statements regarding pending approval of the Central Government for the excess managerial remuneration of ₹ 79,52,068.00 paid to the Whole-time Director Dr. Vinay Gopal Nayak for the financial year 2016-17 due to inadequacy of profits. Pending such approvals, no adjustments have been made in the accounts for the year ended 31st March, 2017, and the excess amount is held by the Whole-time Director in trust for the Company. Our Opinion is not modified in respect of the above matter.

OTHER MATTER

10. The Company had prepared separate sets of statutory Ind AS financial statements for the year ended 31st March, 2017 and 31st March, 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which the previous Auditor issued auditors's reports to the shareholders of the Company dated 29th May, 2017 and 30th May, 2016 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

12. 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.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Director, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A** to this report.

    (g) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

    (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, knowledge and belief and according to the information and explanations given to us :

        (i) The company does not have any pending litigation which would impact its financial position on its Ind AS financial position in its Standalone Financial Statement.

        (ii) The Company did not have any long term contracts, including derivative contracts as at 31st March, 2018; as such the question of commenting on any material foreseeable losses thereon does not arise.

        (iii) There has not been occasion in case of the Company during the year under report to transfer any sums to the investor Education And Protection Fund. The Question of delay in transferring such sums does not arise.

For **V. S. Lalpuria & Co.**
Chartered Accountants
FR No. 105581W

V. S. Lalpuria
(Proprietor)
M No. 015926

Place: Mumbai
Date: 30th May, 2018

Annexure A to the Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of **MARKSANS PHARMA LTD** on the standalone Ind AS financial statements for the year ended March 31, 2018.

Report of the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **Marksans Pharma Ltd** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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). 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our Audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, to the best of our information and accordingly to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. S. Lalpuria & Co.**
Chartered Accountants
FR No. 105581W

V. S. Lalpuria
(Proprietor)
M No. 015926

Place: Mumbai
Date: 30th May, 2018

Annexure B to the Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of **MARKSANS PHARMA LTD** on the standalone Ind AS financial statement as of and for the year ended March 31, 2018.

(1) (a) In our Opinion and according to the information given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment i.e. Fixed Assets.

(b) In our Opinion and according to the information given to us, all fixed assets i.e. the Property, Plant & Equipment have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) In our Opinion and according to the information given to us and to the best of our knowledge and belief the title deeds of immovable properties are held in name of the Company. In respect of immovable property taken on lease is disclosed in fixed assets in Standalone Financial Statements, the lease agreement are in the name of the Company.

(2) In our Opinion and according to the information given to us, physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed.

(3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(5) In our Opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

(6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under sub section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

(7) (a) In our opinion and according to the information given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, GST, cess and any other statutory dues to the appropriate authorities applicable to it.

(b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, GST and Cess were in arrears, as at 31-03-2018 for a period of more than 6 months from the date they became payable.

(8) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(9) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the order are not applicable to the Company.

(10) During the course of our examination of the books amd 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 have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(11) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration paid or provided to the Whole-time Director Dr. Vinay Gopal Nayak during the financial year 2016-17 is in excess of the limits prescribed under Section 197 read with Schedule V of the Act by ₹ 79,52,068.00 due to inadequacy of profits. Members of the Company have at the 25th Annual Genera Meeting held on 26th September, 2017 approved waiver of recovery of such excess payment subject to approval of the Central Government. The Company has submitted application to the Central Government for approval which is pending. Pending such approval, no adjustments have been made in the accounts for the year ended 31st March, 2017, and the excess amount is held by the Whole-time Director in trust for the Company.

(12) The Company is not Nidhi Company and Nidhi Rules 2014, are not applicable to it, the provisions of clause 3(xii) of the order are not applicable.

(13) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

(14) The Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the order are not applicable to the Company.

(15) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non-cash transaction with its Directors or persons connected to its Directors and hence provision of section 192 of the Act are not applicable.

(16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **V. S. Lalpuria & Co.**
Chartered Accountants
FR No. 105581W

V. S. Lalpuria
(Proprietor)
M No. 015926

Place: Mumbai
Date: 30th May, 2018

Standalone Balance Sheet as at 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
ASSETS				
Non-current assets				
Property, plant and equipment	3	87,88,18,184	91,89,76,942	90,32,23,453
Capital work-in-progress	3	-	35,98,456	-
Intangible assets	3	85,096	2,02,14,801	7,14,98,393
Financial assets				
(i) Investments	4	2,36,07,39,875	2,34,29,32,250	2,31,44,00,764
(ii) Loans		-	-	-
(iii) Other non- current financial assets	5	81,66,034	58,80,898	94,36,886
Total non-current assets		**3,24,78,09,189**	**3,29,16,03,347**	**3,29,85,59,496**
Current assets				
Inventories	6	42,29,28,024	29,24,28,929	43,73,77,919
Financial Assets				
(i) Trade receivables	7	1,68,87,21,901	1,54,79,84,808	1,33,41,49,083
(ii) Cash and cash equivalents	8	71,35,299	2,56,17,786	3,12,71,869
(iii) Other Financial Assets	9	4,98,735	8,97,083	9,64,353
Other current assets	10	18,99,22,616	29,91,79,398	23,75,86,210
Total current assets		**2,30,92,06,575**	**2,16,61,08,004**	**2,04,13,49,434**
TOTAL ASSETS		**5,55,70,15,764**	**5,45,77,11,351**	**5,33,99,08,930**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	11	40,93,13,698	40,93,13,698	40,93,13,698
Other Equity				
Reserves and Surplus	12	3,88,03,97,078	3,77,95,30,938	3,72,32,91,772
Total equity		**4,28,97,10,776**	**4,18,88,44,636**	**4,13,26,05,470**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Other financial liabilities	13	10,00,00,000	11,00,00,000	12,50,00,000
Deferred tax liabilities (Net)	14	6,01,11,379	5,33,67,778	4,64,29,054
Other non-current liabilities		-	-	-
Provisions	15	1,08,04,340	96,08,779	71,02,762
Total non current liabilities		**17,09,15,719**	**17,29,76,557**	**17,85,31,816**
Current liabilities				
Financial liabilities				
(i) Borrowings	16	66,30,87,577	73,22,92,199	40,61,82,121
(ii) Trade payables	17	23,33,27,622	20,60,33,201	31,40,77,261
(iii) Other financial liabilities	18	1,26,29,019	71,19,968	67,59,130
Other current liabilities		-	-	-
Provisions	19	16,68,33,570	11,93,25,139	11,07,91,945
Current tax liabilities (Net)	20	2,05,11,481	3,11,19,651	19,09,61,187
Total current liabilities		**1,09,63,89,269**	**1,09,58,90,158**	**1,02,87,71,644**
Total liabilities		1,26,73,04,988	1,26,88,66,715	1,20,73,03,460
TOTAL EQUITY AND LIABILITIES		**5,55,70,15,764**	**5,45,77,11,351**	**5,33,99,08,930**

See accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V.S. LALPURIA
Proprietor
M. NO. 015926

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

Place : Mumbai
Date : 30.05.2018

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Standalone Statement of Profit and Loss for the Year Ended 31st March, 2018

Particulars	Note No.	2017-18 ₹	2016-17 ₹
INCOME			
Revenue from operations	21	2,94,66,22,764	2,15,83,99,961
Other income	22	12,23,127	6,95,08,322
Total Income		**2,94,78,45,891**	**2,22,79,08,283**
EXPENSES			
Cost of materials consumed	23	1,54,74,30,077	1,00,88,05,587
Purchases of Stock-in-Trade		18,32,55,266	10,81,89,172
Changes in inventories of finished goods, work-in-process and Stock-in-trade	24	(3,72,09,103)	67,41,657
Employee benefits expense	25	45,85,61,046	39,77,09,696
Finance costs	26	7,66,82,604	4,49,04,365
Depreciation and amortization expense	27	12,25,06,851	15,00,16,373
Other expenses	28	43,00,94,677	39,20,74,364
Total expenses		**2,78,13,21,418**	**2,10,84,41,214**
Profit before tax		**16,65,24,473**	**11,94,67,069**
Tax expense:			
(1) Current Year		3,61,96,000	2,84,00,000
(2) Earlier year		37,281	(3,13,74,053)
(3) Deferred tax		60,17,921	69,89,327
Total Tax Expenses		**4,22,51,202**	**40,15,274**
Profit for the Year		**12,42,73,271**	**11,54,51,795**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Statement of Profit and Loss			
- Remeasurement of the net defined benefit plans		19,50,638	(1,46,218)
- Income tax relating to above		(7,25,680)	50,603
Other Comprehensive Income/(Loss) for the year		**12,24,958**	**(95,615)**
Total Comprehensive income for the year		**12,54,98,229**	**11,53,56,180**
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		0.30	0.28
(2) Diluted (in ₹)		0.30	0.28

See accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V.S. LALPURIA
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Whole - time Director

Place : Mumbai
Date : 30.05.2018

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Statement of Changes in Equity for the year ended 31st March, 2018

A Share Capital

Particulars	Equity Shares of ₹1/- each		7% Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at 01.04.2016	40,93,13,698	40,93,13,698	12,50,000	12,50,00,000
Shares Issued during the Period	-	-	-	-
Shares bought back/redeemed during the Period	-	-	2,50,000	2,50,00,000
Shares outstanding at 31.03.2018	40,93,13,698	40,93,13,698	10,00,000	10,00,00,000

B Other Equity

Particulars	RESERVES AND SURPLUS					
	Capital Reserves	Capital Redemption Reserve	Securities Premium Account	General Reserve	Surplus	TOTAL
Balance as at 1st April, 2017	**1,22,500**	**2,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(1,13,42,74,459)**	**3,77,95,30,938**
Profit for the Period					12,42,73,271	12,42,73,271
Other comprehensive income-						
Remeasurement of the net defined benefit plans (net of tax)					12,24,958	12,24,958
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**12,54,98,229**	**12,54,98,229**
On Redemption of Preference Share		1,00,00,000			(1,00,00,000)	-
Dividend for the year					(2,46,32,089)	(2,46,32,089)
Balance as at 31st March, 2018	**1,22,500**	**3,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(1,04,34,08,319)**	**3,88,03,97,078**

Particulars	RESERVES AND SURPLUS					
	Capital Reserves	Capital Redemption Reserve	Securities Premium Account	General Reserve	Surplus	TOTAL
Balance as at 1st April, 2016	**1,22,500**	**1,00,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(1,17,55,13,625)**	**3,72,32,91,772**
Profit for the Period					11,54,51,795	11,54,51,795
Other comprehensive income-						-
Remeasurement of the net defined benefit plans (net of tax)					(95,615)	(95,615)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,53,56,180**	**11,53,56,180**
On Redemption of Preference Share		1,50,00,000			(1,50,00,000)	-
Dividend for the year					(5,91,17,014)	(5,91,17,014)
Balance as at 31st March, 2017	**1,22,500**	**2,50,00,000**	**1,75,13,17,328**	**3,13,73,65,569**	**(1,13,42,74,459)**	**3,77,95,30,938**

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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Whole - time Director

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Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Notes to the Financial Statements for the year ended 31st March, 2018

1. COMPANY 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 formulation. The Company's research and development facilities and manufacturing facilities are located at Plot no.L-82, & L-83, Verna Industrial Estate, Verna, Goa - 403722.

The Company's shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

2. SIGNIFICANT ACCOUNTING POLICIES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Basis of Accounting

The 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. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP". The financial statements for the year ended 31st March, 2018 are the first Ind AS Financial statements of the Company. As per the principles of Ind AS 101, the transition date to Ind AS is 1st April 2016 and hence the comparatives for the previous year ended 31st March, 2017 and balances as on 1st April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Refer note 2.18 for understanding the transition from previous GAAP to Ind AS and its effect on the Company's financial position and financial performance.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

2.2. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in note 2.17 & 2.17.1.

These financial statements are prepared under the historical cost convention, except certain items which have been measured at their fair values, at the reporting date through profit or loss.

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 to the Company.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain/Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

2.4. Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing management involvement with the goods, the amount of revenue can be measured reliably, recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, value added tax, GST and applicable trade discounts and allowances, but inclusive of excise duty. Revenue includes shipping and handling costs billed to the customer.

Revenue from contract research is recognized in the statement of profit and loss when right to receive a non-refundable payment from out licensing partner is established.

Services

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Export entitlements

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Other income

Other income consists of interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest rate method on time proportion basis. Dividend income is recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.5. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income/expense in the statement of profit and loss".

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The estimated useful lives are as follows:

Building- Factory	:	30 years
Building- Office	:	60 years
Plant and Equipment	:	15 years
Furnitures and Fixtures	:	10 years
Office Equipment	:	5 years
Vehicles	:	8 years
Computer and Software	:	3 to 6 years

Intangible assets are amortised over their estimated life on straight-line method as follows:

Internally Generated ANDA, Market Authorisation, Product Licences & Others: 5 to 10 years

Individual assets costing less than ₹ 5,000/- are depreciated in full in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Advances paid towards the acquisition of property, plant and equipment outstanding at the reporting date and the cost of property, plant and equipment not put to use before such date are disclosed under capital work in progress.

2.6. Borrowing Costs

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

2.7. Intangible Assets

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Based on the management estimate of the useful lives, indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use or disposal. Losses arising on such de-recognition are recorded in the statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

The estimated useful lives of Intangible assets are 5 - 10 years.

2.8. Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash generating unit is the greater of its value in use or its fair value less costs to sell. 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 assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9. Investments and 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 profit or loss), and
- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair Value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income / expenses. Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair Value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income / expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income / expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 2.19 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.10 Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments.

2.11 Inventories

Inventories of finished goods, consumable store and spares are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is ascertained on a specific identification method. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-salable inventory includes estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

2.12 Accounting for Income Taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised in Other Comprehensive Income, in which case it is recognised in Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and
- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax is not recognised for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Leasing Activities

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Land acquired on long term leases

The Company has capitalised the land acquired on long term lease. Such leases are acquired on payment of an upfront amount and do not carry any other minimum lease payments/other rentals over the lease term. The asset is initially recognized at the value of the upfront premium/charges paid to acquire the lease.

Operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

2.14 Equity

Share capital is determined using the nominal value of shares that are issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from Share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results, as disclosed in the statement of profit and loss.

2.15 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 recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds, approved superannuation schemes and other social securities, which are defined contribution plans, are recognised as an employee benefit expense in the statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of an approved gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each material plan by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

The benefit is discounted to determine the present value of the defined benefit obligation and the current service cost. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:

- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Service costs comprise of current service cost, past service cost, as well as gains and losses on curtailment and settlements. The benefit attributable to current and past periods of service is determined using the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the benefit is attributed on a straight-line basis. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. A gain or loss on the settlement of a defined benefit plan is recognised when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period, taking account of any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.

Remeasurement comprises of actuarial gains and losses, the return on plan assets (excluding interest), and the effect of changes to the asset ceiling (if applicable). Remeasurement recognised in other comprehensive income is not reclassified in the statement of profit and loss.

Compensated leave of absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, thus no liability is recognised in the balance sheet.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset upto the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

2.17 Critical accounting estimates and significant judgment in applying accounting policies

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Company's accounting policies, the following judgments have been made apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial information. Judgements are based on the information available at the date of balance sheet.

Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Company has also used Appendix C to Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

Deferred Tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

2.17.1 Estimation Uncertainty

The preparation of these financial statements is in conformity with Ind AS and requires the application of judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Estimates of life of various tangible and intangible assets, and assumptions used in the determination of employee-related obligations and fair valuation of financial and equity instrument, impairment of tangible and intangible assets represent certain of the significant judgements and estimates made by management.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. The useful lives are specified in note 2.5 & 2.7.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 2.2). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses it's best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The financial statements have been prepared using the measurement basis specified by Ind AS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.18 First time adoption of IND AS

First Ind AS Financial statements

These are the Company's first financial statements prepared in accordance with Ind AS applicable as at 31st March, 2018.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

2.18.1. Optional exemptions availed Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Arrangement containing a lease

The Company has elected to use facts and circumstances existing at the date of transition to determine whether an arrangement contains a lease. No such assessment was done under Previous GAAP.

2.18.2. Mandatory exceptions applied Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

2.18.3. Investments in subsidiaries

The Company has elected to measure investment in subsidiaries at cost and consider the previous GAAP carrying value as at the date of transition as deemed cost.

2.19 Nature and extent of risks arising from financial instruments

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at March 31, 2018 is representative of the position of the year.

Credit Risk

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets.

The credit risk arising from receivables is subject to concentration risk in that the receivables are predominantly denominated in USD & GBP and any appreciation in the INR will effect the credit risk. The Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

Foreign exchange risk

The Company is exposed to foreign exchange risk principally via:-

i. Debt availed in foreign currencies.

ii. Net investments in subsidiaries that are in foreign currencies.

iii. Exposure arising from transaction relating to purchases, revenues, expenses etc, to be settled in currencies other than the functional currency of the Company.

Liquidity Risk

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Risk Management Committee as per the Risk Management Policy adopted by the Company.

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

Fixed Assets	Gross Block						Accumulated Depreciation						Net Block		
	Balance as at 1st April, 2016 ₹	Additions ₹	Disposals ₹	Balance as at 1st April, 2017 ₹	Additions ₹	Balance as at 31st March, 2018 ₹	Balance as at 1st April, 2016 ₹	Additions ₹	On disposals ₹	Balance as at 1st April, 2017 ₹	Depreciation charge for the year ₹	Balance as at 31st March, 2018 ₹	Balance as at 31st March, 2018 ₹	Balance as at 31st March, 2017 ₹	Balance as at 1st April, 2016 ₹
a Tangible Assets															
Land	96,65,840	-	-	96,65,840	-	96,65,840	-	-	-	-	-	-	96,65,840	96,65,840	96,65,840
Buildings	31,59,34,894	7,27,30,906	-	38,86,65,800	60,76,490	39,47,42,290	7,73,95,458	93,17,954	-	8,67,13,412	1,03,19,820	9,70,33,232	29,77,09,058	30,19,52,388	23,85,39,436
Plant and Equipment	84,56,37,343	3,21,18,450	19,21,463	87,58,34,330	3,47,22,377	91,05,56,707	29,25,72,910	7,06,48,509	13,52,764	36,18,68,655	7,16,43,755	43,35,12,410	47,70,44,297	51,39,65,675	55,30,64,433
Furniture and Fixtures	4,18,09,213	51,98,369	-	4,70,07,582	57,83,962	5,27,91,544	95,26,991	38,25,927	-	1,33,52,918	40,97,259	1,74,50,177	3,53,41,367	3,36,54,664	3,22,82,222
Vehicles	6,08,01,569	-	18,82,115	5,89,19,454	1,01,04,360	6,90,23,814	1,31,54,042	68,69,789	18,45,448	1,81,78,383	76,77,594	2,58,55,977	4,31,67,837	4,07,41,071	4,76,47,527
Office equipment	61,52,852	10,26,829	-	71,79,681	16,27,171	88,06,852	43,90,173	5,79,929	-	49,70,102	6,47,494	56,17,596	31,89,256	22,09,579	17,62,679
Computer and Software	5,10,26,293	39,17,082	-	5,49,43,375	39,04,028	5,88,47,403	3,07,64,977	73,90,673	-	3,81,55,650	79,91,224	4,61,46,874	1,27,00,529	1,67,87,725	2,02,61,316
Total	1,33,10,28,004	11,49,91,636	38,03,578	1,44,22,16,062	6,22,18,388	1,50,44,34,450	42,78,04,551	9,86,32,781	31,98,212	52,32,39,120	10,23,77,146	62,56,16,266	87,88,18,184	91,89,76,942	90,32,23,453
b Intangible Assets															
Internally Generated ANDA, Market Authorisations, Product Licences & Others	51,37,86,882	1,00,000	-	51,38,86,882	-	51,38,86,882	44,22,88,489	5,13,83,592	-	49,36,72,081	2,01,29,705	51,38,01,786	85,096	2,02,14,801	7,14,98,393
Total	**51,37,86,882**	**1,00,000**	**-**	**51,38,86,882**	**-**	**51,38,86,882**	**44,22,88,489**	**5,13,83,592**	**-**	**49,36,72,081**	**2,01,29,705**	**51,38,01,786**	**85,096**	**2,02,14,801**	**7,14,98,393**
c Capital Work-in-progress															
Includes Building, Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	35,98,456	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	35,98,456	-
Total (a+b+c)	1,84,48,14,886	11,50,91,636	38,03,578	1,95,61,02,944	6,22,18,388	2,01,83,21,332	87,00,93,040	15,00,16,373	31,98,212	1,01,69,11,201	12,25,06,851	1,13,94,18,052	87,89,03,280	94,27,90,199	97,47,21,846

Note No. 3.1
Land held on leasehold basis. Building includes those constructed on leasehold land.

Note No. 3.2
Addition to Fixed Assets include capital expenditure of Nil (2017- Nil) incurred for Research and Development.

Notes to the Financial Statements for the year ended 31st March, 2018

NOTE NO. 4 NON-CURRENT INVESTMENTS

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
Trade Investments			
Investment in subsidiaries (Unquoted)	2,36,07,39,875	2,34,29,32,250	2,31,44,00,764
Total	**2,36,07,39,875**	**2,34,29,32,250**	**2,31,44,00,764**

Note No. 4.1

Investment in Equity Instruments

Investment in Subsidiary companies

Unquoted fully paid (At cost)

Name of the Subsidiary	Extent of Holding (%)	Amount/ No of Shares	31st March, 2018	31st March, 2017	1st April, 2016
Nova Pharmaceuticals Australasia Pty Ltd.	60%	Amount ₹	1,59,05,003	1,59,05,003	1,59,05,003
		No of shares	90	90	90
Marksans Pharma (UK) Ltd.	100%	Amount ₹	66,92,37,881	66,92,37,881	66,02,58,895
		No of shares	85,96,941	85,96,941	84,92,565
Marksans Pharma Inc.	100%	Amount ₹	1,67,55,96,991	1,65,77,89,366	1,63,82,36,866
		No of shares	110	100	100
Total			**2,36,07,39,875**	**2,34,29,32,250**	**2,31,44,00,764**

Note No. 4.2

During the F.Y. 2017-18, the Company has Invested ₹17,807,625 (USD 2,75,000) in it's wholly owned subsidiary Marksans Pharma Inc.

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 5 OTHER NON- CURRENT FINANCIAL ASSETS			
Unsecured, considered good - Deposits	81,66,034	58,80,898	94,36,886
Total	**81,66,034**	**58,80,898**	**94,36,886**

NOTE NO. 6 INVENTORIES

a. Raw Materials and Packing Materials	32,53,63,774	23,20,73,781	37,02,81,114
b. Work-in-process	5,66,39,358	3,00,57,513	4,21,32,500
c. Finished goods	2,51,61,873	1,62,91,184	2,21,87,658
d. Stock-in-trade	1,57,63,019	1,40,06,451	27,76,647
Total	**42,29,28,024**	**29,24,28,929**	**43,73,77,919**

* Refer Note No. 16.1 for hypothecation of above inventories.

NOTE NO. 7 TRADE RECEIVABLES

Unsecured, considered good	1,68,87,21,901	1,54,79,84,808	1,33,41,49,083
Doubtful	-	-	-
Less:- Allowance for Bad and doubtful debts	-	-	-
Total	**1,68,87,21,901**	**1,54,79,84,808**	**1,33,41,49,083**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 8 CASH AND CASH EQUIVALENTS			
a. Balances with banks			
In current Account	52,47,287	2,41,58,832	2,96,23,301
In Dividend Accounts	13,02,182	11,27,269	8,66,166
b. Margin Money	3,00,000	-	-
c. Cash in hand	2,85,830	3,31,685	7,82,402
Total	**71,35,299**	**2,56,17,786**	**3,12,71,869**

Note No. 8.1

Dividend accounts represent balance maintained in specific bank accounts for payment of dividends. The use of of these funds is restricted and can only be used to pay unclaimed dividend. The corresponding liability for payment of dividends is included in other current financial liability.

NOTE NO. 9 OTHER CURRENT FINANCIAL ASSETS

foreign exchange forward contract	4,98,735	8,97,083	9,64,353
Total	**4,98,735**	**8,97,083**	**9,64,353**

NOTE NO. 10 OTHER CURRENT ASSETS

Advance recoverable in cash or kind (Unsecured, considered good)	18,99,22,616	29,91,79,398	23,75,86,210
Total	**18,99,22,616**	**29,91,79,398**	**23,75,86,210**

NOTE NO. 11 SHARE CAPITAL

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Number	₹	Number	₹	Number	₹
Authorised						
Equity Shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable Cumulative Preference Shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000	14,00,000	14,00,00,000
Total	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up						
Equity Shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

a. **Terms/rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹1/- per share. All the Equity Shares rank pari passu in all respect. Each holder of Equity Shares is entitled to one vote per share. 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.

b. **Terms/rights attached to Preference Shares**

The Company has on 14th March, 2018 redeemed 100,000 7% Redeemable Cumulative Preference shares of ₹100/- each(The Preference Shares) at par. Consequently , the Issued, Subscribed and Paid-up Preference Share Capital of the company has reduced from ₹11,00,00,000 (Rupees eleven crores) divided into 1,100,000 Preference Shares of ₹ 100/-each to ₹10,00,00,000(Rupees ten crore) divided into 10,00,000 Preference shares of ₹100/- each with effect from 14th March, 2018.

NOTE NO. 11 SHARE CAPITAL *(Contd.)*

With consent of the sole shareholder, redemption date of these preference shares have been extended upto 27th March, 2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option.

The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting.

The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07.02.2015, 1,50,000 Preference shares at par on 31.03.2017 and 100,000 preference shares at par on 14.03.2018.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid						
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25	19,74,91,553	48.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid						
Glenmark Pharmaceuticals Limited	10,00,000	100	11,00,000	100	12,50,000	100

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 12 OTHER EQUITY			
a. **Capital Reserves**	1,22,500	1,22,500	1,22,500
	1,22,500	**1,22,500**	**1,22,500**
b. **Capital Redemption Reserve**			
Opening Balance	2,50,00,000	1,00,00,000	1,00,00,000
(+) Transferred from Profit and Loss	1,00,00,000	1,50,00,000	-
Closing Balance	**3,50,00,000**	**2,50,00,000**	**1,00,00,000**
c. **Securities Premium Account**			
Opening Balance	1,75,13,17,328	1,75,13,17,328	1,75,13,17,328
(+) Securities premium credited on Share issue	-	-	-
Closing Balance	**1,75,13,17,328**	**1,75,13,17,328**	**1,75,13,17,328**
d. **General Reserve**			
Opening Balance	3,13,73,65,569	3,13,73,65,569	3,13,73,65,569
(+) Current Year Transfer	-	-	-
(-) Written Back in Current Year	-	-	-
Closing Balance	**3,13,73,65,569**	**3,13,73,65,569**	**3,13,73,65,569**
e. **Retained Earning**			
Opening balance	(1,13,42,74,459)	(1,17,55,13,625)	(1,85,13,41,067)
(+) Net Profit/(Net Loss) for the current year	12,42,73,271	11,54,51,795	67,58,27,442
(-) Transfer to Capital Redemption Reserve	(1,00,00,000)	(1,50,00,000)	-
(-) Dividend for the year including Dividend Distribution Tax	(2,46,32,089)	(5,91,17,014)	-

NOTE NO. 12 OTHER EQUITY *(Contd.)*

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
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	12,24,958	(95,615)	-
Closing Balance	(1,04,34,08,319)	(1,13,42,74,459)	(1,17,55,13,625)
Total	3,88,03,97,078	3,77,95,30,938	3,72,32,91,772

NOTE NO. 13 OTHER NON CURRENT FINANCIAL LIABILITIES

7% Redeemable Cumulative Preference Shares of ₹100/- each	10,00,00,000	11,00,00,000	12,50,00,000
Total	**10,00,00,000**	**11,00,00,000**	**12,50,00,000**

NOTE NO. 14 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities : DTL	6,55,42,568	5,91,96,458	5,06,26,706
Total Deferred tax liability	6,55,42,568	5,91,96,458	5,06,26,706
Deferred Tax Assets : DTA			
Defined benefit obligations	51,10,032	47,95,195	34,77,629
Change in Fair valuation of Financial Assets	9,96,234	9,82,882	7,20,023
Total Deferred tax assets	61,06,266	57,78,077	41,97,652
Net Deferred tax Liability	**5,94,36,302**	**5,34,18,381**	**4,64,29,054**
Deferred Tax on OCI Liabilities	6,75,077	-	-
Deferred Tax on OCI Assets	-	50,603	-
Net Deferred tax Liability	**6,01,11,379**	**5,33,67,778**	**4,64,29,054**

NOTE NO. 15 OTHER NON-CURRENT LIABILITIES-PROVISIONS

- Gratuity	83,86,754	72,96,323	54,01,228
- Compensated absences	24,17,586	23,12,456	17,01,534
Total	**1,08,04,340**	**96,08,779**	**71,02,762**

NOTE NO. 16 BORROWINGS-CURRENT

Secured			
Working Capital facilities from Bank	66,30,87,577	73,22,92,199	40,61,82,121
Total	**66,30,87,577**	**73,22,92,199**	**40,61,82,121**

Note No.16.1

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the company's plant at Verna, Goa in favour of Consortium on a pari-passu basis.

The Company has taken working capital from banks at interest rates ranging between LIBOR+ 1% to 11.50%.

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 17 TRADE PAYABLE			
a) Total outstanding dues to Micro and Small enterprises*	-	-	-
b) Total outstanding dues to other than Micro and Small enterprises	23,33,27,622	20,60,33,201	31,40,77,261
Total	**23,33,27,622**	**20,60,33,201**	**31,40,77,261**

* The Company has not received any information from "Suppliers" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid/payable as required under the said Act have not been given.

NOTE NO. 18 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
Current maturities of Vehicle Loan	54,88,800	-	21,509
Other Current Liability	58,28,038	57,32,699	58,61,455
Unclaimed Dividend	13,02,181	11,27,269	8,66,166
Deposits	10,000	2,60,000	10,000
Total	**1,26,29,019**	**71,19,968**	**67,59,130**

NOTE NO. 19 PROVISIONS

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
a. **Provision for Gratuity and compensated absences**			
- Gratuity	24,99,707	23,00,170	17,60,869
- Compensated absences	6,08,57,646	5,75,75,919	3,95,30,440
b. **Others**	10,34,76,217	5,94,49,050	6,95,00,636
Total	**16,68,33,570**	**11,93,25,139**	**11,07,91,945**

NOTE NO. 20 CURRENT TAX LIABILITIES(NET)

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
Income Tax provision	2,05,11,481	3,11,19,651	19,09,61,187
Total	**2,05,11,481**	**3,11,19,651**	**19,09,61,187**

Particulars	2017-18 ₹	2016-17 ₹
NOTE NO. 21 REVENUE FROM OPERATIONS		
Sale of products	2,86,04,01,877	2,07,52,13,599
Other operating revenues	8,62,20,887	8,31,86,362
Less: Excise duty	-	-
Total	**2,94,66,22,764**	**2,15,83,99,961**

NOTE NO. 22 OTHER INCOME

Particulars	2017-18 ₹	2016-17 ₹
Interest Income	4,31,897	14,54,947
Unwinding discount on Security Deposits i.e. Interest Income	2,92,495	2,72,092
Change in Fair value of Forward contract	4,98,735	8,97,083
Dividend Income	-	6,68,84,200
Total	**12,23,127**	**6,95,08,322**

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	2017-18 ₹	2016-17 ₹
NOTE NO. 23 COST OF MATERIALS CONSUMED		
Cost of material and components consumed	1,54,74,30,077	1,00,88,05,587

NOTE NO. 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Inventory at the beginning of the year	6,03,55,148	6,70,96,805
Inventory at the end of the Year	(9,75,64,251)	(6,03,55,148)
Changes in inventories of finished goods, work-in-process and stock-in-trade	(3,72,09,103)	67,41,657

NOTE NO. 25 EMPLOYEE BENEFITS EXPENSE

(a) Salaries and Wages	42,20,06,055	36,92,15,277
(b) Contributions to - Providend fund , E.S.I.C. and other fund	2,14,94,242	1,77,50,866
(c) Staff welfare expenses	1,50,60,749	1,07,43,553
Total	**45,85,61,046**	**39,77,09,696**

Note No. 25.1

During the year ended 31st March, 2017, the remuneration paid to Dr. Vinay Gopal Nayak, Whole-time Director has exceeded the permissible limit as prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 79,52,068.00 due to inadeqancy of profit. Members of the Company have at the 25th AGM held on 26th September 2017 approved waiver of recovery of such excess payment subject to approval of the Central Government . The Company has submitted application to the Central Government for approval which is pending. Pending such approval, no adjustments have been made in the accounts for the year ended 31st March, 2017, and the excess amount is held by the Whole-time Director in trust for the Company.

NOTE NO. 26 FINANCE COST

Interest expense	4,21,34,729	1,85,30,024
Bank charges	2,53,13,728	1,59,71,774
Dividend on preference share including DDT	92,67,566	1,05,31,325
Applicable net loss/(Profit) on foreign exchange	(33,419)	(1,28,758)
Total	**7,66,82,604**	**4,49,04,365**

NOTE NO. 27 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on tangible assets	10,23,77,146	9,86,32,781
Amortization of intangible assets	2,01,29,705	5,13,83,592
Total	**12,25,06,851**	**15,00,16,373**

Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	2017-18 ₹	2016-17 ₹
NOTE NO. 28 OTHER EXPENSES		
Water Charges	23,60,413	30,32,599
Power & Fuel	7,02,24,553	6,90,30,130
Freight Inward & Raw Material Clearing Charges	2,01,59,802	1,70,64,049
Repairs & Maintenance - Plant and Machinery	3,67,06,191	3,49,38,271
Repairs & Maintenance - Building	25,44,354	64,40,193
Other Manufacturing Expenses	2,05,89,241	1,33,48,134
Rent	1,35,92,525	1,52,30,451
Rates & Taxes	8,01,330	16,65,244
Travelling Expenses	3,19,41,983	4,01,34,909
Communication Expenses	36,46,509	34,60,631
Courier & Postage Expenses	17,26,965	18,10,936
Printing & Stationery	15,66,491	17,70,816
Audit Fees	3,37,000	3,37,000
Vehicle Expenses & Local Conveyance	71,36,592	74,47,350
Legal & Professional Fees	2,04,73,834	3,26,01,880
Office Expenses	39,42,747	36,66,798
Insurance Charges	33,67,783	53,99,222
Exchange Loss/(Gain)	(7,30,28,648)	(10,77,47,344)
Loss on sale of Fixed Assets	-	(2,47,412)
Other Operating Expenses	6,33,74,826	4,80,89,452
Freight Outward & Export Clearing Expenses	14,08,72,021	8,17,81,646
Selling & Distribution Expenses	5,77,58,165	11,28,19,409
Total	**43,00,94,677**	**39,20,74,364**

Note No.28.1

Details of Payments to the Auditor

a. As Auditor	3,37,000	3,37,000
Total	**3,37,000**	**3,37,000**

NOTE NO. 29 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

NOTE NO. 29 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS *(Contd.)*

Contingent liabilities and commitments (to the extent not provided for)

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Contingent Liabilities		
Guarantees and Letter of Credit	1,046.68	920.47
	1,046.68	**920.47**

NOTE NO. 30 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility expenditure for the year is Nil (previous year Nil).

NOTE NO. 31 RESEARCH AND DEVELOPMENT EXPENDITURE

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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount expensed by the Company as Research and Development costs during the last three financial years:-

Financial Year	Revenue ₹ in Lakhs	Capital ₹ in Lakhs	Total Expenditure ₹ in Lakhs
2014-15	1,719.83	21.30	1,741.13
2015-16	768.10	38.07	806.17
2016-17	453.09	-	453.09
2017-18	526.59	-	526.59

NOTE NO. 32 PRODUCTION, SALES AND STOCK

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
(a) Sale of Products		
Solid Orals, Tablets and Capsules	29,466.23	21,584.00
(b) Finished goods purchased		
Solid Orals, Tablets and Capsules	1,832.55	1,081.89
(c) Raw & packing materials and consumables stores consumed		
Ibuprofen	2,990.44	1,740.08
Metformin HCL	1,383.42	894.67
Paracetamol	328.10	235.41
Gliclazide	549.70	741.29
Gabapentin	688.10	1,051.93
Coating Material	297.14	142.51
Gelatin	422.07	253.30
Naproxin	846.98	256.20
Simvastatin	128.38	
Levetiracetam	163.05	
Sumatriptan	261.41	
Others	7,415.51	4,772.67
Total	**15,474.30**	**10,088.06**

Notes to the Financial Statements for the year ended 31st March, 2018

NOTE NO. 32 PRODUCTION, SALES AND STOCK *(Contd.)*

(d) Break-up of raw materials and consumables stores consumed

Particulars	2017-18		2016-17	
	(%)	₹ in Lakhs	(%)	₹ in Lakhs
Indigenous	74.80	11,574.97	72.05	7,268.48
Imported	25.20	3,899.33	27.95	2,819.58

(e) Inventories of Finished Goods

Particulars	Opening Stock ₹ in Lakhs		Closing Stock ₹ in Lakhs	
	2017-18	2016-17	2017-18	2016-17
Inventories of finished goods (manufactured)				
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	162.91	221.88	251.62	162.91
Inventories of finished goods (traded)				
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	140.06	27.77	157.63	140.06

NOTE NO. 33

(a) Forex Outflow

C. I. F. Value of Imports	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
- Raw materials	4,312.06	1,417.69
- Capital Goods / Spare Parts and Components and others	241.71	694.52
Total Forex Outflow	**4,553.77**	**2,112.21**

(b) Remittance in Foreign Currency on Account of Dividend

During the financial year 2017-18, the Company has not remitted any amount in foreign currencies on account of dividends. The dividends payable to non-resident shareholders have been paid in Indian Rupees to their Indian bank accounts mandated by them.

(c) Forex Earnings

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Earnings in foreign currency from exports / other income	28,137.77	20,607.18

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I **Gratuity (defined benefit plan)**

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a **The Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Current Service Cost	(26,97,336)	(25,67,466)
Interest Cost	(6,53,521)	(5,33,576)
Scheme Cost (Income) to P&L	**(33,50,857)**	**(31,01,042)**

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Change in Financial Assumption	**3,04,696**	**(2,82,490)**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	3,04,696	(2,82,490)
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**7,81,391**	**3,47,891**
Total Actuarial Gain/(Loss) related to Liability	**10,86,087**	**65,401**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Defined Benefit Obligations (DBO)	(1,08,86,461)	(95,96,493)
Fair Value of Plan Assets	-	-
Net Assets / (Liabilities)	**(1,08,86,461)**	**(95,96,493)**

d A break-up of the defined benefit plan related balance sheet amounts as at 31st March, 2018 and 31st March, 2017, is shown below.

Current Liability	(24,99,707)	(23,00,170)
Non-Current Liability	(83,86,754)	(72,96,323)
Total	**(1,08,86,461)**	**(95,96,493)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(95,96,493)**	**(71,62,097)**
Current Service Cost	(26,97,336)	(25,67,466)
Interest Cost	(6,53,521)	(5,33,576)
Benefits paid including to be paid	9,74,802	6,01,245
Remeasurements due to Actuarial Gain / (Loss)	10,86,087	65,401
DBO at the end of the reporting period	**(1,08,86,461)**	**(95,96,493)**

f Change in Fair Value of Assets for the period ending as at 31st March, 2018 and 31st March, 2017

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2018 are as follows:

Discount Rate	7.40%	6.81%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Duration of the Liability	5.7	6

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2017 ₹	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2017 %	31st March, 2018 %	31st March, 2019 %
Base Scenario	(95,96,493)	(1,08,86,461)	(1,18,05,841)			
Discount Rate: Increase by 1%	(91,62,038)	(1,04,04,763)	(1,12,62,209)	-4.50%	-4.40%	-4.60%
Discount Rate: Decrease by 1%	(1,00,72,134)	(1,14,12,592)	(1,23,98,298)	5.00%	4.80%	5.00%
Salary Escalation Rate: Increase by 1%	(99,79,204)	(1,12,97,616)	(1,23,54,641)	4.00%	3.80%	4.60%
Salary Escalation Rate: Decrease by 1%	(92,35,944)	(1,04,98,086)	(1,12,87,241)	-3.80%	-3.60%	-4.40%
Withdrawal Rate: Increase by 20%	(90,62,241)	(1,02,08,760)	(1,01,25,906)	-5.60%	-6.20%	-14.20%
Withdrawal Rate: Decrease by 20%	(1,02,77,630)	(1,16,90,714)	(1,38,06,236)	7.10%	7.40%	16.90%
Mortality Rate: Increase by 20%	(95,99,841)	(1,08,91,494)	(1,17,99,556)	0.00%	0.00%	-0.10%
Mortality Rate: Decrease by 20%	(95,93,143)	(1,08,81,422)	(1,18,12,117)	0.00%	0.00%	0.10%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

II **Compensated leave of absence plan (other long term benefit plan)**

The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

a **The Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Current Service Cost	(13,70,191)	(17,98,820)
Interest Cost	(2,90,055)	(2,15,046)
Scheme Cost (Income) to P&L	**(16,60,246)**	**(20,13,866)**

b **The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:**

Change in Financial Assumption	**87,641**	**(94,752)**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	87,641	(94,752)
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**7,76,910**	**(1,16,867)**
Total Actuarial Gain/(Loss) related to Liability	**8,64,551**	**(2,11,619)**

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Defined Benefit Obligations (DBO)	(38,79,005)	(42,59,250)
Fair Value of Plan Assets (FVPA)	-	-
Net Assets / (Liabilities)	**(38,79,005)**	**(42,59,250)**

d A break-up of the defined benefit plan related balance sheet amounts at 31st March, 2018 and 31st March, 2017, is shown below.

Current Liability	(14,61,419)	(19,46,794)
Non-Current Liability	(24,17,586)	(23,12,456)
Total	**(38,79,005)**	**(42,59,250)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(42,59,250)**	**(28,86,528)**
Current Service Cost	(13,70,191)	(17,98,820)
Interest Cost	(2,90,055)	(2,15,046)
Benefits paid	11,75,941	8,52,763
Remeasurements due to Actuarial Gain / (Loss)	8,64,551	(2,11,619)
DBO at the end of the reporting period	**(38,79,005)**	**(42,59,250)**

f Change in Fair Value of Assets for the period ending as at 31st March, 2018 and 31st March, 2017

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2018 are as follows:

Discount Rate	7.40%	6.81%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Duration of the Liability	4.3	4.2

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2017 ₹	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2017 %	31st March, 2018 %	31st March, 2019 %
Base Scenario	(42,59,250)	(38,79,005)	(41,29,750)			
Discount Rate: Increase by 1%	(41,13,191)	(37,39,311)	(39,72,537)	-3.40%	-3.60%	-3.80%
Discount Rate: Decrease by 1%	(44,17,050)	(40,30,002)	(42,99,161)	3.70%	3.90%	4.10%
Salary Escalation Rate: Increase by 1%	(44,14,590)	(40,28,744)	(43,37,825)	3.60%	3.90%	5.00%
Salary Escalation Rate: Decrease by 1%	(41,12,751)	(37,37,936)	(39,33,975)	-3.40%	-3.60%	-4.70%

NOTE NO. 34 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

Particulars	31st March, 2017 ₹	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2017 %	31st March, 2018 %	31st March, 2019 %
Withdrawal Rate: Increase by 20%	(43,23,112)	(38,54,021)	(37,23,726)	1.50%	-0.60%	-9.80%
Withdrawal Rate: Decrease by 20%	(41,58,985)	(38,78,308)	(44,99,896)	-2.40%	0.00%	9.00%
Mortality Rate: Increase by 20%	(42,60,742)	(38,80,186)	(41,27,992)	0.00%	0.00%	0.00%
Mortality Rate: Decrease by 20%	(42,57,752)	(38,77,817)	(41,31,501)	0.00%	0.00%	0.00%
Leaves Consumption Rate: Increase by 10%	(36,55,416)	(31,95,827)	(31,56,267)	-14.20%	-17.60%	-23.60%
Leaves Consumption Rate: Decrease by 10%	(48,18,877)	(45,14,345)	(50,31,443)	13.10%	16.40%	21.80%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

NOTE NO. 35 SEGMENT REVENUE

Segment Revenue	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
a) Exports	28,137.77	20,607.18
b) Local	1,328.46	976.82
Total	**29,466.23**	**21,584.00**

NOTE NO. 36 EARNING PER SHARE

Earning per share is calculated by dividing the profit/(loss) 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	2017-18 ₹	2016-17 ₹
Earning Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	12,42,73,271	11,54,51,795
2) Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
b) For Diluted Earning Per Share of Re. 1/- each		
- No. of Share for Basic EPS as per 2 a	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding	-	-
- No. of share for diluted Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
3) Earning Per Share (Weighted Average)		
Basic	0.30	0.28
Diluted	0.30	0.28

NOTE NO. 37 RELATED PARTY DISCLOSURES

(a) List of Related Parties

Subsidiary

Marksans Pharma (UK) Limited

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

Marksans Pharma Inc.

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Marksans Realty LLC

Nova Pharmaceuticals Australasia Pty Ltd

Key Management Personnel (KMP)

Mr. Mark Saldanha - Managing Director

Mrs. Sandra Saldanha - Whole-time Director

Dr. Vinay Gopal Nayak - Whole-time Director

Mr. Jitendra Sharma - Chief Financial Officer

Mr. Harshavardhan Panigrahi - Company Secretary

Relatives of KMP

Mrs. Sandra Saldanha is spouse of Mr. Mark Saldanha (Managing Director)

Mr. Mark Saldanha is spouse of Mrs. Sandra Saldanha (Whole-time Director)

Companies in which KMP is interested

Marksans Pharma (UK) Limited

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

Marksans Pharma Inc.

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Nova Pharmaceuticals Australasia Pty Ltd

Note: Mr. Mark Saldanha/ Mrs. Sandra Saldanha/ Mr. Jitendra Sharma is/are Director in the above subsidiary(ies) as representative of Marksans Pharma Limited and have no personal interest as director of those subsidiary(ies). They do not own any shares in the subsidiary(ies) in which they are Director.

NOTE NO. 37 RELATED PARTY DISCLOSURES *(Contd.)*

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

(i) Key Management Personnel / Directors - Remuneration:

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Mr. Mark Saldanha	104.32	104.32
Mrs. Sandra Saldanha	70.30	70.30
Dr. Vinay Gopal Nayak	203.89	199.52
Mr. Jitendra Sharma	87.87	99.92
Mr. Harshavardhan Panigrahi	20.08	17.81
Total	**486.46**	**491.87**

(ii) Rent paid to Mr. Mark Saldanha of ₹ 102.93 Lakh during the year.

(iii) Related parties where control exists and transactions have taken place during the year

Subsidiary Companies

Relonchem Limited

Bell, Sons & Co. (Druggists) Limited

Time-Cap Laboratories Inc.

Nova Pharmaceuticals Australasia Pty Ltd.

(iv) Related party relationships where transactions have taken place during the year

Relonchem Limited - Subsidiary Company

Bell, Sons & Co. (Druggists) Limited - Subsidiary Company

Time-Cap Laboratories Inc. - Subsidiary Company

Nova Pharmaceuticals Australasia Pty Ltd. - Subsidiary Company

(v) Transactions with related parties during the year

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Subsidiary Company		
Sale of Finished products	27,417.95	17,240.16
Dividend received	-	668.84
Balances outstanding at the end of the year		
Receivable from subsidiary	14,523.85	11,239.12

NOTE NO. 38 FAIR VALUE MEASUREMENTS (STANDALONE)

Financial instruments by category

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs
Financial assets									
Investments	-	-	23,607.40	-	-	23,429.32	-	-	23,144.01
Other Non-current financial assets	-	-	81.66	-	-	58.81	-	-	94.37
Trade receivables, net	-	-	16,887.22	-	-	15,479.85	-	-	13,341.49

NOTE NO. 38 FAIR VALUE MEASUREMENTS (STANDALONE) *(Contd.)*

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs
Cash and cash equivalents	-	-	71.35	-	-	256.18	-	-	312.72
Other current financial assets	-	-	4.99	-	-	8.97	-	-	9.64
Total	**-**	**-**	**40,652.62**	**-**	**-**	**39,233.13**	**-**	**-**	**36,902.23**
Financial Liabilities									
Long term borrowings	-	-	-	-	-	-	-	-	-
Other Non-current financial liabilities	-	-	1,000.00	-	-	1,100.00	-	-	1,250.00
Short term borrowings	-	-	6,630.88	-	-	7,322.92	-	-	4,061.82
Trade payables	-	-	2,333.28	-	-	2,060.33	-	-	3,140.77
Other current financial liabilities	-	-	126.29	-	-	71.20	-	-	67.59
Total	**-**	**-**	**10,090.45**	**-**	**-**	**10,554.45**	**-**	**-**	**8,520.18**

Investment in Subsidiaries are carried at cost.

Trade receivables comprise amounts receivable from the sale of goods and services.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates their fair value.

Fair value hierarchy :

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.

All amortised cost financial assets and liabilities are classified as level 3 inputs.

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

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Cash & cash equivalents	71.35	256.18	312.72
Trade receivables	16,887.22	15,479.85	13,341.49
Short Term financial Assets	4.99	8.97	9.64
Long Term Financial Assets	23,689.06	23,488.13	23,238.38
Total	**40,652.62**	**39,233.13**	**36,902.23**

NOTE NO. 38 FAIR VALUE MEASUREMENTS (STANDALONE) *(Contd.)*

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹ 71.35 lakhs at March 31, 2018 (March 31, 2017: ₹ 256.18 lakhs, April 1, 2016 : ₹ 312.72 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade receivables

Trade receivables are usually due within 180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Given below is ageing of trade receivable spread by period of six months:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Outstanding for more than 6 months	1,581.59	1,207.73	41.26
Others	15,305.63	14,272.12	13,300.23
Total	**16,887.22**	**15,479.85**	**13,341.49**

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.

In respect of trade and other receivables, the Company's credit risk exposure towards any single counterparty or any Companies counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Investment Risk

The company has an exposure to credit risk by generally investing in subsidiaries. The company does not expect non performance by any of subsidiaries.

Liquidity risk analysis

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31st March, 2018, the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year ₹ in Lakhs	1 to 5 years ₹ in Lakhs	More than 5 years ₹ in Lakhs
Trade payable	2,333.28	-	-
Financial liabilities	126.29	1,000.00	-
Short term borrowings	6,630.88	-	-
Total	**9,090.45**	**1,000.00**	**-**

NOTE NO. 39 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods are summarised as follows:

The Company's goal in capital management is to maintain a capital-to-overall financing structure ratio as low as possible.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Total equity	42,897.11	41,888.45	41,326.05
Less: Cash & cash equivalents	71.35	256.18	312.72
Capital	**42,825.76**	**41,632.27**	**41,013.33**
Total equity	42,897.11	41,888.45	41,326.05
Add Borrowings	6,630.88	7,322.92	4,061.82
Add Other Financial Liabilities	1,000.00	1,100.00	1,250.00
Overall financing	**50,527.99**	**50,311.37**	**46,637.87**
Capital to overall financing ratio	**0.85**	**0.83**	**0.88**

Fair valuation for Financial Assets:

The Company has valued financial assets (other than Investment in subsidiaries are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Equity

In preparation of the financial statements in accordance with Previous GAAP, the Company provided for proposed dividend and tax thereon to comply with the schedule III requirements of the Companies Act, 2013. On transition to Ind AS, proposed dividend is recognised based on the recognition principles of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Considering that the dividend has been proposed after the date of financial statements and becomes payable only after approval by the shareholders, there is no present obligation to pay this dividend as at the date of statement of balance sheet. Accordingly, the liability for proposed dividend and tax thereon has been reversed.

Dividend on Preference share is recognised in Profit and loss as finance cost instead of charged to retain earning.

The Preference share require redemption on a specific date and for determined amount. The contractual obligation to deliver a cash at redemption exists and, therefore, preference share is considered as liability instead of equity.

Deferred tax

Deferred tax assets and liabilities under Indian GAAP were recorded only on timing differences. However, on transition to Ind AS, deferred tax assets and liabilities are recorded on temporary differences. On transition to Ind AS, the carrying values of assets and liabilities have undergone a change as a result of the adjustments indicated above, and accordingly, the deferred tax position has been recomputed after considering the new carrying amounts.

NOTE NO. 39 CAPITAL MANAGEMENT POLICIES AND PROCEDURES *(Contd.)*

Remeasurement benefits

Under previous GAAP, remeasurement benefits on defined benefit obligation has been recognised in the statement of profit and loss. Ind AS 19 - Employee benefits required these remeasurement benefits to be recognised in other comprehensive income instead of statement of profit and loss.

Presentation differences

In the preparation of these Ind AS financial statements, the Company has made several presentation differences between Previous GAAP and Ind AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these financial statements, some line items are described differently (renamed) under Ind AS as compared to Previous GAAP, although the assets and liabilities included in these line items are unaffected.

Interest rate sensitivity

The Company policy is to minimise interest rate cash flow risk exposures on long-term borrowing. The Company has taken several short term borrowings on fixed rate of interest. Since, there is no interest rate cash outflow associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The Company has outstanding borrowings of USD 3.67 million (2017 - USD 5.43 million) and GBP 3.14 million (2017 - GBP 2.64 million). In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs
Net results for the year	53.17	56.46

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 100 basis points then such decrease shall have the following impact on:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs
Net results for the year	(53.17)	(56.46)

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is coordinated, in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and deposits are invested with banks.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Notes to the Financial Statements for the year ended 31st March, 2018

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

Foreign Currency sensitivity

Financial instruments by category

Foreign currency denominated financial assets and liabilities, translated into USD at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	USD	INR	USD	INR
Short term exposure				
FINANCIAL ASSETS	1,61,47,417	1,03,65,25,492	1,36,53,941	88,58,90,127
FINANCIAL LIABILITIES	70,09,544	46,12,28,023	68,24,056	44,16,77,455
Short term exposure	91,37,873	57,52,97,469	68,29,885	44,42,12,672

US Dollar conversion rate was ₹ 65.04 at the beginning of the year and scaled to a high of ₹ 65.80 and to low of ₹ 62.96. The closing rate is ₹ 62.96. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2018		31st March, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	5,75,29,747	(5,75,29,747)	4,44,21,267	(4,44,21,267)

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	GBP	INR	GBP	INR
Short term exposure				
FINANCIAL ASSETS	63,40,621	56,81,77,588	49,98,836	40,41,09,939
FINANCIAL LIABILITIES	31,42,185	29,00,23,682	26,35,703	21,30,11,484
Short term exposure	31,98,436	27,81,53,906	23,63,133	19,10,98,455

GBP conversion rate was ₹ 80.87 at the beginning of the year and scaled to a high of ₹ 92.30 and to low of ₹ 79.52. The closing rate is ₹ 86.97. Considering the volatility in direction of strengthening GBP upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2018		31st March, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	2,78,15,391	(2,78,15,391)	1,91,09,846	(1,91,09,846)

Foreign currency denominated financial assets and liabilities, translated into EUR at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	EUR	INR	EUR	INR
Short term exposure				
FINANCIAL ASSETS	86,323.58	68,23,879	1,28,729	89,22,461
FINANCIAL LIABILITIES	47,747.25	39,03,338	57,606	39,82,590
Short term exposure	38,576.33	29,20,541	71,123	49,39,871

NOTE NO. 40 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

EUR conversion rate was ₹ 69.45 at the beginning of the year and scaled to a high of ₹ 81.75 and to low of ₹ 68.06. The closing rate is ₹ 75.71. Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars	31st March, 2018		31st March, 2017	
Effect in INR	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	2,92,054	(2,92,054)	4,93,987	(4,93,987)

NOTE NO. 41 FIRST TIME IND AS ADOPTION RECONCILIATIONS

Particulars	Note No.	31st March, 2017			1st April, 2016		
		Previous GAAP ₹ in Lakhs	Effect of transition to Ind AS ₹ in Lakhs	As per Ind AS balance sheet ₹ in Lakhs	Previous GAAP ₹ in Lakhs	Effect of transition to Ind AS ₹ in Lakhs	As per Ind AS balance sheet ₹ in Lakhs
ASSETS							
Non-current assets							
Property, plant and equipment	3	9,189.77	-	9,189.77	9,032.23	-	9,032.23
Capital work-in-progress	3	35.98	-	35.98	-		-
Intangible assets	3	202.15	-	202.15	714.98	-	714.98
Financial assets							
(i) Investments	4	23,429.32	-	23,429.32	23,144.01	-	23,144.01
(ii) Loans		-	-		-		
(iii) Other non- current financial assets	5	86.54	(27.73)	58.81	124.82	(30.45)	94.37
Total non-current assets		**32,943.76**	**(27.73)**	**32,916.03**	**33,016.04**	**(30.45)**	**32,985.59**
Current assets							
Inventories	6	2,924.29	-	2,924.29	4,373.78	-	4,373.78
Financial Assets							
(i) Trade receivables	7	15,479.85	-	15,479.85	13,341.49	-	13,341.49
(ii) Cash and cash equivalents	8	256.18	-	256.18	312.72	-	312.72
(iii) Other Financial Assets	9	-	8.97	8.97	-	9.64	9.64
Other current assets	10	2,991.79	-	2,991.79	2,375.86	-	2,375.86
Total current assets		**21,652.11**	**8.97**	**21,661.08**	**20,403.85**	**9.64**	**20,413.49**
TOTAL ASSETS		**54,595.87**	**(18.76)**	**54,577.11**	**53,419.89**	**(20.81)**	**53,399.09**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	11	5,193.14	(1,100.00)	4,093.14	5,343.14	(1,250.00)	4,093.14
Other Equity							
Reserves and Surplus	12	37,810.26	(14.95)	37,795.31	36,926.71	306.21	37,232.92
Total equity		**43,003.40**	**(1,114.95)**	**41,888.45**	**42,269.85**	**(943.79)**	**41,326.06**

NOTE NO. 41 FIRST TIME IND AS ADOPTION RECONCILIATIONS *(Contd.)*

Particulars	Note No.	31st March, 2017			1st April, 2016		
		Previous GAAP ₹ in Lakhs	Effect of transition to Ind AS ₹ in Lakhs	As per Ind AS balance sheet ₹ in Lakhs	Previous GAAP ₹ in Lakhs	Effect of transition to Ind AS ₹ in Lakhs	As per Ind AS balance sheet ₹ in Lakhs
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings							
(ii) Other financial liabilities	13	-	1,100.00	1,100.00	-	1,250.00	1,250.00
Deferred tax liabilities (Net)	14	96.22	437.46	533.68	31.15	433.14	464.29
Other non-current liabilities		-	-	-	-	-	-
Provisions	15	-	96.09	96.09	-	71.03	71.03
Total non current liabilities		**96.22**	**1,633.55**	**1,729.77**	**31.15**	**1,754.17**	**1,785.32**
Current liabilities							
Financial liabilities							
(i) Borrowings	16	7,322.92	-	7,322.92	4,061.82	-	4,061.82
(ii) Trade payables	17	2,060.33	-	2,060.33	3,140.77	-	3,140.77
(iii) Other financial liabilities	18	71.20	-	71.20	67.59	-	67.59
Other current liabilities		-	-	-	-	-	-
Provisions	19	1,730.61	(537.36)	1,193.25	1,939.09	(831.18)	1,107.92
Current tax liabilities (Net)	20	311.20	-	311.20	1,909.61	-	1,909.61
Total current liabilities		**11,496.26**	**(537.36)**	**10,958.90**	**11,118.89**	**(831.18)**	**10,287.71**
Total liabilities		**11,592.47**	**1,096.19**	**12,688.67**	**11,150.05**	**922.99**	**12,073.03**
TOTAL EQUITY AND LIABILITIES		**54,595.87**	**(18.76)**	**54,577.11**	**53,419.89**	**(20.81)**	**53,399.09**

Reconciliations of equity reported under previous GAAP to equity under Ind AS

	Equity as at	
	31st March, 2017 ₹	1st April, 2016 ₹
(a) Share capital	51,93,13,698	53,43,13,698
(b) Reserves and surplus	3,78,10,26,077	3,69,26,71,222
Total Equity as per previous Indian GAAP	**4,30,03,39,775**	**4,22,69,84,920**
7% Redeemable Cumulative Preference shares of ₹100/- each	(11,00,00,000)	(12,50,00,000)
Proposed Dividend and tax thereon	3,38,99,655	6,96,48,339
Change in Fair value of Financial Assets and currency exchange difference	8,97,083	9,64,353
Unwinding discount on Security Deposits	2,72,092	
Fair value of deposit	(30,44,863)	(30,44,863)
Remeasurement of the net defined benefit plans	1,03,73,288	63,66,420
Deferred Tax	(4,37,96,779)	(4,33,13,699)
OCI-Remeasurement of the net defined benefit plans- Net of Tax	(95,615)	
Total Equity As per Ind-AS	**4,18,88,44,636**	**4,13,26,05,470**

NOTE NO. 41 FIRST TIME IND AS ADOPTION RECONCILIATIONS *(Contd.)*

Reconciliations of profit reported under previous GAAP to profit under Ind AS

	For the Year Ended 31st March, 2017 ₹
Net Profit as per previous Indian GAAP	**12,22,54,510**
Dividend on preference share including DDT	(1,05,31,325)
Change in Fair value of Forward contract and currency exchange difference	(67,270)
Unwinding discount on Security Deposits i.e. Interest Income	2,72,092
Remeasurement of the net defined benefit plans	40,06,868
Deferred tax adjustments and others	(4,83,080)
OCI-Remeasurement of the net defined benefit plans- Net of Tax	(95,615)
Total Net Profit as per Ind AS	**11,53,56,180**

NOTE NO. 42 REMEASUREMENT BENEFITS

Under previous GAAP, remeasurement benefits on defined benefit obligation has been recognised in the statement of profit and loss. Ind AS 19 - Employee benefits required these remeasurement benefits to be recognised in other comprehensive income instead of statement of profit and loss.

NOTE NO. 43 PRESENTATION DIFFERENCES

In the preparation of these Ind AS financial statements, the Company has made several presentation differences between Previous GAAP and Ind AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these financial statements, some line items are described differently (renamed) under Ind AS as compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V.S. LALPURIA
Proprietor
M. NO. 015926

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

Place : Mumbai
Date : 30.05.2018

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Standalone Cash Flow Statement for the year ended 31st March, 2018

Particulars		Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
A.	Cash Flow From Operating Activities		
	Profit/(Loss) Before Tax	**16,65,24,473**	**11,94,67,069**
	Adjustments to reconcile profit before tax and prior period		
	items to cash provided by operations:		
	- Depreciation and amortisation expenses	12,25,06,851	15,00,16,373
	- (Profit)/Loss on sale of Property, Plant and Equipment	-	(2,47,412)
	- Finance Cost	7,66,82,604	4,49,04,365
	- Dividend Income	-	(6,68,84,200)
	- Interest Income	(4,31,897)	(14,54,947)
	- Unwinding discount on Security Deposits i.e. Interest Income	(2,92,495)	(2,72,092)
	- Remeasurement of the net defined benefit plans	19,50,638	(1,46,218)
	- Change in Fair value of Forward contract	(4,98,735)	(8,97,083)
	Operating Profit before working capital changes	**36,64,41,439**	**24,44,85,855**
	Movements in working capital :		
	(Increase)/Decrease in Inventories	(13,04,99,095)	14,49,48,991
	(Increase)/Decrease in Trade receivables	(14,07,37,092)	(21,38,35,725)
	(Increase)/Decrease in Other financial assets	(18,86,788)	36,23,258
	(Increase)/Decrease in Other assets	10,92,56,782	(6,15,93,188)
	Increase/(Decrease) in Trade Payable and provisions	7,59,98,414	(9,70,04,849)
	Income Tax Paid	(4,68,41,451)	(15,68,67,483)
	Net cash used in operating activities	**23,17,32,209**	**(13,62,43,141)**
B.	**Cash Flow provided by (used in) Investing Activities:**		
	(Purchase)/Sale of Property, Plant and Equipment	(5,86,19,934)	(11,78,37,314)
	Investment	(1,78,07,625)	(2,85,31,486)
	Dividend Income	-	6,68,84,200
	Interest Income	4,31,897	14,54,947
	Unwinding discount on Security Deposits i.e. Interest Income	2,92,495	2,72,092
	Change in Fair value of Forward contract	4,98,735	8,97,083
	Net Cash Flow provided by (used in) Investing Activities	**(7,52,04,432)**	**(7,68,60,478)**

Standalone Cash Flow Statement for the year ended 31st March, 2018

Particulars	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
C. Cash Flow provided by (used in) Financing Activities:		
Redemption of Preference Share Capital	(1,00,00,000)	(1,50,00,000)
Proposed Dividend and Dividend Distribution Tax on it	(2,46,32,089)	(5,91,17,014)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(6,36,95,571)	32,64,70,915
Finance Cost	(7,66,82,604)	(4,49,04,365)
Net Cash Flow provided by (used in) Financing Activities	**(17,50,10,264)**	**20,74,49,536**
Net Increase /(Decrease) in Cash and Bank Balances	**(1,84,82,487)**	**(56,54,083)**
Cash & Bank Balances as at 31.03.2017	**2,56,17,786**	**3,12,71,869**
Cash & Bank Balances as at 31.03.2018	**71,35,299**	**2,56,17,786**
	(1,84,82,487)	**(56,54,083)**

Notes :

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

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
MARKSANS PHARMA LTD

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of **MARKSANS PHARMA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian 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 and 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note No 24.1 to the consolidated Ind AS financial statements regarding pending approval of the Central Government to the excess managerial remuneration of ₹ 79,52,068.00 paid to the Whole-time Director Dr. Vinay Gopal Nayak for the financial year 2016-17 due to inadequacy of profits. Members of the Company have at the 25th Annual General Meeting held on 26th September, 2017 approved waiver of recovery of such excess payment subject to approval of the Central Government. The Company has submitted application to the Central Government for approval which is pending. Pending such approval, no adjustments have been made in the accounts for the year ended 31st March, 2017, and the excess amount is held by the Whole-time Director in trust for the Company. Our Opinion is not modified in respect of the above matter.

OTHER MATTERS

We did not audit the financial statements of three (3) Subsidiaries whose financial statements reflect total assets of ₹ 56,861.26 Lakh as at March 31, 2018, total revenue from operations (net) of ₹ 76,054.89 Lakh, 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) and (11) 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.

Our Opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Company had prepared separate sets of consolidated Ind AS financial statements for the year ended 31st March, 2017 and 31st March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and on which the previous Auditor issued auditors's reports to the shareholders of the Company dated 29th May, 2017 and 30th May, 2016 respectively. These separate sets of consolidated Ind AS financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the Adequacy of the Internal Financial Controls over financial Reporting of the Group and the operating Effectiveness of such controls, refer to our report in "Annexure A".

(g) In our opinion, the aforesaid consolidated Ind AS financial statements comply with Ind AS specified under Section 133 of the Act.

(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. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For **V. S. Lalpuria & Co.**
Chartered Accountants
FR No. 105581W

V. S. Lalpuria
(Proprietor)
M No. 015926

Place: Mumbai
Date: 30th May, 2018

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act.

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of MARKSANS PHARMA LTD (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are incorporated in India, to the extent applicable as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Respective Board of Directors of the Holding Company and its subsidiary companies, which are incorporated in India, to the extent applicable, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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). 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 respective 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

3. Our Responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our Audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, during the audit of Holding Company, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting; for providing an opinion on the internal financial controls system of the Subsidiary Companies which are not incorporated in India (Foreign Subsidiaries) we have relied upon the audit opinion given by their respective auditors in reference to the same.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 the 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Holding Company and its subsidiary companies, which are companies Incorporated in India, to the extent applicable, have in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting 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.

For **V. S. Lalpuria & Co.**
Chartered Accountants
FR No. 105581W

V. S. Lalpuria
(Proprietor)
M No. 015926

Place: Mumbai
Date: 30th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
ASSETS				
Non-current assets				
Property, plant and equipment	3	1,86,36,85,031	1,64,50,25,496	1,64,13,88,069
Capital work-in-progress	3	-	35,98,456	-
Intangible assets	3	93,00,89,849	1,02,47,27,282	1,05,51,57,082
Financial assets				
(i) Investments		-	-	-
(ii) Loans		-	-	-
(iii) Other non- current financial assets	4	81,66,034	58,80,898	10,10,16,876
Total non-current assets		**2,80,19,40,914**	**2,67,92,32,132**	**2,79,75,62,027**
Current assets				
Inventories	5	2,18,12,41,268	1,90,08,69,534	1,67,79,17,477
Financial Assets				
(i) Trade receivables	6	1,76,90,55,770	2,47,58,11,464	2,17,29,29,670
(ii) Cash and cash equivalents	7	39,87,68,569	25,16,21,433	35,30,13,344
(iii) Other Financial Assets	8	4,98,735	8,97,083	9,64,353
Other current assets	9	13,99,50,472	20,96,26,786	19,75,93,830
Total current assets		**4,48,95,14,814**	**4,83,88,26,300**	**4,40,24,18,674**
TOTAL ASSETS		**7,29,14,55,728**	**7,51,80,58,432**	**7,19,99,80,701**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	10	40,93,13,698	40,93,13,698	40,93,13,698
Other Equity				
Reserves and Surplus	11	4,29,93,32,363	3,92,50,10,984	4,03,95,51,641
Equity attributable to owners of the Company		**4,70,86,46,061**	**4,33,43,24,682**	**4,44,88,65,339**
Non-Controlling interest		9,54,94,128	6,24,73,733	8,36,06,107
Total equity		**4,80,41,40,189**	**4,39,67,98,415**	**4,53,24,71,446**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Other financial liabilities	12	10,00,00,000	11,00,00,000	12,50,00,000
Deferred tax liabilities (Net)	13	4,55,67,049	4,10,68,194	2,42,03,415
Other non-current liabilities		-	-	-
Provisions	14	1,08,04,340	96,08,779	71,02,762
Total non current liabilities		**15,63,71,389**	**16,06,76,973**	**15,63,06,177**
Current liabilities				
Financial liabilities				
(i) Borrowings	15	1,17,41,32,123	1,09,71,02,816	87,89,29,105
(ii) Trade payables	16	67,48,06,496	1,61,78,40,760	1,18,98,01,764
(iii) Other financial liabilities	17	1,26,29,019	71,19,968	67,59,130
Other current liabilities		-	-	-
Provisions	18	37,89,41,699	20,73,99,849	20,81,92,957
Current tax liabilities (Net)	19	9,04,34,813	3,11,19,651	22,75,20,122
Total current liabilities		**2,33,09,44,150**	**2,96,05,83,044**	**2,51,12,03,078**
Total liabilities		**2,48,73,15,539**	**3,12,12,60,017**	**2,66,75,09,255**
TOTAL EQUITY AND LIABILITIES		**7,29,14,55,728**	**7,51,80,58,432**	**7,19,99,80,701**

See accompanying notes to the financial statements.
As per our report of even date.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2018

Particulars	Note No.	2017-18 ₹	2016-17 ₹
INCOME			
Revenue from operations	20	9,12,69,20,323	7,67,16,13,428
Other income	21	35,51,589	7,02,22,020
Total Income		**9,13,04,71,912**	**7,74,18,35,448**
EXPENSES			
Cost of materials consumed	22	3,48,66,29,013	3,65,53,14,505
Purchases of Stock-in-Trade		1,53,91,75,483	1,41,14,99,970
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	23	20,54,64,767	(47,93,56,746)
Employee benefits expense	24	1,47,74,80,568	1,49,69,79,138
Finance costs	25	10,21,69,488	6,77,52,177
Depreciation and amortization expense	26	26,83,82,687	30,09,29,974
Other expenses	27	1,55,31,89,002	1,13,97,42,741
Total expenses		**8,63,24,91,008**	**7,59,28,61,759**
Profit before tax		**49,79,80,904**	**14,89,73,689**
Tax expense:			
(1) Current Year		13,39,16,139	4,87,14,304
(2) Earlier year		37,281	(3,13,74,053)
(3) Deferred tax		60,17,921	1,82,92,023
Total Tax Expenses		**13,99,71,341**	**3,56,32,274**
Profit for the Year		**35,80,09,563**	**11,33,41,415**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to Statement of Profit and Loss			
- Remeasurement of the net defined benefit plans		19,50,638	(1,46,218)
- Income tax relating to above		(7,25,680)	50,603
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of a foreign operation		6,83,28,876	(3,23,10,643)
Other Comprehensive Income/(Loss) for the year		**6,95,53,834**	**(3,24,06,258)**
Total Comprehensive income for the year		**42,75,63,397**	**8,09,35,157**
Non-controlling interest		2,86,09,929	2,49,56,183
Owners of the Company		39,89,53,468	5,59,78,974
Earnings per equity share of ₹ 1 each			
(1) Basic (in ₹)		0.80	0.22
(2) Diluted (in ₹)		0.80	0.22

See accompanying notes to the financial statements.

As per our report of even date.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V.S. LALPURIA
Proprietor
M. NO. 015926

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

Place : Mumbai
Date : 30.05.2018

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Statement of Changes in Equity for the year ended 31st March, 2018

A Share Capital

Particulars	Equity Shares of ₹1/- each		7% Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at 01.04.2016	40,93,13,698	40,93,13,698	12,50,000	12,50,00,000
Shares Issued during the period	-	-	-	-
Shares bought back/redeemed during the period	-	-	2,50,000	2,50,00,000
Shares outstanding at 31.03.2018	40,93,13,698	40,93,13,698	10,00,000	10,00,00,000

B Other Equity

Particulars	RESERVES AND SURPLUS					Other Comprehensive income	Total attributable to owners of parent company	Non controlling interest	TOTAL
	Capital Reserves	Capital Redemption Reserve	Securities Premium Account	General Reserve	Surplus	Currency Translation reserve			
Balance as at 1st April, 2017	1,22,500	2,50,00,000	1,75,13,17,328	3,13,73,65,569	(98,66,94,341)	(21,00,072)	3,92,50,10,984	6,24,73,733	3,98,74,84,717
Profit for the Period					32,93,99,634	-	32,93,99,634	2,86,09,929	35,80,09,563
Other comprehensive income-									
Remeasurement of the net defined benefit plans (net of tax)					12,24,958		12,24,958		12,24,958
Total comprehensive income for the year	-	-	-	-	33,06,24,592	-	33,06,24,592	2,86,09,929	35,92,34,520
Exchange difference on translation of foreign operation						6,83,28,876	6,83,28,876	44,10,466	7,27,39,342
On Redemption of Preference Share		1,00,00,000			(1,00,00,000)		-		-
Dividend for the year					(2,46,32,089)		(2,46,32,089)		(2,46,32,089)
Balance as at 31st March, 2018	1,22,500	3,50,00,000	1,75,13,17,328	3,13,73,65,569	(69,07,01,838)	6,62,28,804	4,29,93,32,363	9,54,94,128	4,39,48,26,491

Particulars	RESERVES AND SURPLUS					Other Comprehensive income	Total attributable to owners of parent company	Non controlling interest	TOTAL
	Capital Reserves	Capital Redemption Reserve	Securities Premium Account	General Reserve	Surplus	Currency Translation reserve			
Balance as at 1st April, 2016	1,22,500	1,00,00,000	1,75,13,17,328	3,13,73,65,569	(88,94,64,327)	3,02,10,571	4,03,95,51,641	8,36,06,107	4,12,31,57,748
Profit for the Period					8,83,85,232		8,83,85,232	2,49,56,183	11,33,41,415
Other comprehensive income-							-		-
Remeasurement of the net defined benefit plans (net of tax)					(95,615)		(95,615)		(95,615)
Total comprehensive income for the year	-	-	-	-	8,82,89,617	-	8,82,89,617	2,49,56,183	11,32,45,800
Exchange difference on translation of foreign operation						(3,23,10,643)	(3,23,10,643)	(15,27,510)	(3,38,38,153)
On Redemption of Preference Share		1,50,00,000			(1,50,00,000)		-		-
Dividend for the year					(17,05,19,631)		(17,05,19,631)	(4,45,61,047)	(21,50,80,678)
Balance as at 31st March, 2017	1,22,500	2,50,00,000	1,75,13,17,328	3,13,73,65,569	(98,66,94,341)	(21,00,072)	3,92,50,10,984	6,24,73,733	3,98,74,84,717

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

1. COMPANY INFORMATION

Marksans Pharma Limited ("Marksans" or "the Company") and its subsidiaries (together referred to as 'the Group') are primarily engaged in the business of research, manufacture, marketing and sale of pharmaceutical formulation. The Group is headquarterd in Mumbai, India and operates across many countries. The Company's equity shares are listed for trading on National Stock Exchange of India Limited and BSE Limited.

The manufacturing facilities of the Group are located at Verna Industrial Estate, Verna, Goa, India, Southport, London, UK and Farmingdale, New York, USA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES USED IN THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The 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. For all periods up to and including the year ended 31st March, 2017, the Group prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP". The financial statements for the year ended 31st March, 2018 are the first Ind AS Financial statements of the group. As per the principles of Ind AS 101, the transition date to Ind AS is 1st April, 2016 and hence the comparatives for the previous year ended 31st March, 2017 and balances as on 1st April, 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Refer note 2.19 for understanding the transition from previous GAAP to Ind AS and its effect on the group's financial position and financial performance.

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

2.1. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in note 2.18 & 2.18.1.

These consolidated financial statements are prepared under the historical cost convention, except certain items which have been measured at their fair values, at the reporting date through profit or loss.

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 to 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 economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.2. Basis of Consolidation

These consolidated financial statements include financial statements of the Company and all of its subsidiaries drawn up to the dates specified below. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Company.

2.2.1 Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of the Entity	Year End Date	Country of Incorporation	Ownership at 31st March, 2018 held by	% ownership held either directly or through subsidiaries as at 31st March, 2018	% ownership held either directly or through subsidiaries as at 31st March, 2017
1.	Marksans Pharma Inc.	31st March	USA	Marksans Pharma Limited	100%	100%
	a) Time-Cap Laboratories Inc.	31st March	USA	Marksans Pharma Inc.	100%	100%
	- Custom Coating Inc.	31st March	USA	Time-Cap Laboratories Inc.	100%	100%
	- Marksans Realty LLC	31st March	USA	Time-Cap Laboratories Inc.	100%	100%
2.	Marksans Pharma (UK) Limited	31st March	UK	Marksans Pharma Limited	100%	100%
	a) Relonchem Limited	31st March	UK	Marksans Pharma (UK) Limited	100%	100%
	b) Marksans Holdings Limited	31st March	UK	Marksans Pharma (UK) Limited	100%	100%
	- Bell, Sons and Co. (Druggists) Limited	31st March	UK	Marksans Holdings Limited	100%	100%
3.	Nova Pharmaceuticals Australasia Pty Ltd	31st March	Australia	Marksans Pharma Limited	60%	60%

2.3. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair values of assets transferred;
- Liability incurred to the former owner of the business acquired;
- Equity interests issued by the group; and
- Fair value of any assets or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity; and
- Acquisition date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.4. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated income statement in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of Profit and Loss.

2.5. Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing management involvement with the goods, the amount of revenue can be measured reliably, recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, value added tax, GST and applicable trade discounts and allowances, but inclusive of excise duty. Revenue includes shipping and handling costs billed to the customer.

Revenue from contract research is recognized in the statement of profit and loss when right to receive a non- refundable payment from out-licensing partner is established.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured. Provisions for such charge backs are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/ other customers and estimated inventory holding by the wholesaler. Such provisions are presented as a reduction from revenues.

Services

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Export entitlements

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Other income

Other income consists of interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest rate method on time proportion basis. Dividend income is recognised in the statement of profit and loss on the date that the Group's right to receive payment is established.

2.6. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income/expense in the statement of profit and loss".

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The estimated useful lives are as follows:

Factory and other buildings 30 –55 years

Plant and machinery 8 – 21 years

Furniture, fixtures and office equipment 4 – 21 years

Vehicles 5 –6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The cost of property, plant and equipment not put to use before such date are disclosed under capital work in progress.

2.7. Borrowing Costs

Borrowing costs primarily comprise interest on the Group's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

2.8. Intangible Assets

Goodwill

Goodwill arises upon the acquisition of subsidiaries. Goodwill represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Acquisitions prior to the Company's date of transition to IND AS.

As part of its transition to IND AS, in respect of acquisitions prior to 1st April, 2016, goodwill represents the amount recognised under Indian GAAP.

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Based on the management estimate of the useful lives indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use or disposal. Losses arising on such de-recognition are recorded in the statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

The estimated useful lives of Intangible assets are 5 - 10 years.

2.9. Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash generating unit is the greater of its value in use or its fair value less costs to sell. 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 assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Investment and 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 profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows represents solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):**
  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:**
  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income/ (expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.11 Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments.

2.12 Inventories

Inventories of finished goods, consumable store and spares are valued at cost or net realizable value, whichever is lower. Cost of raw materials and packing materials is ascertained on a specific identification method. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

2.13 Accounting for Income Taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised in Other Comprehensive Income, in which case it is recognised in Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and
- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

In addition, deferred tax is not recognised for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.14 Leasing Activities

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Land acquired on long term leases

The Company has capitalised the land acquired on long term lease. Such leases are acquired on payment of an upfront amount and do not carry any other minimum lease payments/other rentals over the lease term. The asset is initially recognized at the value of the upfront premium/charges paid to acquire the lease.

Operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

2.15 Equity

Share capital is determined using the nominal value of shares that are issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from Share premium, net of any related income tax benefits.

Foreign currency translation differences are included in the currency translation reserve.

Retained earnings include all current and prior period results, as disclosed in the statement of profit and loss.

2.16 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 recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds, approved superannuation schemes and other social securities, which are defined contribution plans, are recognised as an employee benefit expense in the statement of profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of an approved gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each material plan by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

The benefit is discounted to determine the present value of the defined benefit obligation and the current service cost. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:

- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Service costs comprise of current service cost, past service cost, as well as gains and losses on curtailment and settlements. The benefit attributable to current and past periods of service is determined using the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the benefit is attributed on a straight-line basis. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. A gain or loss on the settlement of a defined benefit plan is recognised when the settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period, taking account of any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.

Remeasurement comprises of actuarial gains and losses, the return on plan assets (excluding interest), and the effect of changes to the asset ceiling (if applicable). Remeasurement recognised in other comprehensive income is not reclassified to the statement of profit and loss.

Compensated leave of absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Group's policy and receive cash in lieu thereof. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the date of balance sheet. Such measurement is based on actuarial valuation as at the date of balance sheet carried out by a qualified actuary.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the consolidated balance sheet.

Any amount that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset upto the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

2.18 Critical accounting estimates and significant judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Group's accounting policies, the following judgments have been made apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial information. Judgements are based on the information available at the date of balance sheet.

Leases

The Group has evaluated each lease agreement for its classification between finance lease and operating lease. The Group has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification. The Group has also used Appendix C to Ind AS 17 for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

Deferred Tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Provision for chargeback

Provisions for chargeback are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such charge backs are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

2.18.1 Estimation Uncertainty

The preparation of these consolidated financial statements is in conformity with IND AS and requires the application of judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Estimates of life of various tangible and intangible assets, and assumptions used in the determination of employee-related obligations and fair valuation of financial and equity instrument, impairment of tangible and intangible assets represent certain of the significant judgements and estimates made by management.

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The useful lives are specified in note 2.6 & 2.8.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 2.1). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses it's best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. Refer note 2.9 for Impairment testing assumptions for Intangibles and Goodwill.

The consolidated financial statements have been prepared using the measurement basis specified by IND AS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.19 First time adoption of IND AS

First Ind AS Financial statements

These are the Company's first financial statements prepared in accordance with Ind AS applicable as at 31st March, 2018.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standard notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

2.19.1 Optional exemptions availed

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Business combination

The Group has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

Arrangement containing a lease

The Group has elected to use facts and circumstances existing at the date of transition to determine whether an arrangement contains a lease. No such assessment was done under the previous GAAP.

2.19.2. Mandatory exceptions applied

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

2.20 Information of Subsidiaries

PARTICULARS	Currency	Marksans Pharma U.K. Limited (Consolidated)	Currency	Nova Pharmaceuticals Australasia Pty Ltd	Currency	Marksans Pharma Inc.
Capital	GBP	85,96,941	AUD	150	USD	2,63,81,743
	RS.	66,92,37,881	RS.	4,781	RS.	1,67,55,96,991
Reserve	GBP	41,60,779	AUD	45,75,021	USD	(19,53,177)
	RS.	33,20,57,574	RS.	23,87,30,539	RS.	(5,63,53,797)
Total Assets	GBP	2,84,75,380	AUD	72,26,189	USD	4,32,96,280
	RS.	2,44,84,00,759	RS.	37,69,85,909	RS.	2,86,07,38,840
Total Liabilities	GBP	2,84,75,380	AUD	72,26,189	USD	4,32,96,280
	RS.	2,44,84,00,759	RS.	37,69,85,909	RS.	2,86,07,38,840
Investment	GBP	-	AUD	-	USD	-
	RS.	-	RS.	-	RS.	-
Turnover	GBP	3,93,98,419	AUD	1,70,68,848	USD	5,24,83,447
	RS.	3,36,89,82,422	RS.	85,13,68,535	RS.	3,38,28,10,080
Profit/(Loss) Before	GBP	37,03,117	AUD	19,71,976	USD	(12,96,390)
Taxation	RS.	31,66,55,786	RS.	9,83,59,205	RS.	(8,35,58,558)
Provision for Taxation	GBP	8,08,967	AUD	5,37,995	USD	26,538
	RS.	6,91,75,254	RS.	2,68,34,384	RS.	17,10,501
Profit/(Loss) After	GBP	28,94,150	AUD	14,33,981	USD	(13,22,928)
Taxation	RS.	24,74,80,532	RS.	7,15,24,821	RS.	(8,52,69,060)
Dividend	GBP	-	AUD	-	USD	-
	RS.	-	RS.	-	RS.	-

2.20.1 Additional information as required under Schedule III to the Companies Act,2013, of enterprises consolidated as Subsidiary/ Associates/Joint Ventures.

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 consolidated profit or loss	Amount - ₹	As% of consolidated profit or loss	Amount - ₹
Parent								
Marksans Pharma Limited	91.10	4,28,97,10,776	34.71	12,42,73,271	1.76	12,24,958	29.35	12,54,98,229
Subsidiaries								
Marksans Pharma U.K. Limited	21.27	1,00,12,95,455	69.13	24,74,80,532	76.01	5,28,71,300	70.25	30,03,51,832
Nova Pharmaceuticals Australasia Pty Ltd	5.07	23,87,35,320	19.98	7,15,24,821	15.85	1,10,26,165	19.31	8,25,50,986
Marksans Pharma Inc.	34.39	1,61,92,43,194	(23.82)	(8,52,69,060)	12.71	88,42,117	(17.87)	(7,64,26,943)
Sub -Total		7,14,89,84,745		35,80,09,564		7,39,64,540		43,19,74,104
Intercompany elimination and Consolidation adjustments		(2,44,03,38,684)				(44,10,706)		(44,10,706)
Grand Total		4,70,86,46,061		35,80,09,564		6,95,53,834		42,75,63,398
Minority Interests in Subsidiaries		9,54,94,128		2,86,09,929		-		2,86,09,929

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

Fixed Assets	Gross Block							Accumulated Depreciation							Net Block		
	Balance as at 1st April, 2016 ₹	Additions ₹	Disposals ₹	Balance as at 1st April, 2017 ₹	Additions ₹	Disposals ₹	Balance as at 31st March, 2018 ₹	Balance as at 1st April, 2016 ₹	Additions ₹	On disposals ₹	Balance as at 1st April, 2017 ₹	Depreciation charge for the year ₹	On Disposals ₹	Balance as at 31st March, 2018 ₹	Balance as at 31st March, 2018 ₹	Balance as at 31st March, 2017 ₹	Balance as at 1st April, 2016 ₹
a Tangible Assets																	
Land	1,38,07,793	-	-	1,38,07,793	-	-	1,38,07,793	-	-	-	-	-	-	-	1,38,07,793	1,38,07,793	1,38,07,793
Buildings	89,13,33,864	7,52,63,517	-	96,65,97,381	24,82,80,565	-	1,21,48,77,946	11,54,80,759	2,40,66,311	-	13,95,47,070	2,43,13,664	-	16,38,60,734	1,05,10,17,212	82,70,50,311	77,58,53,105
Plant and Equipment	1,29,63,49,994	6,16,73,325	19,99,320	1,35,60,23,999	9,55,37,836	58,90,125	1,44,56,71,710	56,93,61,567	9,84,98,817	13,52,764	66,65,07,620	9,73,89,552	37,57,421	76,01,39,751	68,55,31,959	68,95,16,379	72,69,88,427
Furniture and Fixtures	4,57,85,101	51,98,369	-	5,09,83,470	58,15,217	-	5,67,98,687	99,52,994	43,96,823	-	1,43,49,817	46,45,963	-	1,89,95,780	3,78,02,907	3,66,33,653	3,58,32,107
Vehicles	6,82,41,104	27,46,738	26,41,063	6,83,46,779	1,01,04,360	-	7,84,51,139	1,60,76,085	80,93,192	26,04,397	2,15,64,880	88,93,512	-	3,04,58,392	4,79,92,747	4,67,81,899	5,21,65,019
Office equipment	2,29,13,431	10,26,829	-	2,39,40,260	34,93,237	-	2,74,33,497	64,33,131	30,59,395	-	94,92,526	31,09,089	-	1,26,01,615	1,48,31,882	1,44,47,734	1,64,80,300
Computer and Software	5,10,26,292	39,17,082	-	5,49,43,374	39,04,028	-	5,88,47,402	3,07,64,974	73,90,673	-	3,81,55,647	79,91,224	-	4,61,46,871	1,27,00,531	1,67,87,727	2,02,61,318
Total	2,38,94,57,579	14,98,25,860	46,40,383	2,53,46,43,056	36,71,35,243	58,90,125	2,89,58,88,174	74,80,69,510	14,55,05,211	39,57,161	88,96,17,560	14,63,43,004	37,57,421	1,03,22,03,143	1,86,36,85,031	1,64,50,25,496	1,64,13,88,069
b Intangible Assets																	
Goodwill	1,02,09,31,434	-	-	1,02,09,31,434	-	-	1,02,09,31,434	24,19,16,670	8,21,85,454	-	32,41,02,124	7,93,42,277	-	40,34,44,401	61,74,87,033	69,68,29,310	77,90,14,764
Prescription Product Licences	36,57,23,644	-	-	36,57,23,644	2,75,47,489	-	39,32,71,133	16,32,02,101	2,13,39,045	-	18,45,41,146	2,20,84,481	-	20,66,25,627	18,66,45,506	18,11,82,498	20,25,21,543
OTC Product Licences	48,32,081	-	-	48,32,081	-	2,30,750	46,01,331	27,09,698	5,16,672	-	32,26,370	4,83,220	85,511	36,24,079	9,77,252	16,05,711	21,22,383
Internally Generated ANDA,Market Authorisations, Product Licences & Others	51,37,86,881	12,49,94,963	-	63,87,81,844	-	-	63,87,81,844	44,22,88,489	5,13,83,592	-	49,36,72,081	2,01,29,705	-	51,38,01,786	12,49,80,058	14,51,09,763	7,14,98,392
Total	1,90,52,74,040	12,49,94,963	-	2,03,02,69,003	2,75,47,489	2,30,750	2,05,75,85,742	85,01,16,958	15,54,24,763	-	1,00,55,41,721	12,20,39,683	85,511	1,12,74,95,893	93,00,89,849	1,02,47,27,282	1,05,51,57,082
c Capital Work-in-progress																	
Includes Building,Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,98,456	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,98,456	-
Total (a+b+c)	4,29,47,31,619	27,48,20,823	46,40,383	4,56,49,12,059	39,46,82,732	61,20,875	4,95,34,73,916	1,59,81,86,468	30,09,29,974	39,57,161	1,89,51,59,281	26,83,82,687	38,42,932	2,15,96,99,036	2,79,37,74,880	2,67,33,51,234	2,69,65,45,151

Note No. 3.1

Land held on leasehold basis. Building includes those constructed on leasehold land.

Note No. 3.2

Addition to Fixed Assets include capital expenditure of Nil (2017- Nil) incurred for Research and Development.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 4 OTHER NON- CURRENT FINANCIAL ASSETS			
Unsecured, considered good - Deposit	81,66,034	58,80,898	10,10,16,876
Total	**81,66,034**	**58,80,898**	**10,10,16,876**

NOTE NO. 5 INVENTORIES

Raw Materials, Packing Materials,Work-in-process, Finished goods and Stock-in-trade	2,18,12,41,268	1,90,08,69,534	1,67,79,17,477
Total	**2,18,12,41,268**	**1,90,08,69,534**	**1,67,79,17,477**

* Refer Note No. 15.1 for hypothecation of above inventories.

NOTE NO. 6 TRADE RECEIVABLES

Unsecured, considered good	1,76,90,55,770	2,47,58,11,464	2,17,29,29,670
Doubtful	-	-	-
Less : Allowance for bad and doubtful debt	-	-	-
Total	**1,76,90,55,770**	**2,47,58,11,464**	**2,17,29,29,670**

NOTE NO. 7 CASH AND CASH EQUIVALENTS

a. Balances with banks			
In current Account	39,67,52,760	25,01,35,774	34,91,15,012
In Dividend Accounts	13,02,182	11,27,269	8,66,166
b. Margin Money	3,00,000	-	19,41,613
c. Cash in hand	4,13,627	3,58,390	10,90,553
Total	**39,87,68,569**	**25,16,21,433**	**35,30,13,344**

Note No. 7.1

Dividend accounts 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 unclaimed dividends is included in other current financial liability.

NOTE NO. 8 OTHER CURRENT FINANCIAL ASSETS

Foreign exchange forward contract	4,98,735	8,97,083	9,64,353
Total	**4,98,735**	**8,97,083**	**9,64,353**

NOTE NO. 9 OTHER CURRENT ASSETS

Advance recoverable in cash or kind (Unsecured, considered good)	13,99,50,472	20,96,26,786	19,75,93,830
Total	**13,99,50,472**	**20,96,26,786**	**19,75,93,830**

NOTE NO. 10 SHARE CAPITAL

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Number	₹	Number	₹	Number	₹
Authorised						
Equity Shares of ₹ 1/- each	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
7% Redeemable Cumulative Preference Shares of ₹ 100/- each	14,00,000	14,00,00,000	14,00,000	14,00,00,000	14,00,000	14,00,00,000
	55,14,00,000	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**	**55,14,00,000**	**69,00,00,000**
Issued, Subscribed & Paid up						
Equity Shares of ₹ 1/- each	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698	40,93,13,698
Total	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**	**40,93,13,698**

a. **Terms/rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. All the Equity Shares rank pari passu in all respect. Each holder of Equity Shares is entitled to one vote per share. 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.

b. **Terms/rights attached to Preference Shares**

The Company has on 14th March, 2018 redeemed 100,000 7% Redeemable Cumulative Preference shares of ₹100/- each (The Preference Shares) at par. Consequently, the Issued, Subscribed and Paid-up Preference Share Capital of the company has reduced from ₹11,00,00,000 (Rupees eleven crores) divided into 1,100,000 Preference Shares of ₹ 100/- each to ₹10,00,00,000 (Rupees ten crore) divided into 10,00,000 Preference shares of ₹100/- each with effect from 14th March, 2018.

With consent of the sole shareholder,redemption date of these preference shares have been extended upto 27th March,2023 with right of Marksans Pharma Ltd to redeem at par in one or more tranches before that date at it's option. The preference shares carry dividend at the rate of 7% per annum subject to approval of the shareholders at an Annual General Meeting. The holder of the preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the preference shares. In the event of liquidation of the Company before redemption of the preference shares, the holder of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

c. The Company has not issued bonus shares and shares for consideration other than cash nor the Company has bought back any shares during the period of five years immediately preceding the reporting date except redemption of 100,000 preference shares at par on 07.02.2015, 1,50,000 Preference shares at par on 31.03.2017 and 100,000 preference shares at par on 14.03.2018.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid						
Mr. Mark Saldanha	19,74,91,553	48.25	19,74,91,553	48.25	19,74,91,553	48.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid						
Glenmark Pharmaceuticals Limited	10,00,000	100	11,00,000	100	12,50,000	100

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 11 RESERVES AND SURPLUS			
a. Capital Reserves			
Opening Balance	1,22,500	1,22,500	1,22,500
(+) Current Year Transfer	-	-	-
Closing Balance	1,22,500	1,22,500	1,22,500
b. Capital Redemption Reserve			
Opening Balance	2,50,00,000	1,00,00,000	1,00,00,000
(+) Transferred from Profit and Loss	1,00,00,000	1,50,00,000	-
Closing Balance	3,50,00,000	2,50,00,000	1,00,00,000
c. Securities Premium Account			
Opening Balance	1,75,13,17,328	1,75,13,17,328	1,75,13,17,328
(+) Securities premium credited on share issue	-	-	-
Closing Balance	1,75,13,17,328	1,75,13,17,328	1,75,13,17,328
d. General Reserve			
Opening Balance	3,13,73,65,569	3,13,73,65,569	3,13,73,65,569
(+) Current Year Transfer	-	-	-
(-) Written Back in Current Year	-	-	-
Closing Balance	3,13,73,65,569	3,13,73,65,569	3,13,73,65,569
e. Currency Translation Reserve			
Opening Balance	(21,00,072)	3,02,10,571	
(+) For the period	7,27,39,342	(3,38,38,153)	
(-) Non controlling share of Translating Reserve	44,10,466	(15,27,510)	
Closing Balance	6,62,28,804	(21,00,072)	3,02,10,571
f. Retained Earning			
Opening balance	(98,66,94,341)	(88,94,64,327)	(1,52,55,93,219)
(+) Net Profit/(Net Loss) for the current year	32,93,99,634	8,83,85,232	74,60,88,326
(-) Transfer to Capital Redemption Reserve	(1,00,00,000)	(1,50,00,000)	-
(-) Dividend for the year including Dividend Distribution Tax	(2,46,32,089)	(17,05,19,631)	(10,99,59,434)
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	12,24,958	(95,615)	
Closing Balance	(69,07,01,838)	(98,66,94,341)	(88,94,64,327)
Total	4,29,93,32,363	3,92,50,10,984	4,03,95,51,641

NOTE NO. 12 OTHER NON CURRENT FINANCIAL LIABILITIES

7% Redeemable Cumulative Preference Shares of ₹ 100/- each	10,00,00,000	11,00,00,000	12,50,00,000
Total	10,00,00,000	11,00,00,000	12,50,00,000

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 13 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities : DTL	6,55,42,568	5,91,96,458	5,06,26,706
Add: Deferred Tax Liabilty of Marksans Pharma UK Ltd.	94,59,642	83,04,387	1,02,07,426
Total Deferred tax liability	**7,50,02,210**	**6,75,00,845**	**6,08,34,132**
Deferred Tax Assets : DTA			
Defined benefit obligations	51,10,032	47,95,195	34,77,629
Change in Fair valuation of Financial Assets	9,96,234	9,82,882	7,20,023
Add: Deterred Tax Assets of Marksans Pharma Inc.	2,40,03,972	2,06,03,971	3,24,33,065
Total Deferred tax assets	**3,01,10,238**	**2,63,82,048**	**3,66,30,717**
Net Deferred tax Liability	**4,48,91,972**	**4,11,18,797**	**2,42,03,415**
Deferred Tax on OCI Liabilities	6,75,077	-	-
Deferred Tax on OCI Assets	-	50,603	-
Net Deferred tax Liability	**4,55,67,049**	**4,10,68,194**	**2,42,03,415**

NOTE NO. 14 PROVISIONS

- Gratuity	83,86,754	72,96,323	54,01,228
- Compensated absences	24,17,586	23,12,456	17,01,534
Total	**1,08,04,340**	**96,08,779**	**71,02,762**

NOTE NO. 15 BORROWINGS-CURRENT

Secured			
Working Capital facilities from Bank	1,17,41,32,123	1,09,71,02,816	87,89,29,105
Total	**1,17,41,32,123**	**1,09,71,02,816**	**87,89,29,105**

Note No.15.1

Working capital are secured by Hypothecation of all the current assets, receivables and book debts, and other movable assets of the Company in favour of the consortium by way of first charge on pari-passu basis and by way of second charge on the present and future fixed assets (both movable and immovable) of the company's plant at verna, Goa in favour of consortium on a pari-passu basis.

The Company has taken working capital from banks at interest rates ranging between LIBOR+ 1% to 11.50%

NOTE NO. 16 TRADE PAYABLE

a. Total Outstanding dues to Micro & Small Enterprises*	-	-	-
b. Total Outstanding dues to other than Micro and Small Enterprises	67,48,06,496	1,61,78,40,760	1,18,98,01,764
Total	**67,48,06,496**	**1,61,78,40,760**	**1,18,98,01,764**

Trade Payable Includes general and miscellaneous creditors.

*The Company has not received any information from "Supplier" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid/payable as required under the said Act have not been given.

NOTE NO. 17 OTHER CURRENT FINANCIAL LIABILITIES

a. Current maturities of Term Loan	-	-	-
b. Current maturities of Vehicle Loan	54,88,800	-	21,509
c. Other Current Liability	58,28,038	57,32,699	58,61,455
d. Unclaimed Dividend	13,02,181	11,27,269	8,66,166
e. Deposits	10,000	2,60,000	10,000
Total	**1,26,29,019**	**71,19,968**	**67,59,130**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹	1st April, 2016 ₹
NOTE NO. 18 OTHER CURRENT LIABILITIES - PROVISIONS			
a. Provision for Gratuity and compensated absences			
- Gratuity	24,99,707	23,00,170	17,60,869
- Compensated absences	7,37,53,694	6,43,79,590	4,93,04,024
b. Others	30,26,88,298	14,07,20,089	15,71,28,064
Total	**37,89,41,699**	**20,73,99,849**	**20,81,92,957**

NOTE NO. 19 CURRENT TAX LIABILITIES(NET)

Income Tax provision	9,04,34,813	3,11,19,651	22,75,20,122
Total	**9,04,34,813**	**3,11,19,651**	**22,75,20,122**

Particulars	2017-18 ₹	2016-17 ₹
NOTE NO. 20 REVENUE FROM OPERATIONS		
Sale of products	9,04,06,99,436	7,58,84,27,066
Other operating revenues	8,62,20,887	8,31,86,362
Less: Excise duty	-	-
Total	**9,12,69,20,323**	**7,67,16,13,428**

NOTE NO. 21 OTHER INCOME

Interest Income	7,67,777	21,68,645
Other income	19,92,582	-
Unwinding discount on Security Deposits i.e. Interest Income	2,92,495	2,72,092
Change in Fair value of Forward contract	4,98,735	8,97,083
Dividend Income	-	6,68,84,200
Total	**35,51,589**	**7,02,22,020**

NOTE NO. 22 COST OF MATERIALS CONSUMED

Cost of material and components consumed	3,48,66,29,013	3,65,53,14,505

NOTE NO. 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Changes in inventories of finished goods, work-in-process and stock-in-trade	20,54,64,767	(47,93,56,746)

NOTE NO. 24 EMPLOYEE BENEFITS EXPENSE

(a) Salaries and Wages	1,42,07,12,242	1,44,42,11,751
(b) Contributions to - Providend fund , E.S.I.C. and other fund	3,88,78,854	3,40,03,897
(c) Staff welfare expenses	1,78,89,472	1,87,63,490
Total	**1,47,74,80,568**	**1,49,69,79,138**

Note No.24.1

During the year ended 31st March, 2017, the remuneration paid to Dr. Vinay Gopal Nayak, Whole-time Director has exceeded the permissible limit as prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 79,52,068.00 due to inadequacy of profit. Members of the Company have at the 25th AGM held on 26th September 2017 approved waiver of recovery of such excess payment subject

NOTE NO. 24 EMPLOYEE BENEFITS EXPENSE *(Contd.)*

to approval of the Central Government . The Company has submitted application to the Central Government for approval which is pending. Pending such approval, no adjustments have been made in the accounts for the year ended 31st March, 2017, and the excess amount is held by the Whole-time Director in trust for the Company.

Particulars	2017-18 ₹	2016-17 ₹
NOTE NO. 25 FINANCE COST		
Interest expense	6,49,38,296	3,96,12,656
Bank charges	2,79,97,045	1,77,36,954
Dividend on preference share including DDT	92,67,566	1,05,31,325
Applicable net loss(profit) on foreign exchange	(33,419)	(1,28,758)
Total	**10,21,69,488**	**6,77,52,177**

NOTE NO. 26 DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on tangible assets	14,63,43,004	14,55,05,211
Amortization of intangible assets	12,20,39,683	15,54,24,763
Total	**26,83,82,687**	**30,09,29,974**

NOTE NO. 27 OTHER EXPENSES

Water Charges	28,00,575	30,32,599
Power & Fuel	11,55,19,467	12,96,77,216
Freight Inward & Raw Material Clearing Charges	7,91,47,749	13,72,20,663
Repairs & Maintenance - Plant and Machinery	6,43,75,457	6,99,76,542
Repairs & Maintenance - Building	2,75,73,399	3,13,93,490
Other Manufacturing Expenses	25,05,79,855	9,47,25,897
Rent	5,64,81,686	4,96,90,205
Rates & Taxes	2,49,96,082	76,03,293
Travelling Expenses	4,15,29,400	8,85,11,472
Communication Expenses	1,14,08,809	1,25,06,874
Courier & Postage Expenses	5,34,29,955	72,29,419
Printing & Stationery	93,22,360	79,60,143
Audit Fees	90,06,974	50,62,949
Vehicle Expenses & Local Conveyance	1,54,73,545	1,58,85,948
Legal & Professional Fees	7,96,42,801	11,85,40,248
Office Expenses	48,59,684	96,63,333
Insurance Charges	10,62,39,443	6,84,31,089
Exchange Loss/(Gain)	(8,11,55,174)	(11,79,94,105)
Loss/(Profit) on sale of Fixed Assets	5,45,045	(2,47,412)
Other Operating Expenses	20,55,12,445	14,01,08,891
Freight Outward & Export Clearing Expenses	34,30,81,043	11,24,91,868
Selling & Distribution Expenses	13,28,18,402	14,82,72,119
Total	**1,55,31,89,002**	**1,13,97,42,741**

NOTE NO. 27 OTHER EXPENSES *(Contd.)*

Particulars	2017-18 ₹	2016-17 ₹
Note No.27.1 Details of Payments to the Auditor		
a. As Auditor	90,06,974	50,62,949
Total	**90,06,974**	**50,62,949**

NOTE NO. 28 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Contingent liabilities and commitments (to the extent not provided for)

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Contingent Liabilities		
Guarantees and Letter of Credit	1,046.68	920.47
	1,046.68	**920.47**

NOTE NO. 29 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility expenditure for the year is Nil (previous year Nil).

NOTE NO. 30 RESEARCH AND DEVELOPMENT EXPENDITURE

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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

The amount expensed by the Company as Research and Development costs during the last three financial years:

Financial Year	Revenue ₹ in Lakhs	Capital ₹ in Lakhs	Total Expenditure ₹ in Lakhs
2014-15	1,719.83	21.30	1,741.13
2015-16	768.10	38.07	806.17
2016-17	453.09	-	453.09
2017-18	526.59	-	526.59

NOTE NO. 31 EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

I Gratuity (defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation.

a The Company recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Current Service Cost	(26,97,336)	(25,67,466)
Interest Cost	(6,53,521)	(5,33,576)
Scheme Cost (Income) to P&L	**(33,50,857)**	**(31,01,042)**

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Change in Financial Assumption	**3,04,696**	**(2,82,490)**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	3,04,696	(2,82,490)
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**7,81,391**	**3,47,891**
Total Actuarial Gain/(Loss) related to Liability	**10,86,087**	**65,401**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Defined Benefit Obligations (DBO)	(1,08,86,461)	(95,96,493)
Fair Value of Plan Assets	-	-
Net Assets / (Liabilities)	**(1,08,86,461)**	**(95,96,493)**

d A break-up of the defined benefit plan related balance sheet amounts as at 31st March, 2018 and 31st March, 2017, is shown below.

Current Liability	(24,99,707)	(23,00,170)
Non-Current Liability	(83,86,754)	(72,96,323)
Total	**(1,08,86,461)**	**(95,96,493)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(95,96,493)**	**(71,62,097)**
Current Service Cost	(26,97,336)	(25,67,466)
Interest Cost	(6,53,521)	(5,33,576)
Benefits paid including to be paid	9,74,802	6,01,245
Remeasurements due to Actuarial Gain / (Loss)	10,86,087	65,401
DBO at the end of the reporting period	**(1,08,86,461)**	**(95,96,493)**

NOTE NO. 31 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

f **Change in Fair Value of Assets for the period ending as at 31st March, 2018 and 31st March, 2017**

The Company has not invested in any plan assets.

g **The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2018 are as follows:**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Discount Rate	7.40%	6.81%
Rate of Salary Increase	8.00%	8.00%

h **Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:**

Duration of the Liability	5.7	6

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2017 ₹	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2017 %	31st March, 2018 %	31st March, 2019 %
Base Scenario	(95,96,493)	(1,08,86,461)	(1,18,05,841)			
Discount Rate: Increase by 1%	(91,62,038)	(1,04,04,763)	(1,12,62,209)	-4.50%	-4.40%	-4.60%
Discount Rate: Decrease by 1%	(1,00,72,134)	(1,14,12,592)	(1,23,98,298)	5.00%	4.80%	5.00%
Salary Escalation Rate: Increase by 1%	(99,79,204)	(1,12,97,616)	(1,23,54,641)	4.00%	3.80%	4.60%
Salary Escalation Rate: Decrease by 1%	(92,35,944)	(1,04,98,086)	(1,12,87,241)	-3.80%	-3.60%	-4.40%
Withdrawal Rate: Increase by 20%	(90,62,241)	(1,02,08,760)	(1,01,25,906)	-5.60%	-6.20%	-14.20%
Withdrawal Rate: Decrease by 20%	(1,02,77,630)	(1,16,90,714)	(1,38,06,236)	7.10%	7.40%	16.90%
Mortality Rate: Increase by 20%	(95,99,841)	(1,08,91,494)	(1,17,99,556)	0.00%	0.00%	-0.10%
Mortality Rate: Decrease by 20%	(95,93,143)	(1,08,81,422)	(1,18,12,117)	0.00%	0.00%	0.10%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

II **Compensated leave of absence plan (other long term benefit plan)**

The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

a **The Company recognised total retirement benefit costs related to all retirement plans as follows:**

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Current Service Cost	(13,70,191)	(17,98,820)
Interest Cost	(2,90,055)	(2,15,046)
Scheme Cost (Income) to P&L	**(16,60,246)**	**(20,13,866)**

NOTE NO. 31 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

b The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31st March, 2018 ₹	31st March, 2017 ₹
Change in Financial Assumption	**87,641**	**(94,752)**
Change in the Salary Escalation Rate Assumption	-	-
Change in the Discount Rate	87,641	(94,752)
Change in Demographic Assumption	**-**	**-**
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	**7,76,910**	**(1,16,867)**
Total Actuarial Gain/(Loss) related to Liability	**8,64,551**	**(2,11,619)**

c The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Defined Benefit Obligations (DBO)	(38,79,005)	(42,59,250)
Fair Value of Plan Assets (FVPA)	-	-
Net Assets / (Liabilities)	**(38,79,005)**	**(42,59,250)**

d A break-up of the defined benefit plan related balance sheet amounts at 31st March, 2018 and 31st March, 2017, is shown below.

Current Liability	(14,61,419)	(19,46,794)
Non-Current Liability	(24,17,586)	(23,12,456)
Total	**(38,79,005)**	**(42,59,250)**

e The movements in the net Defined Benefit Obligations(DBO) recognised within the balance sheet are as follows:

DBO at the beginning of the reporting period	**(42,59,250)**	**(28,86,528)**
Current Service Cost	(13,70,191)	(17,98,820)
Interest Cost	(2,90,055)	(2,15,046)
Benefits paid	11,75,941	8,52,763
Remeasurements due to Actuarial Gain / (Loss)	8,64,551	(2,11,619)
DBO at the end of the reporting period	**(38,79,005)**	**(42,59,250)**

f Change in Fair Value of Assets for the period ending as at 31st March, 2018 and 31st March, 2017

The Company has not invested in any plan assets.

g The principal actuarial assumptions used for the defined benefit obligations as at 31st March, 2018 are as follows:

Discount Rate	7.40%	6.81%
Rate of Salary Increase	8.00%	8.00%

h Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Duration of the Liability	4.3	4.2

NOTE NO. 31 EMPLOYEE POST- RETIREMENT BENEFITS *(Contd.)*

i A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the break-up presented below, the varying impact of changes in the key assumptions is shown.

Particulars	31st March, 2017 ₹	31st March, 2018 ₹	31st March, 2019 ₹	31st March, 2017 %	31st March, 2018 %	31st March, 2019 %
Base Scenario	(42,59,250)	(38,79,005)	(41,29,750)			
Discount Rate: Increase by 1%	(41,13,191)	(37,39,311)	(39,72,537)	-3.40%	-3.60%	-3.80%
Discount Rate: Decrease by 1%	(44,17,050)	(40,30,002)	(42,99,161)	3.70%	3.90%	4.10%
Salary Escalation Rate: Increase by 1%	(44,14,590)	(40,28,744)	(43,37,825)	3.60%	3.90%	5.00%
Salary Escalation Rate: Decrease by 1%	(41,12,751)	(37,37,936)	(39,33,975)	-3.40%	-3.60%	-4.70%
Withdrawal Rate: Increase by 20%	(43,23,112)	(38,54,021)	(37,23,726)	1.50%	-0.60%	-9.80%
Withdrawal Rate: Decrease by 20%	(41,58,985)	(38,78,308)	(44,99,896)	-2.40%	0.00%	9.00%
Mortality Rate: Increase by 20%	(42,60,742)	(38,80,186)	(41,27,992)	0.00%	0.00%	0.00%
Mortality Rate: Decrease by 20%	(42,57,752)	(38,77,817)	(41,31,501)	0.00%	0.00%	0.00%
Leaves Consumption Rate: Increase by 10%	(36,55,416)	(31,95,827)	(31,56,267)	-14.20%	-17.60%	-23.60%
Leaves Consumption Rate: Decrease by 10%	(48,18,877)	(45,14,345)	(50,31,443)	13.10%	16.40%	21.80%

Each sensitivity analysis result, disclosed here, is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised in the statement of financial position.

NOTE NO. 32 SEGMENT REVENUE

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Europe, UK – Formulations	41,515.51	28,618.44
US & North America – Formulations	37,149.76	34,942.50
Australia & NZ – Formulations	9,906.97	10,559.99
Rest of World(ROW)	2,732.47	3,297.42
Consolidated Revenue from operations	91,304.72	77,418.35

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE NO. 33 EARNING PER SHARE

Earning per share is calculated by dividing the profit/(loss) 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	2017-18 ₹	2016-17 ₹
Earning Per Share (EPS)		
1. Net profit as per the Statement of Profit and Loss available for equity shareholders	32,93,99,634	8,83,85,232
2. Weighted average number of equity shares for Earning Per Share computation		
a) For Basic Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
b) For Diluted Earning Per Share of Re. 1/- each		
- No. of Share for Basic EPS as per 2 a	40,93,13,698	40,93,13,698
- Add: Weighted average outstanding	-	-
- No. of share for diluted Earning Per Share of Re. 1/- each	40,93,13,698	40,93,13,698
3. Earning Per Share (Weighted Average)		
Basic	0.80	0.22
Diluted	0.80	0.22

NOTE NO. 34 RELATED PARTY DISCLOSURES

(a) **List of Related Parties**

Subsidiary

Marksans Pharma (UK) Limited

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

Marksans Pharma Inc.

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Marksans Realty LLC

Nova Pharmaceuticals Australasia Pty Ltd

Key Management Personnel (KMP)

Mr. Mark Saldanha - Managing Director

Mrs. Sandra Saldanha - Whole-time Director

Dr. Vinay Gopal Nayak - Whole-time Director

Mr. Jitendra Sharma - Chief Financial Officer

Mr. Harshavardhan Panigrahi - Company Secretary

Relatives of KMP

Mrs. Sandra Saldanha is spouse of Mr. Mark Saldanha (Managing Director)

Mr. Mark Saldanha is spouse of Mrs. Sandra Saldanha (Whole-time Director)

Companies in which KMP is interested

Marksans Pharma (UK) Limited

Marksans Holdings Limited

Bell, Sons and Co. (Druggists) Limited

Relonchem Limited

NOTE NO. 34 RELATED PARTY DISCLOSURES *(Contd.)*

Marksans Pharma Inc.

Time-Cap Laboratories Inc.

Custom Coatings Inc.

Nova Pharmaceuticals Australasia Pty Ltd

Note: Mr. Mark Saldanha/ Mrs. Sandra Saldanha/ Mr. Jitendra Sharma is/are Director in the above subsidiary(ies) as representative of Marksans Pharma Limited and have no personal interest as director of those subsidiary(ies). They do not own any shares in the subsidiary(ies) in which they are Director.

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

(i) Key Management Personnel / Directors - Remuneration:

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Mr. Mark Saldanha	104.32	104.32
Mrs. Sandra Saldanha	70.30	70.30
Dr. Vinay Gopal Nayak	203.89	199.52
Mr. Jitendra Sharma	87.87	99.92
Mr. Harshavardhan Panigrahi	20.08	17.81
Total	**486.46**	**491.87**

(ii) Rent paid to Mr. Mark Saldanha of ₹ 102.93 Lakh during the year.

(iii) Related parties where control exists and transactions have taken place during the year

Subsidiary Companies

Relonchem Limited

Bell, Sons & Co. (Druggists) Limited

Time-Cap Laboratories Inc.

Nova Pharmaceuticals Australasia Pty Ltd.

(iv) Related party relationships where transactions have taken place during the year

Relonchem Limited - Subsidiary Company

Bell, Sons & Co. (Druggists) Limited - Subsidiary Company

Time-Cap Laboratories Inc. - Subsidiary Company

Nova Pharmaceuticals Australasia Pty Ltd. - Subsidiary Company

(v) Transactions with related parties during the year

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Subsidiary Company		
Sale of Finished products	27,417.95	17,240.16
Dividend received	-	668.84
Balances outstanding at the end of the year		
Receivable from subsidiary	14,523.85	11,239.12

NOTE NO. 35 FAIR VALUE MEASUREMENTS (CONSOLIDATED)

Financial instruments by category

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs	FVPL ₹ in Lakhs	FVOCI ₹ in Lakhs	Amortised cost ₹ in Lakhs
Financial assets									
Investments	-	-	-	-	-	-	-	-	-
Other Non-current financial assets	-	-	81.66	-	-	58.81	-	-	1,010.17
Trade receivables, net	-	-	17,690.56	-	-	24,758.11	-	-	21,729.30
Cash and cash equivalents	-	-	3,987.69	-	-	2,516.21	-	-	3,530.13
Other current financial assets	-	-	4.99	-	-	8.97	-	-	9.64
Total	**-**	**-**	**21,764.90**	**-**	**-**	**27,342.10**	**-**	**-**	**26,279.24**
Financial Liabilities									
Long term borrowings	-	-	-	-	-	-	-	-	-
Other Non-current financial liabilities	-	-	1,000.00	-	-	1,100.00	-	-	1,250.00
Short term borrowings	-	-	11,741.32	-	-	10,971.03	-	-	8,789.29
Trade payables	-	-	6,748.06	-	-	16,178.41	-	-	11,898.02
Other current financial liabilities	-	-	126.29	-	-	71.20	-	-	67.59
Total	**-**	**-**	**19,615.67**	**-**	**-**	**28,320.64**	**-**	**-**	**22,004.90**

Investment in Subsidiaries are carried at cost.

Trade receivables comprise amounts receivable from the sale of goods and services.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates their fair value.

Fair value hierarchy :

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.

All amortised cost financial assets and liabilities are classified as level 3 inputs.

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised as at the date of the balance sheet is summarised below:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Cash & cash equivalents	3,987.69	2,516.21	3,530.13
Trade receivables	17,690.56	24,758.11	21,729.30
Short Term financial Assets	4.99	8.97	9.64
Long Term Financial Assets	81.66	58.81	1,010.17
Total	**21,764.90**	**27,342.10**	**26,279.24**

NOTE NO. 35 FAIR VALUE MEASUREMENTS (CONSOLIDATED) *(Contd.)*

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances of ₹ 3,987.69 lakhs at March 31, 2018 (March 31, 2017: ₹ 2,516.21 lakhs, 1st April, 2016 : ₹ 3,530.13 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Trade receivables

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Given below is ageing of trade receivable spread by period of six months:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Outstanding for more than 6 months	1,581.59	1,207.73	41.26
Others	16,108.97	23,550.38	21,688.04
Total	**17,690.56**	**24,758.11**	**21,729.30**

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.

In respect of trade and other receivables, the Group's credit risk exposure towards any single counterparty or any groups of counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31st March, 2018, the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current	Non-Current	
	Within 1 year ₹	1 to 5 years ₹	More than 5 years ₹
Trade payable	6,748.06	-	-
Financial liabilities	126.29	1,000.00	-
Short term borrowings	11,741.32	-	-
Total	**18,615.67**	**1,000.00**	**-**

NOTE NO. 36 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods are summarised as follows:

The Group's goal in capital management is to maintain a capital-to-overall financing structure ratio as low as possible.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs	1st April, 2016 ₹ in Lakhs
Total equity	48,041.40	43,967.98	45,324.71
Less: Cash & cash equivalents	3,987.69	2,516.21	3,530.13
Capital	44,053.71	41,451.77	41,794.58
Total equity	48,041.40	43,967.98	45,324.71
Add Borrowings	11,741.32	10,971.03	8,789.29
Add Other Financial Liabilities	1,000.00	1,100.00	1,250.00
Overall financing	60,782.72	56,039.01	55,364.00
Capital to overall financing ratio	0.72	0.74	0.75

Fair valuation for Financial Assets:

The Company has valued financial assets (other than Investment in subsidiaries are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Equity

In preparation of the financial statements in accordance with Previous GAAP, the Company provided for proposed dividend and tax thereon to comply with the schedule III requirements of the Companies Act, 2013. On transition to Ind AS, proposed dividend is recognised based on the recognition principles of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Considering that the dividend has been proposed after the date of financial statements and becomes payable only after approval by the shareholders, there is no present obligation to pay this dividend as at the date of statement of balance sheet. Accordingly, the liability for proposed dividend and tax thereon has been reversed.

Dividend on Preference share is recognised in Profit and loss as finance cost instead of charged to retain earning. The Preference share require redemption on a specific date and for determined amount.

The contractual obligation to deliver a cash at redemption exists and, therefore, preference share is considered as liability instead of equity.

Deferred tax

Deferred tax assets and liabilities under Indian GAAP were recorded only on timing differences. However, on transition to Ind AS, deferred tax assets and liabilities are recorded on temporary differences. On transition to Ind AS, the carrying values of assets and liabilities have undergone a change as a result of the adjustments indicated above, and accordingly, the deferred tax position has been recomputed after considering the new carrying amounts.

NOTE NO. 36 CAPITAL MANAGEMENT POLICIES AND PROCEDURES *(Contd.)*

Remeasurement benefits

Under previous GAAP, remeasurement benefits on defined benefit obligation has been recognised in the statement of profit and loss. Ind AS 19 - Employee benefits required these remeasurement benefits to be recognised in other comprehensive income instead of statement of profit and loss.

Presentation differences

In the preparation of these Ind AS financial statements, the Company has made several presentation differences between Previous GAAP and Ind AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these financial statements, some line items are described differently (renamed) under Ind AS as compared to Previous GAAP, although the assets and liabilities included in these line items are unaffected.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term borrowing. The Group has taken several short term borrowings on fixed rate of interest. Since, there is no interest rate cash outflow associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The Company has outstanding borrowings of USD 6.28 million (2017 - USD 5.43 million) and GBP 6.82 million (2017 - GBP 7.14 million). In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 100 basis points then such increase shall have the following impact on:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs
Net results for the year	104.28	92.94

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 100 basis points then such decrease shall have the following impact on:

Particulars	31st March, 2018 ₹ in Lakhs	31st March, 2017 ₹ in Lakhs
Net results for the year	(104.28)	(92.94)

NOTE NO. 37 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is coordinated by its parent company, in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Group's cash equivalents and deposits are invested with banks.

The Group's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

NOTE NO. 37 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

Foreign Currency sensitivity

Financial instruments by category

Foreign currency denominated financial assets and liabilities, translated into USD at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	USD	INR	USD	INR
Short term exposure				
FINANCIAL ASSETS	1,61,47,417	1,03,65,25,492	1,36,53,941	88,58,90,127
FINANCIAL LIABILITIES	70,09,544	46,12,28,023	68,24,056	44,16,77,455
Short term exposure	91,37,873	57,52,97,469	68,29,885	44,42,12,672

US Dollar conversion rate was ₹ 65.04 at the beginning of the year and scaled to a high of ₹ 65.80 and to low of ₹ 62.96. The closing rate is ₹ 62.96. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2018		31st March, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	5,75,29,747	(5,75,29,747)	4,44,21,267	(4,44,21,267)

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	GBP	INR	GBP	INR
Short term exposure				
FINANCIAL ASSETS	63,40,621	56,81,77,588	49,98,836	40,41,09,939
FINANCIAL LIABILITIES	31,42,185	29,00,23,682	26,35,703	21,30,11,484
Short term exposure	31,98,436	27,81,53,906	23,63,133	19,10,98,455

GBP conversion rate was ₹ 80.87 at the beginning of the year and scaled to a high of ₹ 92.30 and to low of ₹ 79.52. The closing rate is ₹ 86.97. Considering the volatility in direction of strengthening GBP upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2018		31st March, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	2,78,15,391	(2,78,15,391)	1,91,09,846	(1,91,09,846)

Foreign currency denominated financial assets and liabilities, translated into EUR at the closing rate are as follows

Particulars	31st March, 2018		31st March, 2017	
	EUR	INR	EUR	INR
Short term exposure				
FINANCIAL ASSETS	86,323.58	68,23,879	1,28,729	89,22,461
FINANCIAL LIABILITIES	47,747.25	39,03,338	57,606	39,82,590
Short term exposure	38,576.33	29,20,541	71,123	49,39,871

NOTE NO. 37 RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd.)*

EUR conversion rate was ₹ 69.45 at the beginning of the year and scaled to a high of ₹ 81.75 and to low of ₹ 68.06. The closing rate is ₹ 75.71. Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

Particulars Effect in INR	31st March, 2018		31st March, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
Net Result for the Year	2,92,054	(2,92,054)	4,93,987	(4,93,987)

NOTE NO. 38 FIRST TIME IND AS ADOPTION RECONCILIATIONS

Particulars	Note No.	31st March, 2017			31st March, 2016		
		Previous GAAP ₹	Effect of transition to Ind AS ₹	As per Ind AS balance sheet ₹	Previous GAAP ₹	Effect of transition to Ind AS ₹	As per Ind AS balance sheet ₹
ASSETS							
Non-current assets							
Property, plant and equipment	3	16,450.25	-	16,450.25	16,413.88	-	16,413.88
Capital work-in-progress	3	35.98	-	35.98	-	-	-
Intangible assets	3	10,247.27	-	10,247.27	10,551.57	-	10,551.57
Financial assets							
(i) Investments		-	-	-	-	-	-
(ii) Loans		-	-	-	-	-	-
(iii) Other non- current financial assets	4	86.54	(27.73)	58.81	1,040.62	(30.45)	1,010.17
Deferred tax assets (net)		26.78	(26.78)	-	191.10	(191.10)	-
Total non-current assets		**26,846.83**	**(54.51)**	**26,792.32**	**28,197.17**	**(221.55)**	**27,975.62**
Current assets							
Inventories	5	19,008.70	-	19,008.70	16,779.17	-	16,779.17
Financial Assets							
(i) Trade receivables	6	24,758.11	-	24,758.11	21,729.30	-	21,729.30
(ii) Cash and cash equivalents	7	2,516.21	-	2,516.21	3,530.13	-	3,530.13
(iii) Other Financial Assets	8	-	8.97	8.97	-	9.64	9.64
Other current assets	9	2,096.27	-	2,096.27	1,975.94	-	1,975.94
Total current assets		**48,379.29**	**8.97**	**48,388.26**	**44,014.54**	**9.64**	**44,024.19**
TOTAL ASSETS		**75,226.12**	**(45.54)**	**75,180.58**	**72,211.71**	**(211.91)**	**71,999.81**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	10	5,193.14	(1,100.00)	4,093.14	5,343.14	(1,250.00)	4,093.14
Other Equity							
Reserves and Surplus	11	39,265.06	(14.95)	39,250.11	40,089.31	306.21	40,395.52
Equity attributable to owners of the Company		**44,458.20**	**(1,114.95)**	**43,343.25**	**45,432.45**	**(943.79)**	**44,488.65**
Non-Controlling interest		624.74	-	624.74	836.06	-	836.06
Total equity		**45,082.94**	**(1,114.95)**	**43,967.98**	**46,268.51**	**(943.79)**	**45,324.71**

NOTE NO. 38 FIRST TIME IND AS ADOPTION RECONCILIATIONS *(Contd.)*

Particulars	Note No.	31st March, 2017			31st March, 2016		
		Previous GAAP ₹	Effect of transition to Ind AS ₹	As per Ind AS balance sheet ₹	Previous GAAP ₹	Effect of transition to Ind AS ₹	As per Ind AS balance sheet ₹
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings							
(ii) Other financial liabilities	12	-	1,100.00	1,100.00	-	1,250.00	1,250.00
Deferred tax liabilities (Net)	13	-	410.68	410.68	-	242.03	242.03
Other non-current liabilities		-	-	-	-	-	-
Provisions	14	-	96.09	96.09	-	71.03	71.03
Total non current liabilities		**-**	**1,606.77**	**1,606.77**	**-**	**1,563.06**	**1,563.06**
Current liabilities							
Financial liabilities							
(i) Borrowings	15	10,971.03	-	10,971.03	8,789.29	-	8,789.29
(ii) Trade payables	16	16,178.41	-	16,178.41	11,898.02	-	11,898.02
(iii) Other financial liabilities	17	71.20	-	71.20	67.59	-	67.59
Other current liabilities		-	-	-	-	-	-
Provisions	18	2,611.35	(537.36)	2,074.00	2,913.10	(831.18)	2,081.93
Current tax liabilities (Net)	19	311.20	-	311.20	2,275.20	-	2,275.20
Total current liabilities		**30,143.19**	**(537.36)**	**29,605.83**	**25,943.21**	**(831.18)**	**25,112.03**
Total liabilities		**30,143.19**	**1,069.41**	**31,212.60**	**25,943.21**	**731.89**	**26,675.09**
TOTAL EQUITY AND LIABILITIES		**75,226.12**	**(45.54)**	**75,180.58**	**72,211.71**	**(211.91)**	**71,999.81**

Reconciliations of equity reported under previous GAAP to equity under Ind AS

	Equity as at	
	31st March, 2017 ₹	1st April, 2016 ₹
(a) Share capital	51,93,13,698	53,43,13,698
(b) Reserves and surplus	3,92,65,06,124	4,00,89,31,091
Total Equity as per previous Indian GAAP	**4,44,58,19,822**	**4,54,32,44,789**
7% Redeemable Cumulative Preference shares of ₹100/- each	(11,00,00,000)	(12,50,00,000)
Proposed Dividend and tax thereon	3,38,99,655	6,96,48,339
Change in Fair value of Financial Assets and currency exchange difference	8,97,083	9,64,353
Unwinding discount on Security Deposits	2,72,092	-
Fair value of deposit	(30,44,863)	(30,44,863)
Remeasurement of the net defined benefit plans	1,03,73,288	63,66,420
Deferred Tax	(4,37,96,779)	(4,33,13,699)
OCI-Remeasurement of the net defined benefit plans- Net of Tax	(95,615)	-
Total Equity As per Ind-AS (Except Non controlling Interest)	**4,33,43,24,682**	**4,44,88,65,339**

NOTE NO. 38 FIRST TIME IND AS ADOPTION RECONCILIATIONS *(Contd.)*

Reconciliations of profit reported under previous GAAP to profit under Ind AS

	For the Year Ended 31st March, 2017 ₹
Net Profit as per previous Indian GAAP	9,51,87,948
Dividend on preference share including DDT	(1,05,31,325)
Change in Fair value of Forward contract and currency exchange difference	(67,270)
Unwinding discount on Security Deposits i.e. Interest Income	2,72,092
Remeasurement of the net defined benefit plans	40,06,868
Deferred tax adjustments and others	(4,83,080)
OCI-Remeasurement of the net defined benefit plans- Net of Tax	(95,615)
Exchange differences in translating the financial statements of a foreign operation	(3,23,10,643)
Total Net Profit as per Ind AS	**5,59,78,974**

NOTE NO. 39-REMEASUREMENT BENEFITS

Under previous GAAP, remeasurement benefits on defined benefit obligation has been recognised in the consolidated statement of profit and loss. Ind AS 19 - Employee benefits required these remeasurement benefits to be recognsied in other comprehensive income instead of statement of profit and loss.

NOTE NO. 40- PRESENTATION DIFFERENCES

In the preparation of these Ind AS financial statements, the Group has made several presentation differences between Previous GAAP and Ind AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these financial statements, some line items are described differently (renamed) under Ind AS as compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Consolidated Cash Flow Statement for the year ended 31st March, 2018

Particulars		Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
A.	Cash Flow From Operating Activities		
	Profit/(Loss) Before Tax	**49,79,80,904**	**14,89,73,689**
	Adjustments to reconcile profit before tax and prior period		
	items to cash provided by operations:		
	- Depreciation	26,83,82,687	30,09,29,974
	- Exchange differences in translating the financial statements of a foreign operation	6,83,28,876	(3,23,10,643)
	- (Profit)/Loss on sale of Property, Plant and Equipment	5,45,045	(2,47,412)
	- Finance Cost	10,21,69,488	6,77,52,177
	- Dividend Income	-	(6,68,84,200)
	- Interest Income	(7,67,777)	(21,68,645)
	- Unwinding discount on Security Deposits i.e. Interest Income	(2,92,495)	(2,72,092)
	- Remeasurement of the net defined benefit plans	19,50,638	(1,46,218)
	- Change in Fair value of Forward contract	(4,98,735)	(8,97,083)
	Operating Profit before working capital changes	**93,77,98,631**	**41,47,29,547**
	Movements in working capital :		
	(Increase)/Decrease in Inventories	(28,03,71,735)	(22,29,52,056)
	(Increase)/Decrease in Trade and other receivables	70,67,55,694	(30,28,81,795)
	(Increase)/Decrease in Other financial assets	(18,86,788)	9,52,03,248
	(Increase)/Decrease in Other assets	6,74,31,567	(1,34,09,597)
	Minority Interest	44,10,466	(4,60,88,556)
	Increase/(Decrease) in Trade Payable and provisions	(77,02,96,854)	42,97,51,905
	Income Tax paid	(7,46,38,256)	(21,37,40,722)
	Net cash used in operating activities	**58,92,02,725**	**14,06,11,974**
B.	**Cash Flow provided by (used in) Investing Activities:**		
	(Purchase)/Sale of Property, Plant and Equipment	(38,93,51,376)	(27,74,88,647)
	Investment	-	-
	Dividend Income	-	6,68,84,200
	Interest Income	7,67,777	21,68,645
	Unwinding discount on Security Deposits i.e. Interest Income	2,92,495	2,72,092
	Change in Fair value of Forward contract	4,98,735	8,97,083
	Net Cash Flow provided by (used in) Investing Activities	**(38,77,92,369)**	**(20,72,66,627)**

Consolidated Cash Flow Statement for the year ended 31st March, 2018

Particulars	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
C. Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	(1,00,00,000)	(1,50,00,000)
Increase in Share Premium	-	-
Increase in General Reserve	-	-
Proposed Dividend and Dividend Distribution Tax on it	(2,46,32,089)	(17,05,19,631)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	8,25,38,357	21,85,34,550
Finance Cost	(10,21,69,488)	(6,77,52,177)
Net Cash Flow provided by (used in) Financing Activities	**(5,42,63,220)**	**(3,47,37,258)**
Net Increase /(Decrease) in Cash and Bank Balances	**14,71,47,136**	**(10,13,91,911)**
Cash & Bank Balances as at 31.03.2017	**25,16,21,433**	**35,30,13,344**
Cash & Bank Balances as at 31.03.2018	**39,87,68,569**	**25,16,21,433**
	14,71,47,136	**(10,13,91,911)**

Notes :

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

FOR AND ON BEHALF OF
V.S. LALPURIA & COMPANY
Chartered Accountants
F.NO. 105581W

V.S. LALPURIA
Proprietor
M. NO. 015926

Place : Mumbai
Date : 30.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MARK SALDANHA
Chairman & Managing Director

SANDRA SALDANHA
Whole - time Director

JITENDRA SHARMA
Chief Financial Officer

HARSHAVARDHAN PANIGRAHI
Company Secretary & Legal Manager

Marksans Pharma Ltd.
CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053.
Website: www.marksanspharma.com, E-mail: companysecretary@marksanspharma.com

NOTICE

To
The Members of
Marksans Pharma Limited

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting of the Members of Marksans Pharma Limited will be held on Thursday, **the 27th September, 2018 at 10:30 a.m.** at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

   (a) the audited Financial Statements of the Company for the financial year ended 31st March, 2018, the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and Reports of the Auditors thereon.

2. To declare dividend on equity shares and preference shares for the financial year ended 31st March, 2018.

3. To appoint a Director in place of Dr. Vinay Gopal Nayak (DIN: 02577389) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To appoint Statutory Auditor to fill casual vacancy and in this regard to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and on the recommendation of the Audit Committee, M/s. Bhuta Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100), be and are hereby appointed as Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s. V. S. Lalpuria & Co., Chartered Accountants, (Firm Registration No: 105581W) to hold office for a period of five (5) years from the conclusion of the 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee and approved by the Board of Directors of the Company."

5. To extend redemption date of 7% Redeemable Cumulative Preference Shares of Rs. 100/- each and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED that pursuant to Sections 48 , 55 and 110 of the Companies Act, 2013 , corresponding rules thereof and other applicable provisions of the Companies Act, 2013 if any, the consent of the members of the Company be and is hereby accorded to extend the redemption of 7% Redeemble Cumulative Preference Shares of Rs. 100/- each (Preference Shares) upto 27th March, 2023 with option of the Company to redeem the Preference Shares in one or more tranches before the said redemption date of 27th March, 2023."

   "RESOLVED FURTHER THAT the revised term of issue consented to by the sole holder of the Preference Shares M/s. Glenmark Pharmaceuticals Limited and as specified in the explanatory statement be and is hereby approved."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all actions as may be necessary, proper, expedient and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution."

6. To approve appointment of Mr. Digant Mahesh Parikh (DIN: 00212589) as an Independent Director of the Company and in

this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 149, 152 of the Companies Act, 2013 (hereinafter referred to as "the Act") and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable Regulations, if any, Mr. Digant Mahesh Parikh (DIN: 00212589) who was appointed as an Additional Director (Additional, Independent, Non - Executive Director) of the Company by the Board of Directors effective from 14th March, 2018 and who has submitted a declaration of independence as provided in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office till the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 and based on recommendation of Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director of the Company, for a period of five (5) consecutive years with effect from 14th March, 2018 whose office shall not be liable to retire by rotation."

"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 the aforesaid resolution."

7. To approve Marksans Employees Stock Option Scheme 2018 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 and SEBI (Share Based Employee Benefits) Regulations, 2014 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be required, "MARKSANS EMPLOYEES STOCK OPTION SCHEMES 2018 (hereinafter referred to as "MARKSANS ESOS 2018") for the benefit of present and future permanent employees of the Company and its directors, whether whole-time director or not but excluding promoters and independent directors, be and is hereby approved as per the salient features mentioned in the Explanatory Statement annexed herewith, provided that the total number of options that can be granted under MARKSANS ESOS 2018 shall not exceed 81,86,273 options, convertible into equivalent number of equity shares of Re. 1/- each face value of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") which term shall be deemed to include the "Compensation Committee" constituted by the Board to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized, on behalf of the Company to grant from time to time in one or more tranches, options to apply for Equity Shares of the face value of Re. 1/- each of the Company under the said MARKSANS ESOS 2018 and consequently create, issue, allocate and allot at any time and from time to time equity shares of Re. 1/- each face value in terms of such options."

"RESOLVED FURTHER THAT options and the consequential issue, allocation and allotment of equity shares under the said MARKSANS ESOS 2018 shall be at such price including at a discount, in such manner, during such period in one or more tranches and on such other terms and conditions as the Board may decide."

"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 authorised 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 the equity shares to be allotted under the said MARKSANS ESOS 2018 shall, upon allotment, rank pari passu in all respects interse as also with the then existing equity shares including dividend entitlement."

"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 2018, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters 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 2018;

(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 2018 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 2018 and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time."

"RESOLVED FURTHER THAT Nomination and Remuneration Committee of Directors of the Company be and is hereby designated as the Compensation Committee referred here in above for MARKSANS ESOS 2018."

"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 2018 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

Mumbai **Harshavardhan Panigrahi**
Dated: 25th August, 2018 *Company Secretary and Manager Legal*

Registered Office:
11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai-400 053.

NOTES:

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY.** The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10 percent of the total share capital of the company. A member holding more than 10 percent of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

b) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 22nd September, 2018 and will remain closed till Thursday, the 27th September, 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if declared at the Annual General Meeting.

c) Dividend, if declared at the Annual General Meeting, will be credited /dispatched on or after 4th October, 2018 to those members whose names shall appear on the Company's Register of Members on 21st September, 2018. In respect of the shares held in dematerialised form, dividend will be paid to the beneficial owners whose names will be furnished by the Depositories as on that date. Members are requested to notify promptly any change in their registered address.

d) Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, dividend which remains unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Members who have not encashed the dividend warrant(s) for the financial years ended March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 are requested to make their claims to the Company's Registrar and Share Transfer Agent Bigshare Services Private Limited, without any delay.

Due date for transfer of unclaimed dividend to IEPF:

Year of Dividend	Dividend rate per share (₹)	Date of Declaration	Due date of transfer to IEPF
2013-14	0.10	25th September, 2014	31st October, 2021
2014-15	0.12	29th September, 2015	3rd November, 2022
2015-16	0.12	29th September, 2016	3rd November, 2023
2016-17	0.05	26th September, 2017	31st October, 2024

e) Members holding shares in electronic 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 Registrar and Transfer Agent, Bigshare Services Private Limited cannot act on any request received directly from the members holding shares in electronic 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 intimate their bank particulars and/or change in bank particulars to the Company's Registrar and Transfer Agent.

f) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

g) Members desiring any information as regards the Accounts are requested to write to the Company at least 7 days in advance so as to enable the Management to keep the information ready.

h) Members holding shares in physical form are requested to immediately intimate to the Company's Registrar and Transfer Agent, changes, if any, in their registered address along with the PIN code. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.

i) Members holding shares in physical form are informed that SEBI vide Gazette Notification dated June 8, 2018, has mandated that with effect from December 5, 2018 transfer of shares of the Company would be carried out in dematerialised form only. No physical shares will be accepted for transfer from that date. Therefore, members who are holding shares in physical form are advised to dematerialise their shares in case they wish to transfer their shares. For the purpose, members should lodge duly filled in and signed demat request form alongwith Share Certificate with their depository participant.

j) In terms of provisions of the Companies Act, 2013, nomination facility is available to individual members. The members who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Registrar and Transfer Agent Bigshare Services Private Limited for nomination form quoting their folio number. Members holding shares in dematerialized form should write to their Depository Participant for the purpose.

k) Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as required under Regulation 36 of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

l) Members/ Proxies should bring their attendance slip duly filled in, for attending the meeting.

m) In terms of Section 108 of the Companies Act, 2013 read with Rule 20(2)(vii) 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.

n) In compliance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has considered Friday, 21st September, 2018 to determine the eligibility of members to vote by electronic means or through physical ballot at the AGM (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 or through physical ballot at the AGM.

o) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting facility will be available during the following Period:

   Commencement of remote e-voting: On Monday, 24th September, 2018 at 09:00 a.m.

Conclusion of remote e-voting: On Wednesday, 26th September, 2018 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 CDSL upon expiry of aforesaid period.

p) The persons who have become the Members of the Company after the dispatch of the Notice and Annual Report and their names appear in the Register of Members/List of Beneficial owners as on the Cut-off date may contact the Registrar and Transfer Agent to obtain the Notice of AGM and the login id and password for casting vote electronically or may cast their vote through physical ballot at the AGM. If a Member is already registered with CDSL e-voting Platform then he can use his existing user ID and Password for casting the vote through remote e-voting. Detail of the process and manner of remote e-voting is being sent to all the Members along with the Notice.

q) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

r) Poll at the Meeting

After the items of the notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting and poll as stated above. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date and who have not cast their vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. After conclusion of the poll, the Chairman shall declare the meeting as closed. The results of the poll aggregated with the results of remote e-voting will be announced by the Company on its website: www.marksanspharma.com within 48 hours of conclusion of the AGM and also inform the stock exchanges where the securities of the Company are listed.

Instructions and other information relating to e-voting is annexed to this notice as E-Voting Instruction for Shareholder.

s) 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.

t) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

u) A route map and prominent land mark for easy location to the venue of AGM is given on the back of the Proxy Form attached to this Notice.

v) Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Company's Registrar and Transfer Agent for receiving all communication including Annual Report, Notices, etc. from the Company electronically.

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

The Members of the Company at their 25th Annual General Meeting held on, 26th September, 2017 had appointed M/s. V. S. Lalpuria & Co., Chartered Accountants, (Firm Registration No: 105581W) as the Statutory Auditor of the Company to hold office from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company subject to ratification of the appointment by the Members at every Annual General Meeting held after 25th Annual General Meeting of the Company.

M/s. V. S. Lalpuria & Co., Chartered Accountants, (Firm Registration No: 105581W) vide their letter dated 23rd August, 2018 have resigned from the position of Statutory Auditor of the Company with effect from the conclusion of the 26th Annual General Meeting of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 25th August, 2018, on the recommendation of the Audit Committee, has considered and recommended M/s. Bhuta Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100) to the members for appointment as Statutory Auditor of the Company in the casual vacancy caused by the resignation of M/s. V. S. Lalpuria & Co., Chartered Accountants, (Firm Registration No: 105581W) to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses, as may be fixed by the members of the Company.

The Company has received consent letter and eligibility certificate from M/s. Bhuta Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100), to act as Statutory Auditor of the Company in place of M/s. V. S. Lalpuria & Co., Chartered Accountants, (Firm Registration No: 105581W) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditor.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Accordingly, the resolution in item no. 4 of the notice for approving the appointment of M/s. Bhuta Shah & Co. LLP, Chartered Accountants, (Firms Registration No. W100100), as the Statutory Auditor of the Company is being proposed for consideration of the member.

Item No. 5

The Company has 10,00,000 outstanding 7% Redeemable Cumulative Preference Shares of Rs. 100/- each (Preference Shares) which were due for redemption on 27.03.2018. The Board of Directors of the Company at its meeting held on 14th March, 2018 proposed to amend the terms of the said Preference Share by extending the redemption for a further period of five (5) years i.e. till 27th March, 2023 subject to consent of the sole shareholder M/s. Glenmark Pharmaceuticals Limited. The revised terms of the issue of the said Preference Shares are given below –

(i) Redemption

Redemption of the Preference Shares is extended by a further period of five (5) years i.e. till 27th March 2023 or at the option of Marksans Pharma Limited at any time before the said redemption date of 27th March, 2023 in one or more tranches and as may be mutually agreed between Marksans Pharma Limited and Glenmark Pharmaceuticals Limited.

(ii) Dividend

An annual dividend at a fixed rate of 7% of the nominal value of the Preference Shares shall be payable on each share subject to approval at the Annual General Meeting of Marksans Pharma Limited. Payment of dividend as aforesaid will be only on the Preference Shares remaining outstanding on the record date fixed for the purpose.

The sole shareholder Glenmark Pharmaceuticals Limited has given its written consent to the above amendments vide letter dated 26th March, 2018. Copy of the said consent letter of Glenmark Pharmaceuticals Limited is available at the registered office of the Company for inspection during business hours on all days except Saturday, Sunday and other public holidays.

Since the above amendments in the terms of issue of the Preference Shares affects the rights of the Equity Shareholders, consent of the Equity Shareholders is being sought in accordance with the proviso to the sub-section (7) of the Section 48 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said resolution. The proposed resolution relate to or affect Glenmark Pharmaceuticals Limited to the extend of the Preference Share held by them.

The Board therefore, recommends the resolution set out in Item No. 5 of the Notice for approval of the members as a Special Resolution.

Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 14th March, 2018, appointed Mr. Digant Mahesh Parikh (DIN: 00323589), as an Additional Director (Independent, Non-Executive) of the Company effective from 14th March, 2018 whose tenure will expire at the ensuing Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature for the office of Independent Director to be appointed as such under the provisions of Sections 149, 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Act read with The Companies (Appointment and Qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable regulations, if any.

Mr. Digant Mahesh Parikh is a Master of Business Administration in Finance. He has over 23 years of experience in diverse industries in areas of Corporate Finance, Strategic Planning and business set-up. He is a visiting faculty at leading management schools for the subjects in the field of corporate & retail finance and banking.

Brief resume of Mr. Digant Mahesh Parikh, nature of his expertise in specific functional areas, disclosure of relationships between the directors inter-se, names of entities in which he holds the directorship and the membership of Committees of the board and shareholding thereof as stipulated under Regulation 36 of SEBI Listing Regulations, 2015 and details as required under SS-2 (Secretarial Standard-2 on "General Meetings") are furnished and forms part of the Notice

The Board considers that his continued association with the Company would be of immense benefit to the Company and it is desirable to continue to avail his service as Independent Director. Accordingly, based on the recommendation of Nomination and

Remuneration Committee, the Board recommends the Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

Brief resume of the Director proposed to be appointed as stipulated under the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annexure to the Notice. Mr. Digant Mahesh Parikh is not holding any shares in the Company. Except Mr. Digant Mahesh Parikh, being appointee, none of the other Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said resolution.

Item No. 7

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 25th Annual General Meeting held on 26th September, 2017, approved Marksans Employees Stock Option Scheme 2017. 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 2018"

The Board, therefore, proposes to introduce, formulate and create Marksans Employees Stock Option Scheme 2018 ("Marksans ESOS 2018"). Grant of stock options under Marksans ESOS 2018 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) Regulations, 2014.

The salient features of Marksans ESOS 2018 are as under:-

1. **Total number of Options to be granted**
   (i) A total of 81,86,273 Options would be available for grant to eligible employees under the scheme.
   (ii) Number 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.
   (iii) Each option when exercised would give the option holder a right to get one fully paid equity share of Re. 1 each face value of the Company.
   (iv) The options which will lapse, expire or be forfeited, will be available for further grant to the eligible employees.

2. **Implementation of Marksans ESOS 2018**
   The Scheme shall be implemented by the Company under the supervision of the Compensation Committee constituted by the Board of Directors of the Company for the purpose.

3. **Classes of Employees entitled to participate in Marksans ESOS 2018**
   All present and future permanent employees and directors, whether whole-time director or not but excluding independent directors, shall be eligible to participate in the scheme. The Promoter, the person belonging to promoter group or director/ employee, 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 and 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. 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 seven (7) years from the vesting date(s). The employees can exercise stock 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 81,86,273 equity shares of Re. 1/- each face value in the aggregate can be granted. Further, options under each Grant to an employee shall not be less than fifty (50) and shall not exceed 1% of the total issued capital of the Company in any year provided that the aggregate number of options granted per employee under the total tenure of the scheme in any case shall not exceed 81,86,273 options.

9. **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.

10. **Accounting Policies**
The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014 in respect of shares issued under Marksans ESOS 2018.

11. **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.

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws from time to time. The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of Marksans ESOS 2018.

In terms of the provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, Marksans ESOS 2018 is required to be approved by the Members by passing of Special Resolution.

A copy of the draft Marksans ESOS 2018 will be available for inspection on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of the stock options that may be granted to them under Marksans ESOS 2018.

The Board recommends the resolutions set out at Item No. 7 of the Notice for approval of the Members as Special Resolution.

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 resolution.

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

Mumbai **Harshavardhan Panigrahi**
Dated: 25th August, 2018 *Company Secretary and Manager Legal*

Registered Office:
11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai-400 053.

E-VOTING INSTRUCTION FOR SHAREHOLDERS

The instructions for members voting electronically are as under:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and amendments thereof, the Company is providing facility for voting by electronic means and all resolutions set forth in the Notice convening the 26th AGM of the Company may be transacted through such voting. The Company will also be providing voting facility through polling paper at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting may be able to exercise their voting right at the AGM.

(i) The e-voting period begins on 24th September, 2018 at 09:00 a.m. IST and ends on 26th September, 2018 at 05:00 p.m. IST. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Any person who acquires shares of the Company and becomes member of the Company after dispatch of notice of AGM and holding shares as on the cut-off date i.e. 21st September, 2018 should follow the same procedure for e-Voting as mentioned below.

(ii) Members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next, enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user, follow the steps given below::

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of MARKSANS PHARMA LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians:-

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) General instructions:

a. A person whose name is recorded in the register of members or in the beneficial owners maintained by depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.

b. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

c. The Board of Directors has appointed Ms. Khushboo Bakul Gopani, Practicing Company Secretary, (Membership No. 29194), to act as the Scrutinizer for conducting the electronic voting and physical ballot voting process in a fair and transparent manner.

d. In case of Members who are entitled to vote but have not exercised their right to vote by remote e-voting, the Chairman will offer an opportunity to such Members to vote at the AGM for all businesses specified in the accompanying Notice. For abundant clarity, please note that the Members who have exercised their right to vote by remote e-voting shall not be entitled to vote at the AGM, but shall be entitled to attend the meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

e. Remote e-voting shall not be allowed beyond 05:00 p.m. on 26th September, 2018. During the remote e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.

f. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

g. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 21st September, 2018.

h. The Results of e-voting and poll voting at the meeting on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

i. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.marksanspharma.com and on the website of CDSL e-Voting within two days of the passing of the resolutions at the 26th Annual General Meeting of the Company on 27th September 2018, and communicated to the Stock Exchanges where the Company's shares are listed.

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053.
Website: www.marksanspharma.com, E-mail: companysecretary@marksanspharma.com

ATTENDANCE SLIP

Folio No. / Client ID: .... No. of Shares ....

Name of Member / Proxy: ....

I hereby record my presence at the 26th Annual General Meeting of the Company on Thursday, 27th September, 2018 at 10:30 a.m. at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053.

____
Member's/Proxy's Signature

Note: Members are requested to produce this attendance slip duly signed in accordance with their specimen signatures registered with the Company for admission to the Meeting.

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road,
Oshiwara, Andheri (West), Mumbai – 400053.
Website: www.marksanspharma.com, E-mail: companysecretary@marksanspharma.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):		
Registered Address:		
E-Mail Id:	Folio No. / Client Id:	DP Id:

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1) Name ....
Address: ....
....
E-mail Id: .... Signature:.. or failing him

2) Name ....
Address: ....
....
E-mail Id: .... Signature:.. or failing him

3) Name ....
Address: ....
....
E-mail Id: .... Signature:.. or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Thursday, 27th September, 2018 at 10:30 a.m. at GMS Banquet, Next to D.N. Nagar Metro Station, Opp. Indian Oil Nagar, New Link Road, Andheri (West), Mumbai 400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		For*	Against*
Ordinary Business			
1.	Adoption of Financial Statements for the year ended March 31, 2018.		
2.	Declaration of dividend on equity shares and preference shares for the year ended March 31, 2018.		
3.	Re-appointment of Dr. Vinay Gopal Nayak (DIN: 02577389) who retires by rotation.		
Special Business			
4.	Appointment of Statutory Auditor to fill casual vacancy.		
5.	Extension of redemption period of 7% Redeemable Cumulative Preference Shares of Rs. 100/- each.		
6.	Appointment of Mr. Digant Mahesh Parikh (DIN: 00212589) as an Independent Director of the Company.		
7.	Approval of Marksans Employees Stock Option Scheme 2018.		

Signed this…............….. day of ….…...…… 2018

Signature of Shareholder(s):

Signature of Proxy holder(s):

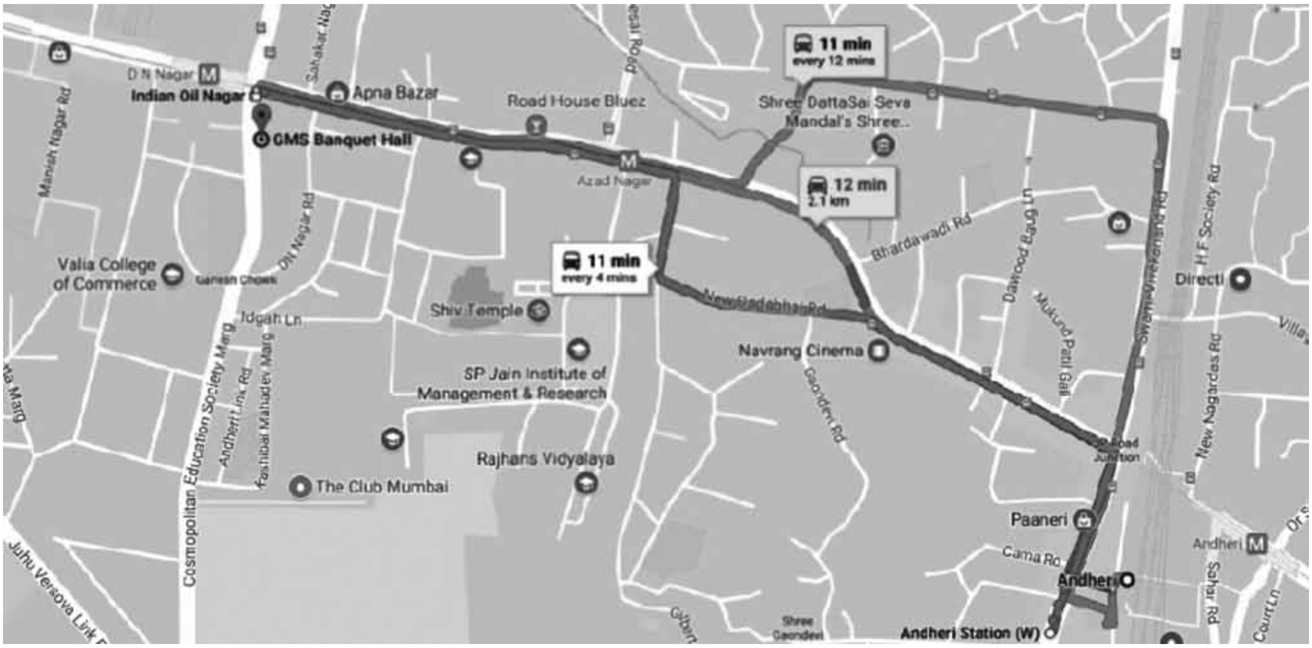
Affix
Revenue
Stamp

Notes:

1. The Proxy Form in order to be effective should be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

*4. This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Route Map from Andheri Railway Station to GMS Banquet (Venue of AGM)



CORPORATE INFORMATION

Board of Directors

Mr. Mark Saldanha – *Chairman & Managing Director*

Mrs. Sandra Saldanha – *Whole-time Director*

Dr. Vinay Gopal Nayak – *Whole-time Director*

Mr. Seetharama R. Buddharaju – *Independent Director*

Mr. Naresh B. Wadhwa – *Independent Director*
(Upto 02.01.2018)

Mr. Ajay S. Joshi – *Independent Director*

Mr. Digant Mahesh Parikh – *Independent Director*
(With effect from 14.03.2018)

Registered Office

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

CIN

L24110MH1992PLC066364

Registrar & Share Transfer Agent

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Makwana Road, Near Keys Hotel,
Marol, Andheri (East), Mumbai - 400059

Legal Advisors

Crawford Bayley & Co.

Bankers

State Bank of India
Bank of Baroda

Works

- L-82 & 83, Verna Industrial Estate, Verna, Goa – 403722
- Bell, Sons & Co. (Druggists) Ltd.
  Gifford House, Slaidburn Crescent, Southport, PR9 9AL
- Time Cap Laboratories, Inc.
  7, Michael Avenue, Farmingdale, New York- 11735, USA

26th Annual General Meeting

Day & Date: Thursday, 27th September, 2018

Time: 10:30 a.m.

Venue: GMS Banquet, Next to D.N. Nagar, Metro Station,
Opp. Indian Oil Nagar, Near Link Road,
Andheri (West), Mumbai- 400053

Key Management Personnel

Mr. Mark Saldanha – *Chairman & Managing Director*

Dr. Vinay Gopal Nayak – *Whole-time Director*

Mrs. Sandra Saldanha – *Whole-time Director*

Mr. Jitendra Sharma – *Chief Financial Officer*

Company Secretary & Manager - Legal

Mr. Harshavardhan Panigrahi

Statutory Auditors

M/s V. S. Lalpuria & Co.

Secretarial Auditor

Ms. Khushboo Bakul Gopani

A TRISYS PRODUCT
info@trisyscom.com

Marksans Pharma Ltd.

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