Marksans Pharma Ltd.

3rd September, 2015

BSE Limited
Corporate Relation Department
Phiroze Jeejeebhoi Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E), Mumbai- 400 051

Sub: Compliance with Clause 31(a)- Form A and Annual Report for 2014-15.

Dear Sir,

Pursuant to Clause 31(a) of the Listing Agreement, enclosed herewith duly signed Form A in the prescribed format and Annual Report of the Company for the financial year 2014-15.

You are requested to note the above in your records.

Thanking You,

Yours faithfully,
For **Marksans Pharma Limited**

FOR D.D. Pandiwala.

Harshavardhan Panigrahi
Company Secretary & Manager - Legal

Enclosed: a/a

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
E-mail: info@marksanspharma.com

Marksans Pharma Ltd.

Form A

Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31(a) of the Listing Agreement)

Sr. No.	Particulars	Status
1.	Name of the Company	Marksans Pharma Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

For **MARKSANS PHARMA LIMITED**

Mark Saldanha
Managing Director

S. R. Buddharaju
Chairman of Audit Committee

Jitendra Sharma
Chief Financial Officer

Mumbai
03rd September, 2015

For **N.K. Mittal & Associates**
Chartered Accountants
FR No. 113281W

N. K. Mittal & Associates MUMBAI M. No. 046785 Chartered Accountants

N.K. Mittal
Proprietor
Membership No. 46785

03rd September, 2015

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
E-mail: info@marksanspharma.com

Marksans Pharma Ltd.

beyond TOMORROW

ANNUAL REPORT 2014-15

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At Marksans Pharma, we have achieved what most corporates aspire for.

A balance of speed, quality and outperformance.

Even before we carved out an Indian presence, we established an international personality.

Even before we widened our footprint across the less-demanding, under-regulated geographies, we strengthened our presence in stringently regulated markets.

Even before we widened our presence in accessible volume-driven segments, we established our brand in challenging niches.

Even before reporting years of organic expansion, we embarked on aggressive inorganic growth to ensure attractive revenue visibility.

This culture of urgency translated into profitable growth in 2014-15.

Marksans reported a revenue growth of 26.46 percent, EBIDTA growth of 55.12 percent, ROCE of 44.16 percent, cash profit of ₹125.53 million and zero gearing (long-term debt) in FY2014-15.

Urgency pays.

MARKSANS PHARMA LIMITED.

Built its business around a strategically differentiated model.

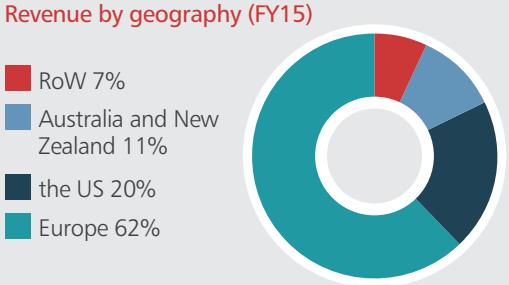
Consistently outperformed the growth of India's pharmaceutical sector.

Created attractive value for its shareholders.

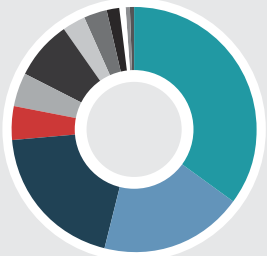
BACKGROUND

Marksans Pharma, promoted by Mr. Mark Saldanha, has been engaged in the research, manufacturing and marketing of generic pharmaceuticals across regulated and emerging markets globally. Over the years, the Company has specialised in the manufacture of soft gelatin capsules and tablets addressing niche therapeutic areas.

Revenue by geography (FY15)



Revenue by therapeutic segments (₹ crore)



PRESENCE

The Company is headquartered in Mumbai (India).

The Company has a manufacturing facility for oral solids and soft gelatin capsules in Goa (India), which is approved by the UKMHRA, the USFDA and the Australian TGA Authorities, a UKMHRA-approved manufacturing facility for liquids/ointments/sachets at Southport (the UK) and a USFDA-approved solid oral dosage manufacturing facility in New York (the US).

The Company supplies products to more than 25 countries, with the UK and US being the Company's largest markets.

SEGMENTS

The Company manufactures products that address segments like pain management, cough and cold, diabetes, cardiovascular, central nervous system, antibiotics, gastrointestinal, anti-allergic and oncology, among others.

QUALITY

The Company's manufacturing unit in Goa has received accreditations from the USFDA, the UKMHRA and the TGA. The UK plant is UKMHRA-approved, whereas the US plant belonging to Time Cap Labs is USFDA-approved. Besides, all the manufacturing units conform to strict cGMP guidelines.

SUBSIDIARIES

The Company is present in the UK through its subsidiaries Bell, Sons & Co. and Relonchem, in the US through Time Cap Labs and in Australia through Nova Pharmaceuticals.

MANUFACTURING AND R&D FACILITIES

Verna, Goa

- 2.4 billion unit capsules / annum
- 6 billion unit tablets / annum

Southport, UK

- 13.6 million bottles / annum
- 7.8 million tubes / annum
- 5.75 million units / annum

Farmingdale, New York

5 bn tablets and hard capsules

Vision

TO BUILD A GLOBAL PHARMACEUTICAL COMPANY WITH A STRONG PRESENCE ACROSS BOTH REGULATED AND EMERGING MARKETS – EXPORT FOCUSED FROM DAY ONE!

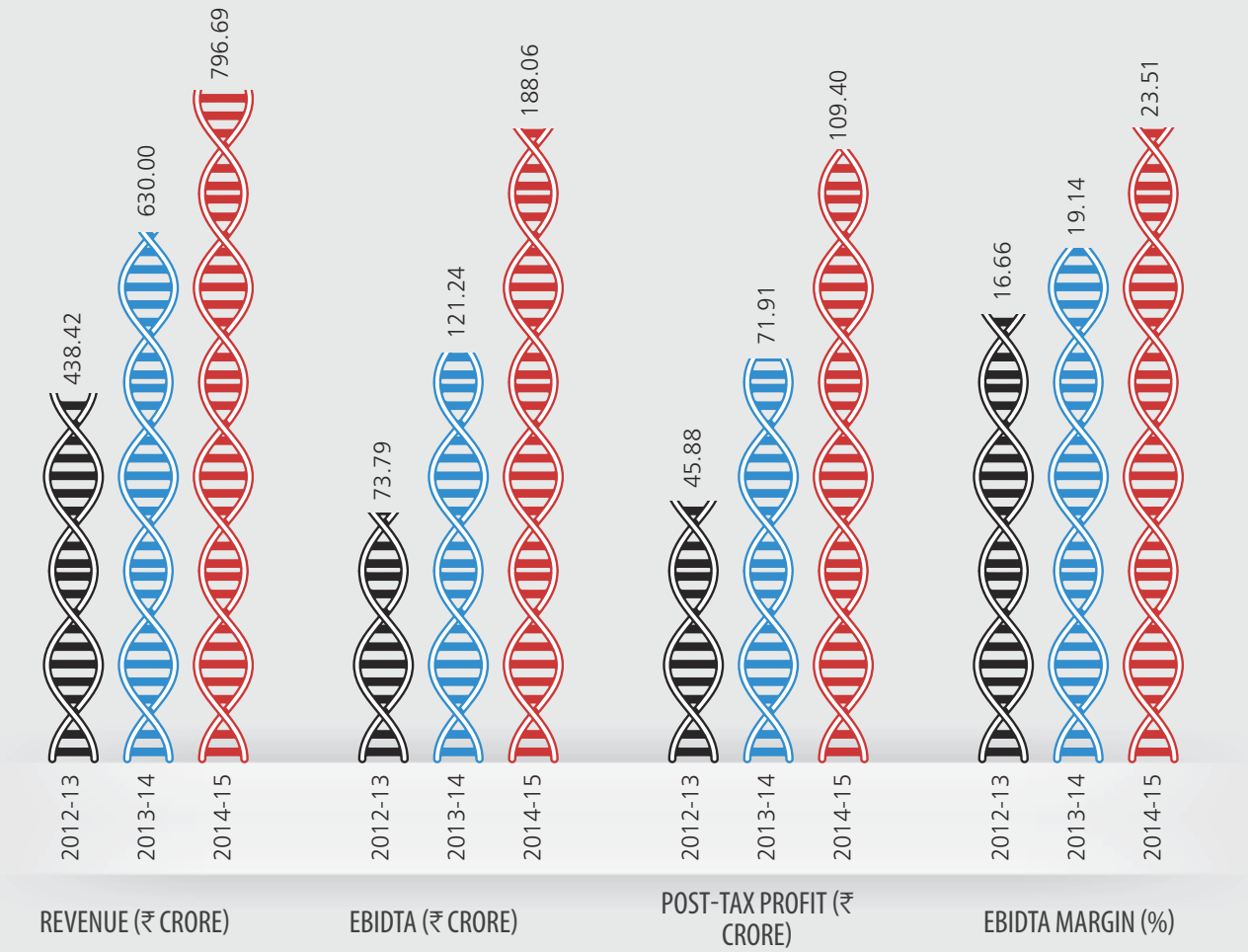
Focused expansion: Select geographies and niche segments, front-end presence

Strong presence in the US with a robust ANDA pipeline

Widen presence across Europe and other key markets

Inorganic growth through collaborations and acquisitions

Our performance in 2014-15 was marked by profitable growth



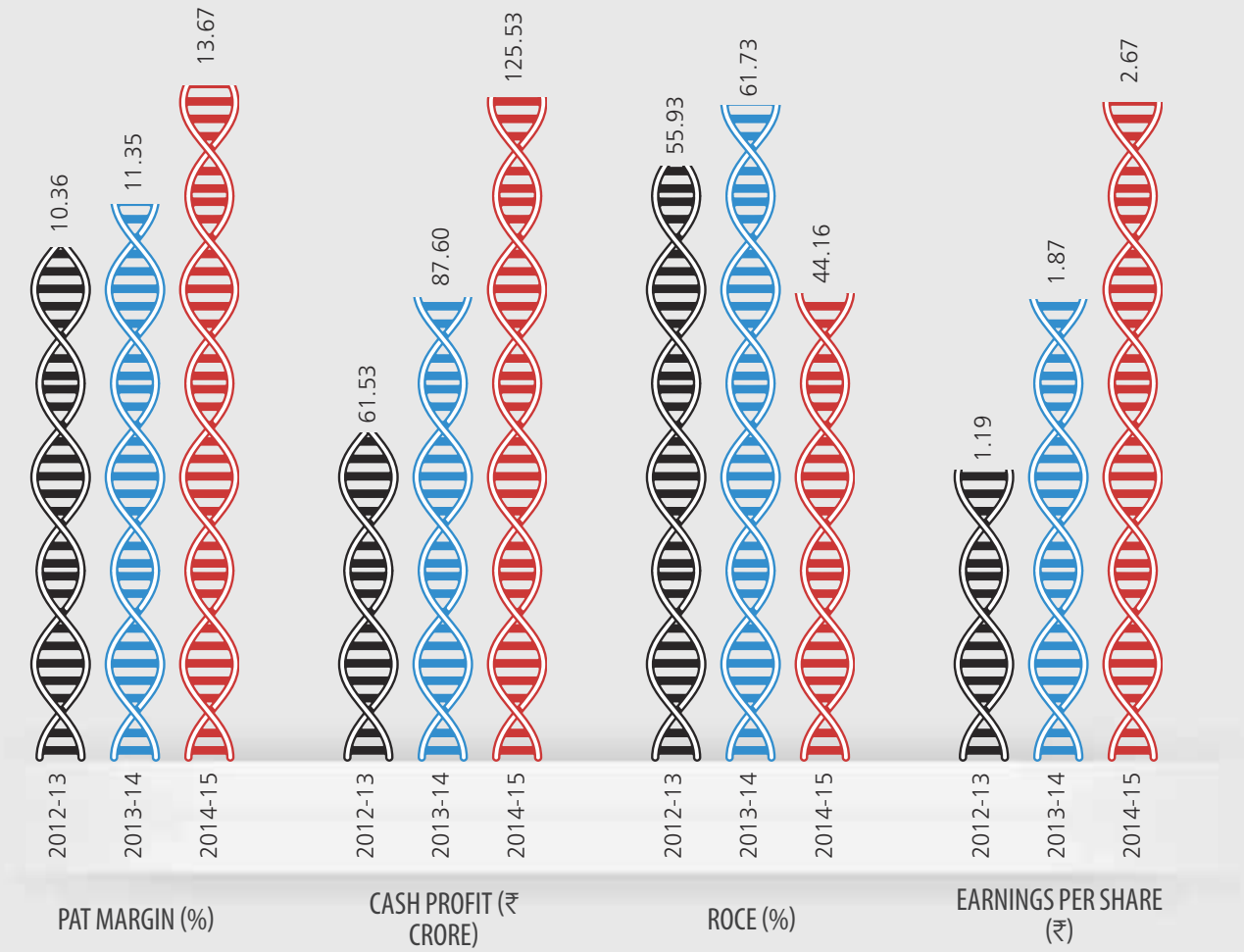
Financial highlights

REVENUE
26.46%
Increase from ₹630 crore in 2013-14 to ₹796.69 crore

EBIDTA
55.12%
Increase from ₹121.24 crore in 2013-14 to ₹188.06 crore

POST-TAX PROFIT
52.13%
Increase from ₹71.91 crore in 2013-14 to ₹109.40 crore

CASH PROFIT FROM OPERATIONS
₹125.53 crore
As against ₹87.60 crore in 2013-14



Corporate highlights

DEBT-EQUITY RATIO

(0.17)

(Zero net debt) as on 31st March 2015 as against 1.23 as on 31st March 2014

INTEREST COVER

19.77x

As on 31st March 2015 as against 10.15x as on 31st March 2014

MOBILISATION

₹131 crore

Through a qualified institutional placement, largely from international investors

MD'S STATEMENT

Dear Shareholders,

I am proud to present the performance of our Company for FY2014-15.

Despite being in a complex business spread across challenging geographies, Marksans Pharma reported profitable growth – a 26 percent revenue growth complemented by 55 percent EBIDTA growth, 43 percent increase in cash profit and 52 percent jump in post-tax profit. These numbers conclusively vindicate the robustness of our business model and highlight our continued focus on margin-accretive niches. The result was that the larger we grew, the more profitable we became.

At Marksans Pharma, our outperformance was the result of a substantial 65 percent growth in our US business to ₹158.77 crore and a 27 percent increase in UK revenues to ₹332.95 crore. Our aggregate revenues derived from these two markets grew by 37.02 percent over the previous financial year, strengthening our geographic positioning. Even though our revenues from the rest of the world declined by 10.99 percent, more than 90 percent of our revenues were derived from the regulated markets of Europe, the US, Australia and Canada.

What is creditable is that the Company generated around

50 percent of revenues through its proprietary interface and consumer-oriented OTC products, enhancing margins and shrinking the working capital cycle from 107 days in FY14 to 98 days in FY15. The result is that we did not just grow the quantum of our business during the year under review; we enhanced quality as well.

The ℞ segment, comprising sub-segments such as anti-diabetics, CVS and CNS, among others, accounted for nearly 54 percent of the Company's revenues and reported a strong y-o-y growth of 38 percent across all its key focus markets.

At Marksans Pharma, we are convinced that we have already taken care of the more challenging part of our business and are now at an inflection point following which attractive growth is expected. We aim to sustain our sectoral outperformance by expanding our US business, reinforcing our presence in key European markets beyond the UK and Germany, widening our footprint in regulated markets and ushering inorganic acquisition-led growth.

The US opportunity

The US market, with 40 percent share of the global generics market, represents an attractive opportunity for Marksans Pharma.

Besides, the US soft gelatin capsules market is estimated at US$ 8 billion; the specific segment (approved, filed and under-development products) addressed by Marksans is estimated at a staggering US$ 5 billion.

Marksans Pharma intends to leverage its established competence in the soft gelatin capsule niche to strengthen its brand. The price erosion in the soft gelatin capsule segment is only 50-60 percent against 80-95 percent in the tablets and capsules segment, following patent expiry. This resistance to price erosion is on account of a combination of complex technologies and limited competition. The Company intends to enhance revenues from approved ANDAs, establish a front-end US presence and maximise returns from new ANDA approvals in the soft gelatin capsules vertical over the next couple of years, strengthening its US presence.

THE US POTENTIAL AND MARKSANS PHARMA

APPROVED ANDAs	FILED ANDAs	ANDAs UNDER DEVELOPMENT
8	11	6
POTENTIAL	POTENTIAL	POTENTIAL
US$4.5 billion	US$2.01 billion	US$3.2 billion

As the logical next step, we acquired Time Cap Labs, a US-based pharmaceutical company, with an USFDA-approved manufacturing facility. This acquisition will help in creating a front-end US presence, which we do not possess till date.

Subsidiaries

Marksans Pharma generated robust growth through a number of subsidiaries, which it has turned around since their acquisition. These subsidiaries accounted for nearly 49 percent of our consolidated revenues in FY15 and this proportion is expected to increase along with a corresponding increase in cash flows as a major part of the Company's capital expenditure plan has been completed.

Soft gelatin capsules

Ten out of the Company's pending 11 ANDA approvals are in the American soft gelatin capsule space. This is an attractive positioning, considering that the faster action and higher bioavailability of soft gelatin capsules competently address the respective therapeutic segments. This segment is relatively under-crowded on account of manufacturing complexity, small market size of around US$8 billion and limited competition in the OTC and ℞ segments.

Indian operations

The Indian operations of the Company reported a 28.78 percent growth over 2013-14. The business primarily comprised formulation exports to Europe, the US, Australia and Canada, coupled with a strong order book.

Europe and the rest of world

The Company is expanding its European business beyond the UK and Germany, a strategy that is expected to help report significant revenue growth. We are also targeting emerging markets, having filed 531 registrations in these markets. We have received 350+ approvals and intend to file another 121 more.

Australia

The Company is present in the attractive Australian market through its subsidiary Nova, which engages with retailers and pharmacies in marketing private label OTC and generic products in Oceania, generating revenues worth ₹581.47 million in 2014-15.

Other opportunities

Marksans Pharma is attractively placed compared with peer mid-cap pharmaceutical companies. We enjoy independent revenue streams – from OTC and ℞ spaces in the UK, licensing and distribution revenues across UK-Australasia, formulations business in the US, revenues from complex formulations across the rest of the world and underlying

OUR STRATEGY TO STRENGTHEN GROWTH AND SUSTAINABILITY

Expand the US business through filings and tie-ups

- Increase sales from approved ANDAs (scaling contracts with branded retail players for Ibuprofen soft gelatin capsules).
- Target launching products on the very next day after patent expiry.
- Collaborate with US pharma majors to reap the benefits of exclusive supply and marketing arrangements.

Establish a front-end presence in the US

- Set up a front-end US presence, in the OTC and ℞ segments.
- Maximise returns from fresh ANDA approvals in soft gelatin capsules over the next couple of years.

formulation CRAMS contracts.

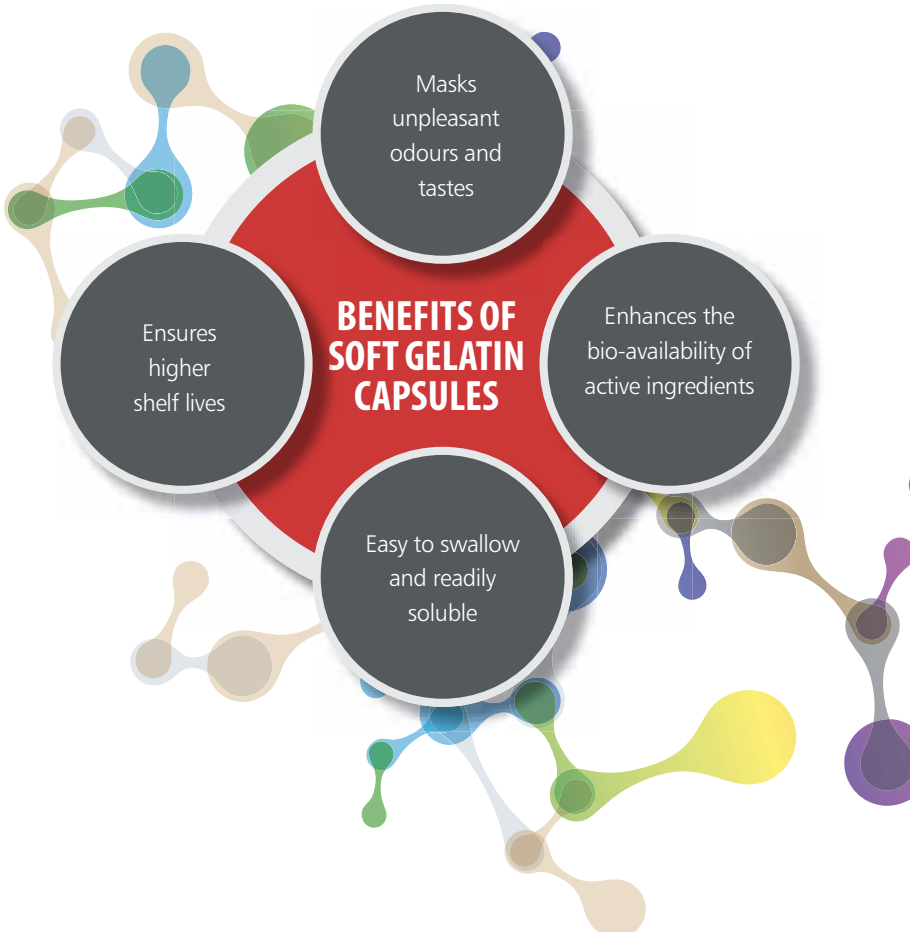
The Company is placed attractively at various stages of its knowledge curve across the marketing, manufacturing, generic molecule development and research functions. The Company can leverage its strength in one stream across other ones, graduating faster to the next level.

Road ahead

Marksans Pharma is among the few export-oriented Indian pharmaceutical companies with USFDA and UKMHRA-validated manufacturing facilities, enjoying multi-year customer relationships in some of the world's largest regulated pharmaceutical markets.

I am optimistic that this distinctive strategy will translate into robust sustainable growth across the foreseeable future, enhancing value for those who own shares in our Company.

Regards,
Mark Saldanha, *Managing Director*



Increase presence in Europe

- Target new markets besides the UK where soft gelatin capsules and other products can be marketed.

Build the CRAMS business

- Expand CRAMS in regulated markets to generate higher realisations and margins.

Explore outlicensing opportunities; focus on off-patent drugs

- Explore out-licensing opportunities wherever the Company's presence is limited.
- Focus on drugs going off-patent between 2015 and 2022.

Grow via inorganic means

- Acquired Bell's, Relonchem, Nova and Time Cap Labs.
- Outlicense ANDAs.
- Leverage low-cost manufacture and R&D competencies.

MANAGEMENT REVIEW

"2014-15 was a year of transformation at Marksans Pharma"

Q HOW WOULD THE MANAGEMENT EVALUATE THE PERFORMANCE OF THE COMPANY IN 2014-15?

A Our business foundation has now been consolidated. Here is proof: we reported a 26 percent revenue growth, 55 percent EBIDTA growth and 52 percent profit growth. Our EBIDTA margin improved by 437 basis points and our PAT margin improved by 232 basis points following proactive cost come product mix management coupled with enhanced productivity.

Q WHAT WERE THE REASONS BEHIND THE COMPANY'S OUTPERFORMANCE?

A There are some decisive initiatives that strengthened our profitability. We repaid significant debt to end the year with zero long-term debt. Besides, business in our target markets of the US and the UK remained robust. In the global market, we filed 31 new dossiers and received approvals for seven new products. Our US sales were creditable, generating revenues worth ₹1,587.78 million. A combination of these realities resulted in our outperformance.

Q WHAT WERE THE OTHER HIGHLIGHTS OF THE COMPANY'S WORKING IN THE LAST FISCAL?

A The Company's global subsidiaries continued to perform commendably, which helped post better numbers. We expanded the product line, widened penetration and increased our operational efficiency through a synergic use of facilities. Besides, our Indian operations reported a stellar performance, generating a 29 percent revenue growth.

THE TIME CAP LABS ACQUISITION HAS WIDENED OUR US PRESENCE

In a post-Balance Sheet development, Marksans acquired Time Cap Labs (TCL), a 37 year-old US company with a widespread OTC franchise network.

This purchase was funded by proceeds from Marksans' ~US$21 million-qualified institutional placement and accruals.

This acquisition will strengthen the Company's US business in the following ways:

Q WHAT IS THE BASIS OF THE COMPANY'S OPTIMISM?

A One, the Company has received approvals for eight ANDAs from the USFDA, across diverse categories. The current filings address an estimated market of US$4.5 billion with 11 more in the pipeline enjoying a market potential of US$2.01 billion. The Company generated sales worth ₹1,587 million from the US. Marksans collaborated with mega-retailers like Wal-Mart, Walgreen, CVS and Cardinal Health, ensuring a wide exposure across the OTC and ℞ segments. What is pertinent is that the large US soft gelatin capsules market is largely underpenetrated and promises lucrative growth in the years to come.

The acquisition of Time Cap Labs (post-Balance Sheet development) is strategic to our growth in the US market. Firstly, the acquisition gives us access to its USFDA-approved manufacturing units and the opportunity to create a front-end presence in the US, the largest pharma market in the world.

Q WHAT IS THE COMPANY'S MESSAGE TO ITS SHAREHOLDERS?

A Marksans is one of the fastest-growing Indian pharmaceutical companies, expected to achieve ₹1,000 crore in revenues in one of the shortest tenures within the sector. Nearly 93 percent of Marksans revenues were derived from the regulated markets, reflecting qualitative consistency and compliance with established norms. The Company's recent acquisition of the New York-based US$ 30 million Time Cap Labs, a leading manufacturer of solid generic pharmaceuticals including over-the-counter medications, generic prescription drugs and nutritional supplements, will help the Company consolidate its marketplace position. We plan to capitalise on its US distribution channel, remain under-leveraged, build on our cash-positiveness and fund growth through accruals – thereby kickstarting a virtuous cycle.

- A USFDA-approved manufacturing facility for making oral solids and a full-fledged packaging line will enable the Company to shift some ANDAs to this facility and address the large government supplies segment. The acquisition de-risks Marksans through an alternative manufacturing facility. TCL's packing facility will reinforce the Company's capabilities in its core focus area of OTC drugs.
- The acquisition will facilitate direct distribution – no intermediaries – and enhance value. The Company's portfolio will largely comprise low-volume and high-value soft gelatin capsules, enhancing profitability. The distribution competence will empower the Company to acquire clients, enhancing offtake.
- The acquisition can potentially catalyse Marksans' US business to US$100 million revenues by FY18-19.

The Marksans edge

Research-led: Research and development expenditure accounted for 2.18 percent of the Company's revenues. The Company's strong R&D team helped introduce more than 35 products in the last five years.

35+

New products launched by the Company in the five years leading 2014-15

Presence: The Company enjoys a visible presence in regulated markets, especially in the US, the world's largest pharma market. The Company strengthened its foothold in the UK, Australia and a number of emerging markets.

99%

Proportion of revenue from exports, 2014-15

Customised: The Company provides solutions customised around the needs of specific markets.

100+

Total products in the Marksans portfolio across the globe

Niche: The Company selected to be present in the US through the manufacture and marketing of soft gelatin capsules, a profitable product in a sparsely-occupied niche.

US$8 billion

Size of the US soft gelatin capsule market

Compliance: The Company's manufacturing units are US-FDA and UK-MHRA-compliant, enabling it to easily market products in regulated markets. The Company also has eight approved ANDAs in the US, 100+ in the UK and more than 350 in the emerging markets.

11

ANDAs in the pipeline for the US market

Integrated: The Company is present across the pharma value chain – from research to manufacturing to front-end distribution. The Company's front-end distribution accounted for nearly 76 percent of the Company's regulated market revenues in 2014-15.

76%

Proportion of revenues from front-end distribution

Pervasive: Marksans enjoys an all-encompassing presence across the pharma value chain – including growing therapeutic segments like analgesics, decongestants, anti-diabetics and CVS and CNS medications, among others.

11

Number of segments in which the Company is present

Scale: The Company operates the largest soft gelatin capsule facility in India, enhancing economies-of-scale.

6

Tablet manufacturing capacity at the Marksans Goa plant (billion per annum)

Pipeline: The Marksans filing team acquired approvals for eight ANDAs in the US market. The Company has 11 more pending approval in the US, 10 in the UK/Europe, seven in Australia and 121 in the emerging market.

350+

Approved product licenses in emerging markets

OTC-driven: Marksans is present in the OTC and ℞ segments of the US and the EU countries. In contrast to ℞-focused business models adopted by most Indian pharmacos, an OTC emphasis enhances Marksans' competitiveness, widens the portfolio, improves stability and creates win-win scenarios for the Company and its distributors.

10+

Number of OTC products offered in the US

BUSINESS REVIEW

GEOGRAPHY
THE US

REVENUES
1,587.78
(in ₹ million)

REVENUE GROWTH IN FY15
65%
OVER FY 14

EBIDTA
539.85
(in ₹ million)

PROPORTION OF REVENUES
20%

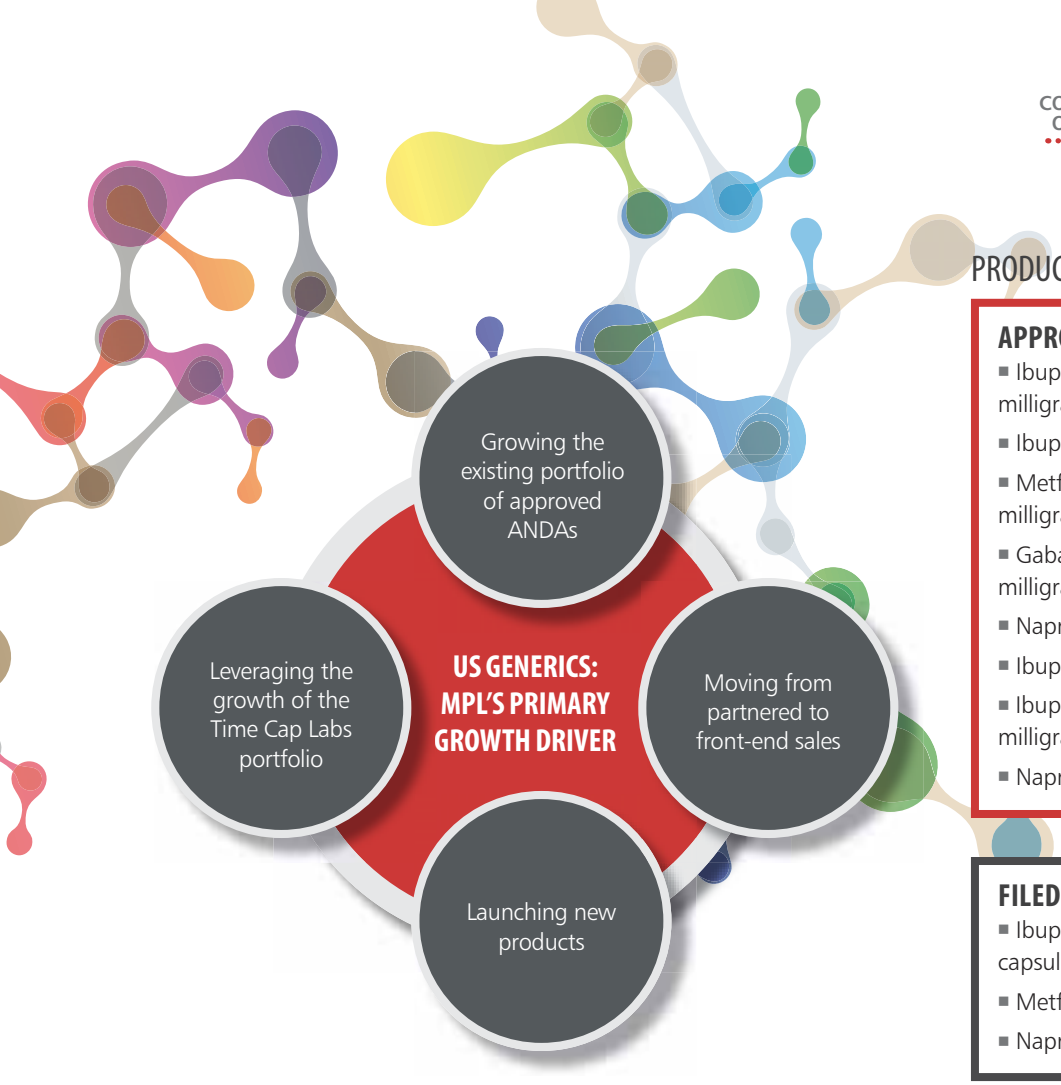
Overview

Marksans' US business generated ₹1,587.78 million (20 percent of its overall revenues) in FY15. This is expected to remain a significant growth driver on account of the ramping up of high-margin soft gelatin capsule capacities.

The Company has approvals for eight ANDAs (including an SGC product) and has 11 other ANDAs (including 10 SGCs) awaiting approval. Two of the SGC filings await acknowledgement from the FDA. The Company has an additional 10 products (seven of which are soft gelatin capsules segment) that have either been completely developed or are in the process of filing ANDA filing/under development. It aims to file three or four niche ANDAs (including SGCs and tablets) in FY16, gradually accelerating over the coming years.

The Marksans US generic business enjoys high margins due to limited competition in the soft gelatin capsules segment and a clear access to the largest market for this product in the world. The Company has focused on the development of drugs going off-patent between 2015 and 2020, offering them to large pharma companies in the US. Marksans is the only Indian company with an US FDA approval for soft gelatin capsules, supplying the generic Advil to the US market.

The Company reported strong revenues within two years following the launch of its first soft gelatin capsule (generic of Advil OTC, a US$250 million market) – a significant achievement considering the challenges that the US market poses – and expects to grow this further. Currently, the Company markets this product through three large distribution partners (Walgreens, Walmart and CVS Health) and expects to forge more tie-ups in the years to come.



PRODUCT PORTFOLIO

APPROVED ANDAs

- Ibuprofen soft gelatin capsules 200 milligrams
- Ibuprofen tablets 200 milligrams
- Metformin tablets 200 milligrams/850 milligrams/1,000 milligrams
- Gabapentin 100 milligrams/200 milligrams/300 milligrams
- Naproxen tablets
- Ibuprofen soft gel capsules
- Ibuprofen tablets ℞ 400 milligrams/600 milligrams/ 800 milligrams
- Naproxin Sodium

FILED ANDAs

- Ibuprofen + Diphenhydramine soft gel capsules
- Metformin Hydrochloride
- Naproxen Sodium soft gel capsules

Growing the existing portfolio of approved ANDAs

Marksans continues to gain market share in Ibuprofen SGC as it bags newer customer accounts. In the Ibuprofen ℞ market, the Company has the potential to increase market share beyond 13 percent. MPL has also begun to market other approved ANDAs, including Gabapentin and Naproxen Sodium. With MPL taking a direct ownership of customer sales, we anticipate a significant pick-up in the inflow of new client accounts, improving prospects for existing ANDAs. This will also include opportunities for shifting select ANDAs to the US facility and addressing the government supplies business, a market opportunity that was hitherto not available to MPL.

Moving from partnered to front-end sales

In its current structure, MPL supplies formulations in bulk while its US partners package and market the final formulations. MPL estimates that it books 50-60 percent of the final value realisation in the current structure. As the Company evolves from a partnered to a front-end sales approach (post the acquisition of Time Cap Labs), it should be able to capture a significant proportion of this growing segment over the next few quarters.

Leveraging the growth of the Time Cap Labs portfolio

The Time Cap Labs portfolio generates sales worth ~$30 million across ~50 actively supplied drugs (mostly OTC). Revenues were flat in the last few years, given the limited focus of its previous owners. MPL seeks to increase focus on this business and accelerate portfolio growth by tying up with larger distributors and launching valued-added products.

Launching new products

Marksans currently has 11 ANDAs pending approval, filed more than two years ago. Given that most of these ANDAs are SGCs with relatively limited competition, they should contribute materially to growth in the coming years. Marksans is expected to emerge as only the second generic manufacturer in some of these SGC segments.

BUSINESS REVIEW

GEOGRAPHY THE UK

REVENUES
3,329.47
(in ₹ million)

REVENUE GROWTH IN FY15
27%
OVER FY 14

EBIDTA
599.49
(in ₹ million)

PROPORTION OF TOTAL REVENUES
42%

The UK vertical continued to be the largest revenue contributor for Marksans and comprised two different businesses – Bell & Sons (OTC portfolio) and Relonchem (high-end ℞ portfolio). The EU business segment primarily revolves around UK-based sales and contract manufacturing for some EU clients. Marksans is among the top five Indian generic companies in the UK. The consolidated portfolio has a broad therapeutic coverage across pain management, diabetes, cough and cold, neurology, cardiovascular, and hormonal treatment. Following the acquisition of Relonchem/Bell in 2008, the Company's UK business witnessed a ramp up in revenues as well as profitability as it continues to secure more lucrative accounts and expand the portfolio.

Bell & Sons

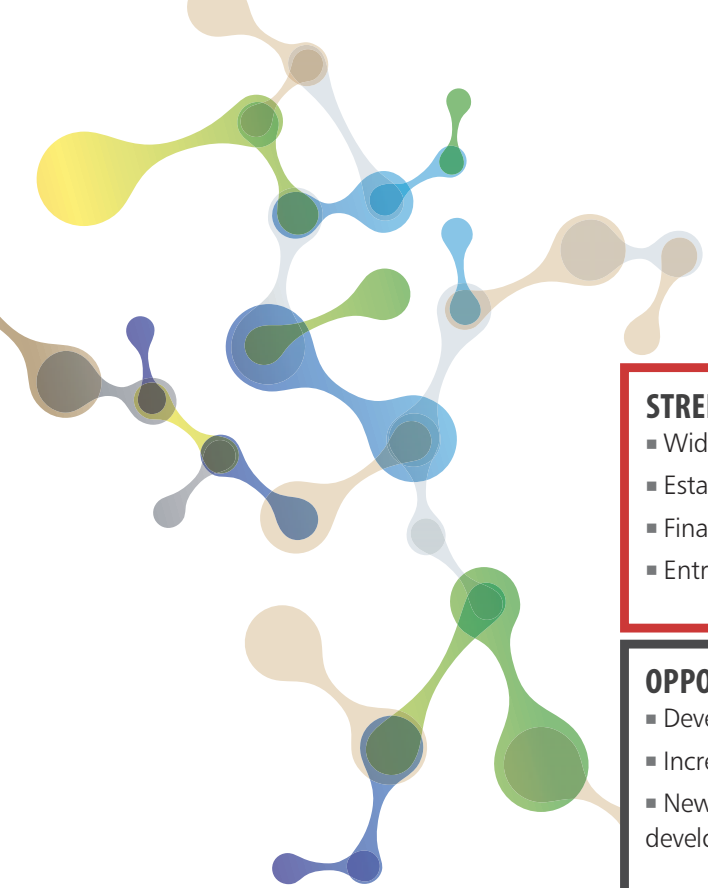
Bell & Sons (₹1,909.86 million in revenues in FY15; 57.36 percent of UK revenues) manufactures OTC products from a manufacturing facility in Southport, the UK.

Bell manufactures OTC products and has ~38 marketing authorisations. It consists of a manufacturing facility in Southport, the UK, which can manufacture liquids, ointments and sachets. Bell is a well-known brand in the UK with a strong distribution network. It supplies OTC products to various retailers under its own brand as well as through private labels.

Going ahead, the business growth can be catalysed by Marksans' high-profit soft gelatin capsules portfolio. The subsidiary launched the Ibuprofen soft gelatin capsule in FY15, which performed commendably. Bell has several value-added products in its pipeline to drive business growth across the foreseeable future.

Relonchem

Relonchem (₹1,419.61 million in revenues in FY15; 42.64 percent of UK revenues) owns 60-plus marketing authorisations for which



STRENGTHS

- Wide portfolio
- Established formula
- Financial stability
- Entrenched expertise

OPPORTUNITIES

- Developing markets
- Increased wallet shares
- New product development

all manufacturing has been outsourced. Relonchem supplies and distributes branded and generic products in the UK and some European countries.

Relonchem enjoys ~50 marketing authorisations and outsourced manufacturing operations. At the time of acquisition, ~90 percent of Relonchem's sales were derived from supplying to global generic players with limited direct distributor access. Over the years, MPL has changed the model, wherein ~90 percent of Relonchem's revenues are now supplied directly to the distribution channel, leading to significantly higher value retention.

Marksans has been working on gradually shifting the manufacturing of as many products as possible to its Goa facility. Relonchem operations are now largely integrated with the overall supply chain. Improvement in the portfolio quality coupled with price hikes has improved operational profitability. Over FY12-15, EBITDA margins have risen from less than 10 percent to more than 20 percent on the back of an improved scale and qualitative excellence. The management remains optimistic of maintaining margins at current levels in the years to come. The Company intends to expand beyond the UK into other countries of the EU which offer attractive opportunities.

NEW PRODUCT DEVELOPMENT OVERVIEW

Natural herbal decongestant range (THR)

- Inhalers
- Vapour rubs
- H&L lozenges
- M&E lozenges

Stress relief

- Reduces daytime stress
- Ensures night time rest

Silver Bird range extension

- Inhalers
- Vapour rubs
- Silver Bird lozenges

Miscellaneous

- Roll-ons for sports injuries (Medical devices)
- Mouth gels (Medical devices)
- Ibuprofen gels with Levomenthol

NEW PRODUCT DEVELOPMENT

- Gliclazide 40 milligram tablets
- Azathioprine 50 milligram tablets
- Folic acid 400 microgram tablets
- Cetirizine 10 milligram tablets
- Piraxicam capsules
- Methyl Dopa tablets
- Aspirin 300 milligram tablets
- Paroxetine 20 milligram tablets

BUSINESS REVIEW

GEOGRAPHY AUSTRALIA

REVENUES
581.47
(in ₹ million)

REVENUE GROWTH IN FY15
11%
OVER FY 14

EBIDTA
92.86
(in ₹ million)

PROPORTION OF TOTAL REVENUES
7%

Marksans is present in the Australian market through its subsidiary Nova.

Nova markets private label OTC and generic products in Australasia. This subsidiary provides Marksans access to retailers and pharmacies in Australia. During the year under review, the subsidiary reported revenues worth ₹581.47 million from the geography (7 percent of overall revenues).

Nova focuses on the pain management, gastroenterology and anti-allergic segments. Nova holds 30 marketing authorisations and is one of the largest generic suppliers in Australasia.

GEOGRAPHY REST OF THE WORLD

REVENUES
523.21
(in ₹ million)

REVENUE GROWTH IN FY15
11%
OVER FY 14

EBIDTA
99.41
(in ₹ million)

PROPORTION OF TOTAL REVENUES
6.57%

Marksans is present across all major markets in Asia, Africa, South America, CIS and the Middle East.

The Company intends to maintain the pace of new registrations and venture into new geographies. The Company is aggressively targeting emerging markets and has filed 531 registrations across all emerging markets and received approvals for 356 products.

In the emerging markets, Marksans will emphasise on development, partnership and commercialisation customised around each target market. During 2014-15, the ROW business reported revenues worth ₹523.21 million, accounting for 6.57 percent of the Company's total revenues.

BUSINESS CRAMS VERTICAL

REVENUES
1,944.95
(in ₹ million)

REVENUE GROWTH IN FY15
21.44%
OVER FY 14

EBIDTA
549.03
(in ₹ million)

PROPORTION OF TOTAL REVENUES
24.41%

The Company's CRAMS business broadly comprises:

- External CRAMS: Addressing global pharmaceutical companies.
- Subsidiary CRAMS: Subsidiary companies like Relonchem, Bells and Nova, among others

At Marksans, CRAMS has been a profitable vertical marked by farsighted product selection. The Company entered into contracts for specialised molecules, which command higher margins than the industry average. Apart from assuming manufacturing contracts for subsidiaries, it entered into licensing agreements with six or seven MNCs, including leading players such as Teva, Sandoz and Actavis. Most of the product supply agreements offer multi-year revenue visibility (7-10 years) around complex molecules.

R&D services

The Company developed strong in-house R&D capabilities. It established an R&D centre in Goa for marketing products in the regulated and developing markets. The R&D centre undertakes three activities:

- Develop generic formulations
- Devise analytical methods
- Conduct stability studies

The Company's experienced team of scientists engages in seamless product development (lab scale to pilot scale to commercialisation).

Marksans strengthened its business presence through the following areas:

- Identified niche areas for product development, namely anti-diabetic, CVS and CNS
- Developed formulations for soft gelatin capsules for the global market
- Formulated dossiers for product filing in regulated and emerging markets
- Collaborated with partners for off-patent drugs
- Created a front-end presence in key markets

INDUSTRY REVIEW

Global pharmaceuticals market

The global pharmaceuticals industry is expected to generate peak revenues of US$1.23 trillion in 2014, up from US$1.15 trillion in 2013 and US$1.13 trillion in 2012. Oncology was the top contributor across therapeutic areas.

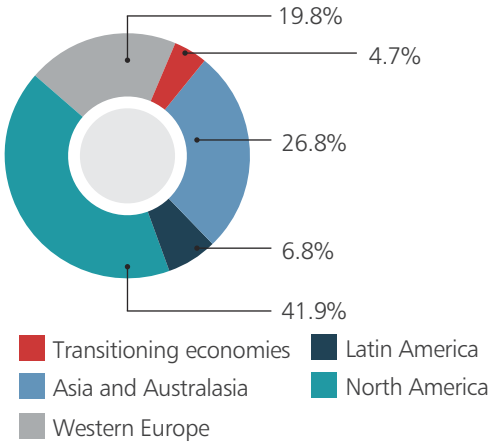
North America accounted for the largest share of the estimated 2014 global pharma market at 41.9 percent, followed by Asia/ Australia at 26.8 percent and Western Europe at 19.8 percent.

Global pharmaceutical companies continue to be buffeted by blockbuster drug patent expirations, increasing competition from generics manufacturers and government focus on cost control, evidenced by price controls, pro-generics policies and patent challenges.

Generics and biosimilars

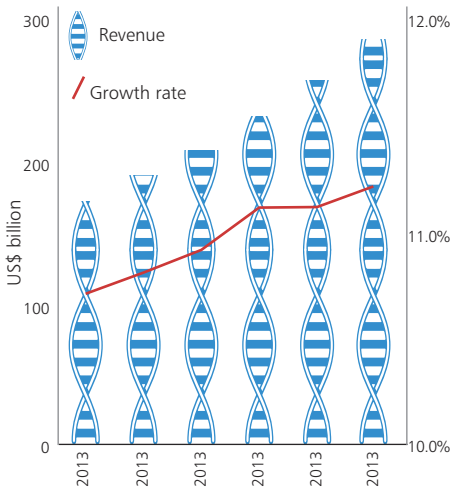
Even as the patent cliff passed its steepest point, a steady flow of patent expiries continued to boost the global generics industry. The global generics market was valued at US$168 billion in 2013 and expected to reach US$283 billion by 2018, growing at a CAGR of 11 percent. Generic drugs accounted for around 70 percent of the US drug market by volume and in Europe, they accounted for around 50 percent. In the US, generics use was almost 90 percent within the off-patent (unprotected) market. Countries like Japan, Italy, Spain, Poland and France adopted pro-

Estimated 2014 pharma sales, by region



(Source: DTTL Life Sciences and Health Care Industry Group analysis of World industry outlook: Healthcare and pharmaceuticals, The Economist Intelligence Unit, May 2014. Also, EIU database)

Global generics segment revenues



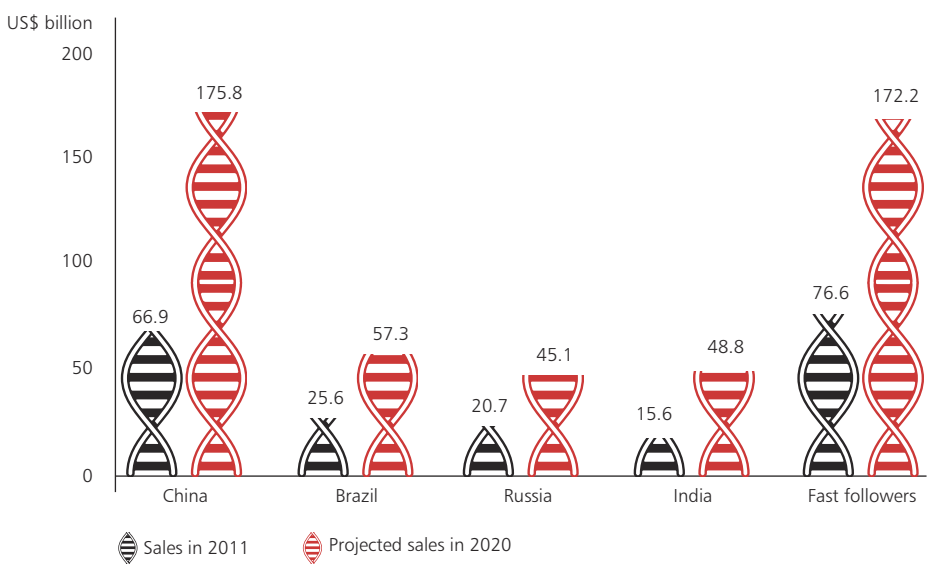
(Source: DTTL Life Sciences and Health Care Industry Group analysis of TechNavio Analysis 2014-2018; Generic Medicines: Essential contributors to the long-term health of society, and IMS data)

generics policies that encouraged doctors and pharmacists to substitute branded products with generic alternatives.

- Global generic spending is expected to increase from US$242 billion to US$400-430 billion by 2016, of which US$224-244 billion of the increase is expected to come from low-cost generics in pharmerging markets.
- Increased generic spending in developed markets in the next five years could be driven by generics competition due to patent expiries, with additional increases due to expanded generic use for off-patent molecules.
- In pharmerging markets, generic and local companies will drive increase in expenditures.
- Biologics will account for an increased share of spending by 2016 as important clinical advances continue to emerge from research.
- Spending on biosimilars could increase from US$693 million in 2011 to US$4-6 billion by 2016, which represents 2 percent of the overall biologics spending.
- Adoption is expected to remain modest through 2016, largely because most biologic medicines will stay protected by patents or market exclusivity in many countries.

FOUR MAJOR CHALLENGES FACING THE PHARMACEUTICAL INDUSTRY

- Delivering shareholder/stakeholder value
- Subdued business environment
- Decreasing R&D productivity
- Rising risks and loss of trust



(Source: Business Monitor International)

FACTS ABOUT THE PHARMACEUTICAL INDUSTRY

PROPORTION OF EMERGING MARKETS IN THE GLOBAL PHARMA INDUSTRY, 2016

1:3

ESTIMATED COST OF RESEARCHING AND DEVELOPING A NEW CHEMICAL OR BIOLOGICAL ENTITY

1,172
(€ million)

EXPECTED PHARMACEUTICAL MARKET BY 2018

161
(US$ trillion)

EXPECTED INCREASE IN ANNUAL GLOBAL HEALTHCARE SPENDING OVER THE NEXT FIVE YEARS

5.2%

Outlook

The life sciences sector growth is correlated with national economic strength and healthcare spending. In 2013, global healthcare spending increased by around 2.8 percent after declining in 2012; the Economist Intelligence Unit expects growth to accelerate annually by 5.2 percent between 2014 and 2018 as the global economy continues to recover from a slowdown. However, healthcare spending is likely to rise more slowly than in the past decade — when growth averaged 7 percent a year — due to intensifying government pressure to reduce costs. The EIU also projects healthcare spending as a percentage of GDP to decline from around 10.6 percent in 2013 to 10.3 percent in 2018.

On a regional basis, healthcare spending in North America is expected to increase by an average 4.9 percent between 2014 and 2018. Growth is being driven, in part, by enhanced ease of access to healthcare services in the United States through the 2010 Patient Protection and Affordable Care Act (ACA). Growth in Western Europe's healthcare spending is likely to remain slow at 2.4 percent annually, as countries recover from the eurozone crisis. Across Latin America, healthcare spending is projected to increase at an average of 4.6 percent annually between 2014 and 2018; several governments are trying to improve public healthcare systems amid general budget constraints. In Asia and Australasia, the rollout of public healthcare programmes combined with growing consumer wealth is anticipated to boost healthcare spending at an average of 8.1 percent between 2014 and 2018. The most rapid growth is expected to be in the Middle East and Africa, which could see an annual average increase of 8.7 percent between 2014 and 2018 — due, in part, to population growth and efforts to enhance access to healthcare facilities.

Leading organisations are looking beyond the 'traditional' emerging markets of China, Russia, India and Brazil for opportunities to establish or increase their presence in the 'next' emerging markets. Among these are Eastern Europe (where healthcare spending growth is forecast to average 7.7 percent a year between 2014 and 2018), particularly Poland (growing at 9.9 percent a year); Venezuela (projected 12.5 percent growth a year), the Philippines (increasing at an average of 10.2 percent a year), and Mexico (8.6 percent a year). The EIU forecasts annual average growth of 12.1 percent between 2014 and 2018, driven by increasing demand for advanced medicines and technology, as well as the comparative ease of conducting trade in these markets. Yet, traditional commercialisation strategies, based on reach frequency and saturation, may not be effective in these 'next' emerging markets. Life sciences companies will need to develop novel commercialisation approaches that engage both product regulators and users.

CRAMS opportunity for Indian players

According to a CARE report, Indian CRAMS players are pegged to register strong growth rates – growing at a CAGR of 18-20 percent by 2018. The growth rate for Indian CRAMS players slowed down to 5-8 percent

GROWTH DRIVERS FOR INDIAN CRAMS PLAYERS

NEW DRUG DEVELOPMENT

From initiation to launching a new drug in the market takes ~10-15 years. Thus to work on more complex molecules, pharmacos would prefer outsourcing research activities to reduce drug development time.

SHIFT IN FOCUS TO CORE COMPETENCIES

Decreasing R&D productivity and rising costs has led innovators companies to outsource non core activities thereby minimising the capital invested in plant and production process

IMMINENT PATENT CLIFF

With patent expiries spiraling, innovators are expected to outsource production to low-cost destinations.

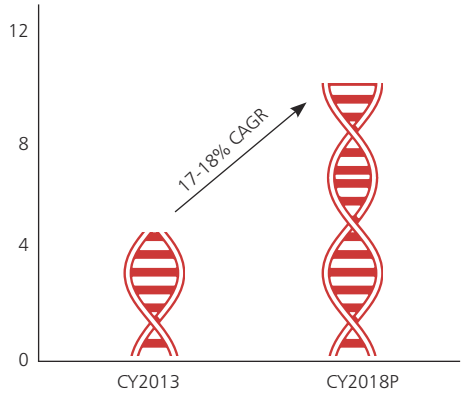
CAGR between 2009 and 2011. The industry underwent tough times on account of inventory rationalisation and reduction in R&D budgets by multinational pharma companies in the face of a global slowdown. However, the growth rate gradually picked up to low double digits in subsequent years. Going forward, CARE Ratings expects gradual improvement (expected CAGR 18-20 percent) on the back of recovery signs witnessed in the US markets. Further, global pharma companies are slated to enhance their allocations towards R&D in order to lengthen their drug pipelines. Increase in fresh orders and new assignments will aid in revival of CRAMS business.

Patented drugs worth approximately US$85 billion in potential annual sales in US are expected to come off patent between 2014 and 2020. Some of the major drugs going off patent are Nexium, Cymbalta, Celebrex, Abilify, Gleevec and Crestor to name a few. Once drugs lose patent protection, the focus would shift to price competitiveness and ensuring manufacture of such generic drugs in the most cost-effective manner. India is one of the world's best known low-cost manufacturing centres, with highest number of USFDA-approved manufacturing plants outside the US. This is likely to boost the prospects of Indian CMS companies. The Indian CRAMS industry is gradually moving up the value chain with players increasingly investing in better technologies and higher capacities. Manufacture of value-added products for biotech and specialty therapeutic areas may be outsourced to Indian players in the future. It's on the back of these realities that CARE Ratings expects Indian CMS to grow at a CAGR of ~17-18 percent till 2018.

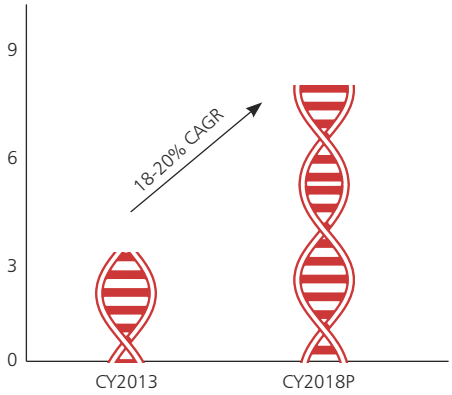
Contract research segment expected to grow at a CAGR of ~20 percent

The Indian pharma research space benefits from structural factors such as the presence of a sizeable Anglophone population, highly-skilled labour force and low labour costs. As most of the outsourcing to Indian CRAMS industry comes from Western countries where English is widely spoken. This is a natural advantage to the Indian contract research segment industry as compared to other geographies (China, Vietnam, among others). With R&D costs increasing and productivity declining in regulated markets, global pharma companies are looking for measures, including outsourcing, to enhance their drug pipeline (for instance, in finished drugs portfolio). CARE Ratings expects the Indian contract research segment to grow at a CAGR of ~18-20 percent till 2018.

CMS (US$ billion) and growth (%)



CRS (US$ billion) and growth (%)



(Source: CARE)

Risk management

1 SECTORAL RISK

The Company's presence in the pharma segment may not prove to be attractive in the coming years.

Mitigation

The Company has created a strong presence in the American market and revenues from this geography account for around 40 percent of the global generics market. The Company has eight ANDA approvals along with 11 more in the pipeline. The Company also forayed into emerging markets like the CIS and the Middle East as well as Southern and Central American, African and Asian countries (Sri Lanka, Myanmar and Vietnam) which offered lucrative opportunities.

The result

A 22.02 percent CAGR growth in the Company's revenues over the last five years leading to 2014-15.

2 COMPETITION RISK

Fierce competition could dent the Company's profitability.

Mitigation

The Company's principal strategy when it comes to addressing competition has been to rapidly file ANDAs and MAs in the US, Europe, and other emerging markets. The Company also aims to expand its presence in the CRAMS vertical in regulated markets, acquire growing and profitable pharmaceutical companies and/or products, and ink out-licensing agreements with major pharmaceutical companies in the US and Europe to manufacture and market post-patent and off-patent drugs. Besides, the Company has laid a keen emphasis on the soft gelatin capsules segment where a handful of Indian companies are present.

The result

The Company reported an EBIDTA margin of 23.51 percent in 2014-15, a 437 bps growth over 2013-14.

3 STRATEGIC RISK

Improper business strategies could be detrimental to the Company's growth.

Mitigation

The Company strategically decided to make its presence felt in the relatively under-populated soft gelatin capsules segment in the US (pegged at US$8 billion). Besides, the Company has made several acquisitions (including one recently in the US) in the regulated markets to strengthen distribution capabilities.

The result

A 24.14 percent growth in the revenues of the subsidiaries during FY2014-15.

4 FOREX RISK

More than 99 percent of Marksans' revenues are derived from the export market, leaving the Company exposed to foreign exchange volatilities.

Mitigation

The Company enjoys a natural hedge as it earns revenues and repays debt in foreign currencies.

The result

The Company made a net foreign exchange gain of ₹8.89 crore in 2014-15.

5 GEOGRAPHIC RISK

An overt dependence on a particular geography could impact the Company's profitability.

Mitigation

The Company has a wide international footprint across regulated markets like the US, the UK, Australia, Canada and Germany and emerging countries like Russia, Ukraine and the Philippines, among others.

The result

The Company has an export presence across more than 25 nations.

6 REGULATORY RISK

The Company may not be able to meet the regulatory requirements in the markets of its presence.

Mitigation

The Company has deployed a dedicated team to look after the regulatory requirements in the markets where it has a presence. The Company's manufacturing units are approved by the USFDA and the UKMHRA, ensuring adherence to stringent regulatory requirements. The Company derives nearly 93 percent of its revenues from the regulated markets.

The result

The Company has received approvals for eight of the 11 ANDAs filed in the US market.

7 FINANCIAL RISK

The Company may not be able to finance its business expansions.

Mitigation

The Company has over the years created a robust Balance Sheet. Long-term debts on its books reduced to nil from ₹19.82 crore over the past 12 months. This helped the Company strengthen its gearing to (0.17). Besides, the Company maintained an interest cover of 19.77x for the FY2014-15.

The result

The Company reported a debt-equity ratio of (0.17) (zero net debt) during FY2014-15.

Operational review

Revenue

Turnover of the Company increased from ₹31494.46 Lacs in 2013-14 to ₹40559.35 Lacs in 2014-15 i.e. an increase by 28.78 percent. The incremental growth in sales came from the European and the US markets. Favourable currency rates contributed to the growth.

Cost of sales

Cost of sales increased to ₹21815.25 Lacs in 2014-15 from ₹16963.06 Lacs in 2013-14, an increase of 28.60 percent, owing to an increase in operations of the Company.

Other expenses

Other expenses increased from ₹4010.94 Lacs in 2013-14 to ₹4804.59 Lacs in 2014-15 i.e. an increase by 19.79 percent, mainly on account of an increase in operations.

Depreciation and amortisation

Depreciation and amortisation provision increased from ₹865.61 Lacs in 2013-14 to ₹903.09 Lacs in 2014-15 i.e. a increased by 4.33 percent.

Finance cost

Finance cost decreased from ₹1521.28 Lacs in 2013-14 to ₹1311.30 Lacs in 2014-15 i.e. an decreased by 13.80 percent due to loan repayment and lower utilisation of working capital on account of internal cash generation and optimisation of the working capital cycle.

Reserves and Surplus

The Reserves & Surplus was ₹30474.64 Lacs in 2014-15 compared to ₹10788.92 Lacs in 2013-14 i.e. an increase by 182.46 percent, due to an increase in profits and Security Premium following the Issue of Shares under QIP.

Long-term borrowings

Long-term borrowings decreased to ₹Nil in 2014-15 from ₹1981.54 Lacs in 2013-14 due to the repayment of term loans during the year.

Short-term borrowings

Short-term borrowings reduced to ₹4352.16 Lacs in 2014-15 from ₹5805.87 Lacs in 2013-14 i.e. a decrease by 25.04 percent.

Trade payables

Trade payables increased to ₹4458.25 Lacs in 2014-15 from ₹4050.45 Lacs in 2013-14 i.e. an increase by 10.07 percent, mainly on account of an increase in operations during the year.

Other Current Liabilities

Other Current Liabilities reduced to ₹3988.06 Lacs in 2014-15 from ₹7358.60 Lacs in 2013-14 due to the repayment of FCCBs.

Tangible assets

The Company's tangible assets increased to ₹7772.35 Lacs in 2014-15 from ₹4938.94 Lacs in 2013-14 i.e. an increase by 57.37 percent.

Intangible assets

During 2013-14, the Company's intangible assets reduced to ₹1228.77 Lacs from ₹1742.56 Lacs in 2013-14 i.e a decrease by 29.48 percent.

Long-term loans and advances

Long-term loans and advances decreased to ₹82.57 Lacs in 2014-15 from ₹150.06 Lacs in 2013-14.

Inventory

Inventory decreased to ₹5102.53 Lacs in 2014-15 from ₹5560.86 Lacs in 2013-14 i.e an decreased by 8.24 percent.

Receivables

Receivables increased to ₹12463 Lacs in 2014-15 from ₹11237.97 Lacs in 2013-14 due to an increase in sales and outstandings.

Short-term loans and advances

Short-term loans and advances decreased to ₹2546.28 Lacs in 2014-15 from ₹3913.64 Lacs in 2013-14.

Cash and cash equivalents

Cash and cash equivalents increased to ₹16754.16 Lacs in 2014-15 from ₹3337.36 Lacs in 2013-14 mainly on account of QIP money received during the year.

Statutory section

DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting the Twenty Third Report along with the financial statements for the year ended 31st March 2015.

Financial Highlights

(₹ in Million)

Particulars	2014-15	2013-14
Turnover	4055.94	3149.45
Profit before Depreciation & Amortization expenses, Non-recurring expenses and Tax expenses	1057.16	719.15
Less: Depreciation & Amortization Expenses	90.31	86.56
Non-recurring expenses	-	-
Tax expenses	295.76	77.02
Profit after Tax	671.09	555.57

Operations/State of Affairs of the Company

During the year ended 31st March, 2015, total turnover achieved by your Company was ₹4055.94 Mn as compared to ₹3149.45 Mn in the previous year. During the year under review, your Company has registered a net profit of ₹671.09 Mn as compared to ₹555.57 Mn in the previous year. This is mainly due to strong business and improved financial performances, and also due to better realization on account of currency movement.

Consolidated Financial Statements

In compliance with the Accounting Standard - 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year under review. From the Consolidated Statement of Profit and Loss, it may be observed that the turnover for the year under review has increased to ₹7966.68 Mn from ₹6299.97 Mn in the previous financial year. During the year under review, your company registered a consolidated net profit of ₹1093.96 Mn as compared to net profit of ₹719.08 Mn during the previous financial year.

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.

Dividend

Your Directors have recommended subject to the approval of the members in the ensuing Annual General Meeting dividend of ₹0.12 (12%) per equity share of ₹1/- each and dividend of ₹7/- (7%) per preference share of ₹100/- each for the financial year ended 31st March, 2015.

Total cash outflow on account of dividend payment including dividend distribution tax will be ₹69.72 Mn for the financial year ended 31st March, 2015.

Reserves

During the year under review, your Company transferred a sum of ₹10.00 Mn to Capital Redemption Reserve on account of redemption of 100,000 Preference Shares of ₹100/- each face value.

During the year under review, no amount was transferred to General Reserve.

Share Capital

Your Company has, on 30th March, 2015, issued and allotted 240,06,494 equity shares of ₹1/- each to qualified institutional buyers under QIP for cash at ₹54.67 (including premium) per Equity Share.

In accordance to the terms of the issue, your Directors at their meeting held on 7th February, 2015 has decided to redeem the entire 13,50,000 7% Redeemable Cumulative Preference Shares of face value of ₹100/- per share at par out of the profits in tranches before the due date of redemption i.e 27th March, 2018. Accordingly, on 7th February, 2015, your Directors have redeemed 1,00,000 preference shares at par.

Consequently, the Issued, Subscribed and Paid-up Equity Share Capital stands increased to ₹409.31 Mn. and the Issued, Subscribed and Paid-up Preference Share Capital stands reduced to ₹125.00 Mn. as on 31st March, 2015.

Foreign Currency Convertible Bonds (Bonds)

Your Company had issued 50,000 Bonds of USD 1,000 each in principal value during the financial year. As on the date of this report, your Company has bought back and extinguished 49,939 Bonds. As on the date of this report, only 61 Bonds of USD 1,000 each in principal value (out of total 50,000 Bonds issued) remained outstanding as the same are not traceable and adequate provision has been made in the book of accounts therefore.

Number of Meetings of the Board

The Board met 8 (Eight) times in financial year 2014-15 viz., 29.05.14, 26.06.14, 15.07.14, 12.08.14, 25.09.14, 31.10.14, 23.12.14 and 07.02.15.

Particulars Regarding Conversation 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.

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. During the year, your company invested 4.26 % of its total revenue in R&D and related spends amounting to ₹174.11 Mn with continued product development and dossier filing in US, Europe and other emerging markets.

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.

Subsidiaries, Joint Ventures and Associate Companies

i. Performance of Marksans Pharma (UK) Limited, which operates in the European market has improved.

ii. Nova Pharmaceuticals Australasia Pty Ltd (your company holds 60% of the share capital) which operates mainly in Australia is doing well with consistent growth.

Pursuant to a Central Government's Circular dated 8th February, 2011, the audited accounts together with Director's Report and Auditor's Report of the subsidiaries namely M/s. Nova Pharmaceuticals Australasia Pty Limited and M/s. Marksans Pharma (U.K.) 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.

iii. Your company has acquired 100% share capital of Time-Cap Laboratories Inc., New York through a wholly owned subsidiary Marksans Pharma Inc. Time-Cap was founded in 1979 and is a leading manufacturer and marketer of solid dose generic pharmaceuticals, including private label over-the-counter ("OTC") medications, generic prescription drugs ("Rx"), and nutritional supplements. Time-Cap manufactures over 50 unique products from its facility in Farmingdale, New York, including tablets, caplets, capsules and pellets. Time-Cap will be an ideal platform for your Company to expand its operation in the US. This strategic acquisition will help Marksans to expand its manufacturing capabilities along with product portfolio and penetration into the US. Time-Cap is a zero debt company.

Your Company has no Joint Ventures and Associate Companies

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.

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.

Health, Safety & Environment

Your company is committed to ensure sound Safety, Health and Environment performance related to its activities, products and services. Your company is also committed to strengthen pollution prevention and waste management practices and to provide a safe and healthy environment.

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 that were entered into during the financial year were in the ordinary course of business on arm's length basis and repetitive in nature. All Related Party Transactions were placed before the Audit Committee of the Board of Directors 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 Clause 49 of the Listing Agreement. The policy is available on the Company's website www.marksanspharma.com

Evaluation of Performance of Board, Committee, and Directors

Performance evaluation of the Board as a whole, the Committees of Directors and all individual Directors during the year under review has been carried out in accordance with the criteria framed pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Board of Directors has expressed its satisfaction over the evaluation process.

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 and have expressed their satisfaction over the same. The independent directors have also reviewed and expressed their satisfaction over the quality, quantity and timeliness of flow of information between the company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Policy on Directors Appointment and Remuneration

Nomination and Remuneration Committee of the Company has formulated a policy relating to nomination and remuneration of directors as well as key managerial personnel and other employees of the Company. 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 / Wholetime Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position.

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole-time Director) and Senior Management, and which shall be 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, shall be 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 shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

Whistle Blower Policy/Vigil Mechanism

Your Company has established a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. This policy establishes a vigil mechanism for directors and employees to report their genuine concerns actual or suspected fraud or violation of the Company's code of conduct. Details of the Whistle Blower Policy is displayed on the website of the Company 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 2014-2015, no employee of the Company was denied access to the Audit Committee.

Risk Management Policy

Your Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risk which is reviewed. The key risks and mitigation actions are placed before the Audit Committee.

Corporate Social Responsibility

Pursuant to Section 135 of the Act, your Company has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee provides guidance on various CSR activities to be undertaken by the Company as per the CSR Policy and monitors its progress. Company's CSR Policy is available on the Company's website www.marksanspharma.com. Your company has registered an average net loss for the preceding three financial years amounting to ₹(3,038.01) Lacs. Hence, the CSR Committee has not recommended any CSR Expenditure for the financial year ended 31st March, 2015.

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, 2015 and the Statement of Profit and Loss for the period ended 31st March, 2015;
- 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 financials control 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.

Declaration from Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

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.

Disclosure Under Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

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 plants. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no complaints were received by the Company related to sexual harassment at both the sites.

Significant and Material orders Passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the Regulators/ Courts 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.

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 appended as Annexure B to this Report.

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 herewith as Annexure C.

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 herewith as Annexure D.

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 levels 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, 2015, the Company's permanent employee strength was 421(436 as on 31st March, 2014).

Audit Committee of the Company

Your Company's Audit Committee comprises the following 3(Three) Independent Directors and 1(One) Executive Director:

Sr. No	Name of the Directors	Designation
1.	Mr. Seetharama R. Buddharaju	Non-Executive & Independent
2.	Mr. Naresh B. Wadhwa	Non-Executive & Independent
3.	Mr. Ajay S. Joshi	Non-Executive & Independent
4.	Dr. Balwant S. Desai	Executive & Non Indepemdent

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013.

Directors & KMP:

In accordance with the provisions of the Section 152(6)(e) of the Companies Act, 2013 read with the Articles of Association of the Company, Dr. Balwant Shankarrao Desai (DIN: 03631170), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Mark Saldanha's term as the Managing Director of the Company will expire on 5th October, 2015. Your directors have proposed to re-appoint him as the Managing Director of the Company for a further period of five years with effect from 6th October, 2015.

Mr. Ajay Shivram Joshi and Mr. Seetharama Raju Buddharaju are being proposed to be re-appointed as Independent Directors.

During the year under review, appointment of Mr. Jitendra Sharma, Chief Financial Officer of the Company was formalized in accordance with the Companies Act, 2013.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement, a detailed report on Corporate Governance and a certificate from the Auditors regarding compliance with the conditions of Corporate Governance is annexed herewith as Annexure E.

Auditors:

M/s. N. K. Mittal & Associates, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that they are eligible and are not disqualified for the appointment and that their appointment, if made, would be within the prescribed limits under the provisions of the Companies Act, 2013. The Board recommends their re-appointment as Statutory Auditors of the Company.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. N. K. Mittal & Associates, Chartered Accountants Statutory Auditors, in their report.

Cost Audit

Your Company is a 100% export oriented unit and therefore it is exempted from audit of its cost accounting records.

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) as Secretarial Auditor to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed herewith as Annexure F.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

However, as per the observation made by the Secretarial Auditor in their Report, the Company has not considered re-appointment of two existing Independent Directors as an Independent Director for a specified term, not liable to retire by rotation at their 22nd Annual General Meeting of the Company.

In regard to this, the company hereby clarifies as follows:

As per the provisions of the Companies Act, 2013, every existing company shall appoint an independent director within one year from the date of notification of the rules. The Company already had the requisite number of independent directors as on date of notification of rules. In order to comply with the provisions of the Companies Act, 2013, the Board has appointed Mr. Ajay Joshi and Mr. Seetharama Raju Buddharaju w.e.f. 1st April, 2015 in the Board Meeting held on 7th February, 2015 as the Independent Directors of the Company subject to the approval of members in the ensuing Annual General Meeting.

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.

By order of the Board of Directors

Mark Saldanha

Mumbai — *Chairman & Managing Director*

Dated 8th August, 2015 — DIN: 00020983

Annexure A

Annexure to the Report of the Board of Directors

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

A. Conservation of Energy

a) Energy Conservation measures taken:

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

The following energy conservation methods were implemented during the year.

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.
k) Replaced Furnace Oil Boiler with Briquette Boiler.

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.
f) Optimisation use of Agro Waste Boiler.

c) Impact of above measures:

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

d) Energy Consumption:

(₹ in Million)

Particulars	2014-15	2013-14
1 Electricity		
(a) Purchases		
Units (kwhs)	8623968	7791184
Total Amount (₹)	43626581.00	37574515.00
Rate/ Unit (₹)	5.06	4.82
(b) Own Generation		
Through Diesel		
Units (in'000 kwhrs)	381.84	127.28
Units per Ltr of Diesel Oil	2.96	2.96
Cost/ Unit (₹)	19.91	18.26
2 Agro Waste Consumption		
Qty (units in '000)	5590.81	4945.07
Total Amount (₹'000)	21392.22	20709.56
Average Rate	3.83	4.19

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 a 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 formulations 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

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 products development and ANDA / Dossiers filing for regulated and emerging markets.

Expenditure on R&D	
a. Capital expenditure	₹2.13 Mn
b. Revenue expenditure	₹171.98 Mn
c. Total	**₹174.11 Mn**
d. Total R&D expenditure as a percentage of total revenue	4.26%

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 2014-15, the Company used foreign exchange amounting to ₹1084.96 Mn (Previous Year ₹699.06 Mn) and earned foreign exchange amounting to ₹4004.31 Mn (Previous Year ₹3117.03 Mn).

By order of the Board of Directors

Mumbai

Dated: 08th August, 2015

Mark Saldanha

Chairman & Managing Director

DIN: 00020983

Annexure B

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 31/03/2015

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 :	info@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 :	E-2/3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka
	Town / City :	Andheri-East, Mumbai
	State :	Maharashtra
	Pin Code:	400072
	Telephone :	022-4043 0200/ 022-2847 0652
	Fax Number :	022-2847 5207
	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 statated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Formulation	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	Time Cap Laboratories Inc. 7, Michael Avenue, Farmingdale, New York-11735, 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	51.26	197491733	0	197491733	48.25	-3.01
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	51.26	197491733	0	197491733	48.25	-3.01

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	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	97000	0	97000	0.03	1378812	1097494	2476306	0.60	0.58
b) Banks / FI	3000	2000	5000	0.00	269710	2000	271710	0.07	0.07
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
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	1493626	1493626	0.36	0.36
g) FIIs	880496	0	880496	0.23	33575910	21415374	54991284	13.43	13.21
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
Sub-total (B)(1):-	980496	2000	982496	0.26	35224432	24008494	59232926	14.47	14.22
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	30352260	3000	30355260	7.88	21544280	3000	21547280	5.26	-2.61
ii) Overseas	0	8400241	8400241	2.18	320000	0	320000	0.08	-2.10
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	85946189	1021040	86967229	22.57	77533751	973540	78507291	19.18	-3.39
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	49813647	979000	50792647	13.18	42617232	979000	43596232	10.65	-2.53
c) Others (specify)									
i. Clearing Member	2624845	0	2624845	0.68	2566954	0	2566954	0.63	-0.05
ii. NRI	6293181	0	6293181	1.63	4384710	0	4384710	1.07	-0.56
iii. Directors & Relatives	1384572	0	1384572	0.36	1659572	0	1659572	0.41	0.05
iv. Trust	15000	0	15000	0.00	7000	0	7000	0.00	0.00
Sub-total (B)(2):-	176429694	10403281	186832975	48.49	150633499	1955540	152589039	37.28	-11.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	177410190	10405281	187815471	48.74	185857931	25964034	211821965	51.75	3.01
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)	374901923	10405281	385307204	100.00	383349664	25964034	409313698	100.00	0.00

ii. Shareholding of Promoters

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year			Share holding 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	Mark Saldanha	197491553	51.26	0%	197491553	48.25	0%	-3.01%
2	Sandra Saldanha	180	0%	0%	180	0%	0%	0%
	TOTAL	197491733	51.26	0%	197491733	48.25	0%	-3.01%

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	51.26	197491553	51.26
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. 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%	0	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%	0	0%

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

v. Shareholding of Directors and Key Managerial Personnel:

S. 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	51.26	197491553	51.26
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

S. 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		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	0.19	749883	0.19
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		749883	0.18	749883	0.18

v. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	888555731	621966636	10000	1510532367
ii) Interest due but not paid	4068851	0	0	4068851
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**892624582**	**621966636**	**10000**	**1514601218**
Change in Indebtedness during the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtness**
* Addition	0	0	0	0
* Reduction	393369540	287748541	0	681118081
Net Change	**-393369540**	**-287748541**	**0**	**-681118081**
Indebtedness at the end of the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtness**
i) Principal Amount	498170168	334218095	10000	832398263
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1084874	0	0	1084874
Total (i+ii+iii)	**499255042**	**334218095**	**10000**	**833483137**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mark Saldanha	Dr. Balwant Desai	Sandra Saldanha	
1	Gross salary	1902460	7380524	3625736*	12908720
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1902460	7380524	3625736	12908720
	(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				
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	**1902460**	**7380524**	**3625736**	**12908720**
	Ceiling as per the Act	Total of 10% of the Net Profit			

** For the period from 25.09.2014 to 31.03.2015.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Naresh Wadhwa				
1	**Independent Directors**					
	Fee for attending board committee meetings	75000				75000
	Commission	0				0
	Others, please specify	0				0
	Total (1)	**75000**				**75000**
2	**Other Non-Executive Directors**					
	Fee for attending board committee meetings	0				0
	Commission	0				0
	Others, please specify	0				0
	Total (2)	**0**				**0**
	Total (B)=(1+2)	**75000**				**75000**
	Overall Ceiling as per the Act	Sitting fees of ₹1 Lac per meeting				
	Total Managerial Remuneration (A+B)					**12983720**

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary	1266282	7683084	8949366
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1266282	7683084	8949366
	(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	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
5	- others, specify…	0	0	0
	Others, please specify	0	0	0
	Total	**1266282**	**7683084**	**8949366**

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
A. Company						
Penalty	-	N.A.	-	-	-	-
Punishment	-	N.A.	-	-	-	-
Compounding	-	N.A.	-	-	-	-
B. Directors						
Penalty	-	N.A.	-	-	-	-
Punishment	-	N.A.	-	-	-	-
Compounding	-	N.A.	-	-	-	-
C. Other Officers in Default						
Penalty	-	N.A.	-	-	-	-
Punishment	-	N.A.	-	-	-	-
Compounding	-	N.A.	-	-	-	-

(Annexure - B-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 (01.04.14)	% of total shares of the co.					No. of Shares	% of total shares of the company
1	Anil Vishanji Dedhia	1800000	0.44	06.06.2014	-200000	-0.05	Sold	1600000	0.39
				13.06.2014	200000	0.05	Purchase	1800000	0.44
				25.07.2014	-150000	-0.04	Sold	1650000	0.4
				22.08.2014	-675000	-0.16	Sold	975000	0.24
				29.08.2014	-225000	-0.05	Sold	750000	0.18
				12.09.2014	-305000	-0.07	Sold	445000	0.11
				31.12.2014	-445000	-0.11	Sold	0	0
				31.03.2015				0	0
2	M/S Barnacle LLC	8400241	2.05	26.05.2014	-8400241	-2.05	Sold	0	0
				31.03.2015				0	0
3	Anand Kamalnayan Pandit	1250000	0.31	11.04.2014	-1250000	-0.31	Sold	0	0
				31.03.2015				0	0
4	Public Employees Retirement Association of COI	385358	0.09	22.08.2014	1525123	0.37	Purchase	1910481	0.47
				12.09.2014	235234	0.06	Purchase	2145715	0.52
				31.03.2015				2145715	0.52
5	Wasatch Emerging Markets Small Cap Fund	2054867	0.5	22.08.2014	7803170	1.91	Purchase	9858037	2.41
				12.09.2014	1123885	0.27	Purchase	10981922	2.68
				17.10.2014	-153355	-0.04	Sold	10828567	2.65
				27.02.2015	-384555	-0.09	Sold	10444012	2.55
				20.03.2015	-318600	0.08	Purchase	10125412	2.47
				31.03.2015				10125412	2.47
6	Wasatch Global Opportunities Fund	3524000	0.86	13.02.2015	-238176	-0.06	Sold	3285824	0.8
				27.02.2015	-400000	-0.1	Sold	2885824	0.71
				06.03.2015	-108800	-0.03	Sold	2777024	0.68
7	MV SCIF Mauritius	393761	0.1	31.12.2014	2140708	0.52	Purchase	2534469	0.62
				02.01.2015	69819	0.02	Purchase	2604288	0.64
				02.01.2015	63873	0.02	Purchase	2668161	0.65
				13.02.2015	-113929	-0.03	Sold	2554232	0.62
				31.03.2015	21520	0.01	Purchase	2575752	0.63

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 (01.04.14)	% of total shares of the co.					No. of Shares	% of total shares of the company
8	Wasatch Emerging Markets Small Cap CIT	496423	0.12	22.08.2014	1966954	0.48	Purchase	2463377	0.6
				12.09.2014	303344	0.07	Purchase	2766721	0.68
				10.10.2014	97400	0.02	Purchase	2864121	0.7
				31.03.2015				2864121	0.7
9	Pandian Ilangovan	1822649	0.45	04.04.2014	-22649	-0.01	Sold	1800000	0.44
				02.05.2014	-300000	-0.07	Sold	1500000	0.37
				23.05.2014	-100000	-0.02	Sold	1400000	0.34
				31.03.2015				1400000	0.34
10	Uno Metals Ltd.	4900000	1.2	23.05.2014	20000	0	Purchase	4920000	1.2
				06.06.2014	50000	0.01	Purchase	4970000	1.21
				01.08.2014	150000	0.04	Purchase	5120000	1.25
				08.08.2014	20000	0	Purchase	5140000	1.26
				14.08.2014	10000	0	Purchase	5150000	1.26
				31.10.2014	-1680000	-0.41	Sold	3470000	0.85
				07.11.2014	-32733	0.01	Purchase	3437267	0.84
				02.01.2015	-28267	-0.01	Sold	3409000	0.83
				09.01.2015	-24000	-0.01	Sold	3385000	0.83
				06.02.2015	-41500	-0.01	Sold	3343500	0.82
				13.02.2015	-353000	-0.09	Sold	2990500	0.73
				20.02.2015	-90500	-0.02	Sold	2900000	0.71
				31.03.2015				2900000	0.71

Annexure C

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: 17.83
   b. Mrs. Sandra Saldanha, Whole-time Director: 33.99
   c. Dr. Balwant Shankarrao Desai, Whole-time Director: 69.19
2. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended 31st March, 2015
   a. Mr. Mark Saldanha, Managing Director: 0
   b. Mrs. Sandra Saldanha, Whole-time Director: Not Applicable
   c. Dr. Balwant Shankarrao Desai, Whole-time Director: 102
   d. Mr. Jitendra Sharma, Chief Financial Officer: 93
   e. Mr. Harshavardhan Panigrahi, Company Secretary: 13

   (Note: Mrs. Sandra Saldanha was appointed with effect from 25.09.2015.)
3. Percentage increase in the median remuneration of employees in the financial year ended 31st March, 2015 in comparison to the financial year ended 31st March, 2014: 3.68%.
4. Number of permanent employees as on 31st March, 2015: 421
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: Increase by 173.45% (₹92281.07 Lacs as on 31.03.2014 and ₹252341.90 Lacs as on 31.03.2015)
8. Variation in the Price Earning Ratio: Increase by 28.21 (23.95/1.64 as on 31.03.2014 and 61.65/1.44 as on 31.03.2015)
9. Variation in Net Worth: Increase by 123.97% (₹15992.00 Lacs as on 31.03.2014 and ₹35817.78 Lacs as on 31.03.2015)
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 D

Statement of particulars of employees pursuant to provisions of Section 197(12) of The Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name of Employee	Mrs. Sandra Saldanha	Dr. Balwant Shankarrao Desai	Mr. Jitendra Sharma
2.	Age	43 Years	50 years	46 Years
3.	Qualification	MA (Sociology)	B.Sc. in Chemistry, M.Sc. and Ph.D. in Analytical Chemistry	B.Com, CA and CWA
4.	Experience	20 Years	26 Years	20 Years
5.	Designation	Whole-time Director	Whole-time Director	Chief Financial Officer
6.	Date of Commencement of Employment	25th September, 2014	29th September, 2011	06th September 2002
7.	Gross Remuneration	₹36,25,736/-	₹73,80,524/-	₹76,83,084/-
8.	Previous Employment	-	Alembic Limited Serum Institute of India Limited Ipca Laboratories Ltd Lupin Laboratories Ltd Merind Limited US Vitamins Limited	-
9.	Percentage of equity shares held in the Company	- (180 equity Shares of ₹1/- each)	Nil	Nil
10.	Whether relative of any director or manager of the company	Relative of Mr. Mark Saldanha, Managing Director	No	No

Annexure E

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

As on the date of this report, the total number of Directors on the Board is 6 (Six). Out of that three Directors are non-executive and independent. During the financial year under review, 8 Board Meetings were held on the following dates: 29.05.2014, 26.06.2014, 15.07.2014, 12.08.2014, 25.09.2014, 31.10.2014, 23.12.2014 and 07.02.2015.

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 8 held	No. of outside directorship in Public Limited Companies*	Membership held in Committee of Directors**	Chair manship held in committee of Directors**	Whether attended last AGM
Mr. Mark Saldanha (Chairman & Managing Director)	Executive, Non-Independent & Promoter	197491553	8	Nil	Nil	Nil	Yes
Mrs. Sandra Saldanha (w.e.f. 25.09.2014)	Executive, Non-Independent & Promoter	180	3	Nil	Nil	Nil	Yes
Dr. Balwant S. Desai	Executive & Non-Independent	Nil	8	Nil	Nil	Nil	Yes
Mr. Seetharama R. Buddharaju	Non-executive & Independent	Nil	8	Nil	Nil	Nil	Yes
Mr. Ajay S. Joshi	Non-executive & Independent	Nil	4***	Nil	Nil	Nil	No
Mr. Naresh B. Wadhwa	Non-executive & Independent	749883	8	Nil	Nil	Nil	Yes

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

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

*** Mr. Ajay S. Joshi has attended four meetings physically and four meetings through telephonic conferencing.

Audit Committee

The Audit Committee consists of Directors, namely Mr. Seetharama R. Buddharaju (Chairman), Dr. Balwant S. Desai, Mr. Naresh B. Wadhwa and Mr. Ajay S. Joshi. 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 the reference of the Audit Committee are those prescribed under Clause 49 of the Listing Agreement as well as under Section 177 of the Companies Act, 2013.

During the financial year under review, the Audit Committee met 4(Four) times on 29th May, 2014, 12th August, 2014, 31st October, 2014 and 7th February, 2015 .The necessary quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting.

The attendance of the members of the Audit Committee is as under:

Sr. No.	Name of Members	Position	Category	Meetings Attended out of 4
1	Mr. Seetharama R. Buddharaju	Chairman	Non-Executive & Independent	4
2.	Dr. Balwant S. Desai	Member	Executive & Non Independent	4
3.	Mr. Naresh B. Wadhwa	Member	Non-Executive & Independent	4
4.	Mr. Ajay S. Joshi	Member	Non-Executive & Independent	4

Nomination and Remuneration Committee

Pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the Board has re-constituted and renamed the Remuneration Committee as Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company consists of independent directors, namely Mr. Seetharama R. Buddharaju (Chairman), Mr. Naresh B. Wadhwa and Mr. Ajay S. Joshi. The Committee has power to determine the remuneration of the executive Directors of the Company as per the provisions of Clause 49 of the Listing Agreement and applicable provisions of the Companies Act, 2013.

During the financial year under review, Nomination and Remuneration Committee met 1(One) time on 31st October, 2014 .The necessary quorum was present at the meeting. The attendance of the members of the Nomination and Remuneration Committee is as under:

Sr. No.	Name of Members	Position	Category	Meeting Attended
1	Mr. Seetharama R. Buddharaju	Chairman	Non-Executive-Independent	1
2.	Mr. Naresh B. Wadhwa	Member	Non-Executive- Independent	1
3.	Mr. Ajay S. Joshi	Member	Non-Executive & Independent	1

Nomination and Remuneration Policy:

Pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated a policy relating to nomination and remuneration of directors, key managerial personnel and other employees of the Company which has been approved and adopted by the Board of Directors. The Nomination and Remuneration Policy, inter alia, provides for the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

2. For the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, a person should possess

adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position.

3. The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole-time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

4. The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be 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 shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of Directors, namely Mr. Seetharama R. Buddharaju (Chairman), Dr. Balwant S. Desai, Mr. Naresh B. Wadhwa and Mr. Ajay S. Joshi. 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	: 20
Number of complaints resolved to the satisfaction of shareholders	: 20
Number of complaints outstanding as on 31.03.2015	: 0

During the financial year under review, Stakeholders Relationship Committee met 4 (Four) times on 29th May, 2014, 12th August, 2014, 31st October, 2014 and 7th February, 2015. The necessary quorum was present at all the meetings.

The attendance of the members of the Stakeholders' Relationship Committee is as under.

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 the Company Secretary of the Company to approve the share transfers lodged in physical mode. 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 31.03.2015, no shares were pending for transfer.

The Board has designated Mr. Harshavardhan Panigrahi, the 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 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 from time to time 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. Details of related party transactions during the year ended 31st March, 2015 has been set out under Note No. 2.18 of the Notes annexed to the Financial Statements for the year ended 31st March, 2015.

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 is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement on Corporate Governance.

Directors Remuneration

The non-executive directors are not paid any remuneration. Mr. Naresh B. Wadhwa, the non-executive independent director is paid sitting fee of ₹25,000/- per day for all the Board and Committee meetings actually attended by him. 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, 2015 are given here below.

(₹ in Lacs)

Particulars	Mr. Mark Saldanha	Mrs. Sandra Saldanha	Dr. Balwant Shankarrao Desai
Basic	9,12,000.00	33,38,991.00	25,80,000.00
Allowances	7,80,960.00	2,86,745.00	22,67,684.00
Perquisites	2,09,500.00	-	-
Arrears	-	-	25,32,840.00
Total	**19,02,460.00**	**36,25,736.00**	**73,80,524.00**

Management's Discussion & Analysis Report.

The Annual Report has a separate and detailed chapter on Management's Discussion & Analysis which deals with Industry structure and development, opportunities and threats, segment wise performance, outlook, risks and concerns of the Company and discussions on financials with respect to operation.

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 Agreement and are available on the website of the 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
Twenty Second	25.09.2014	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai - 400053	5*
Twenty First	26.09.2013	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai - 400053	Nil
Twentieth	27.09.2012	10.30 A.M.	GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai - 400053	Nil

* Five (5) Special Resolutions were passed in the AGM held on 25th September, 2014:-

1. Revision in the remuneration of Dr. Balwant S. Desai, Whole-time Director to ₹60,00,000.00 per annum with effect from 1st April, 2014.
2. Appointment of Mrs. Sandra Saldanha as the Whole-time Director of the Company with effect from 25th September, 2014 at a remuneration of ₹72,17,928.00 per annum.
3. Approval of borrowing powers of the Board of Directors in excess of the aggregate of the paid–up share capital and free reserves of the Company subject to a maximum limit of ₹1,000 Crores over and above the aggregate of the paid-up share capital and free reserves.
4. Approval of power of the Board of Directors to create charges on the movable and immovable properties, both present and future of the Company in favour of the Banks to secure the credit facilities availed from them.
5. Raising of capital by way of issue of securities in one or more tranches for an amount not exceeding USD 125 Million.

Postal ballot

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

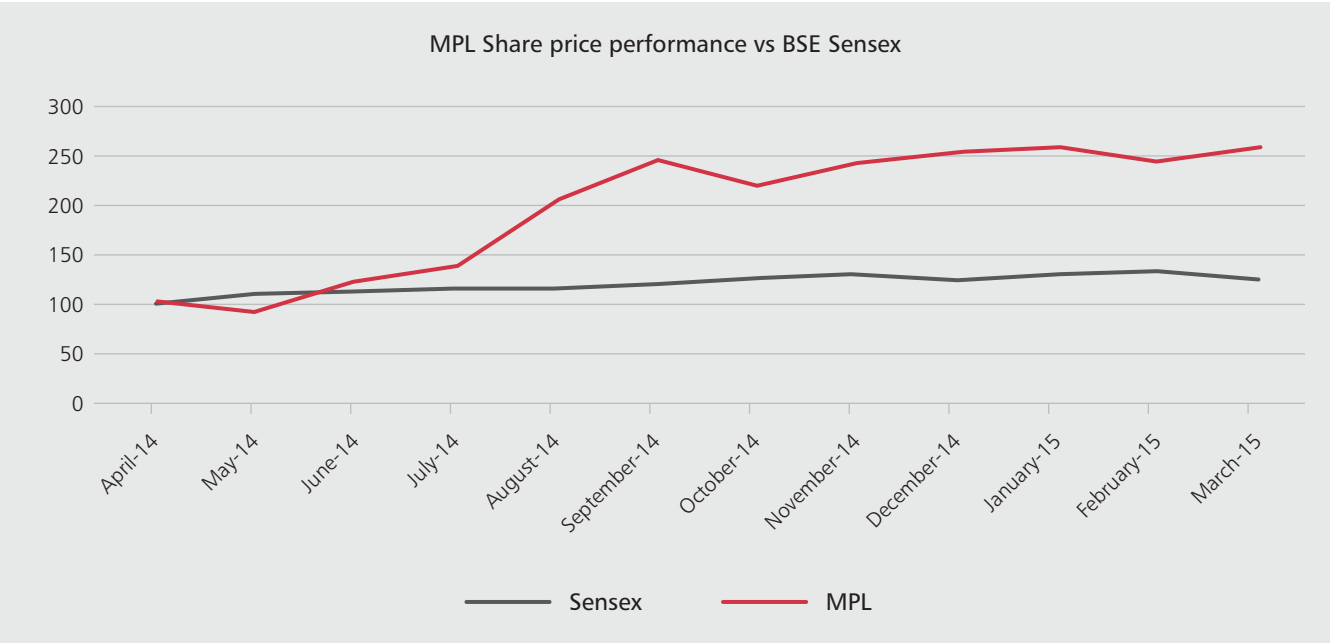
General Shareholder Information

AGM	Twenty Third Annual General Meeting.
Day & Date	Tuesday, 29th September, 2015
Time	10:30 AM
Venue	GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), 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, 26th September, 2015, upto Tuesday, 29th September, 2015 (both days inclusive).
Dividend payment date	On or after 3rd October, 2015.
Listing on Stock Exchanges	The National Stock Exchange of India Limited (NSE) The annual listing fees for the year 2015-2016 have been paid.
Stock Code	BSE : 524404 NSE : MARKSANS
ISIN	INE750C01026

Market price data on BSE during the period April 2014 to March 2015

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)
April 2014	24.00	26.00	22.00	24.00
May 2014	23.65	27.80	20.70	22.00
June 2014	22.30	31.60	20.10	29.00
July 2014	29.90	34.90	26.05	33.00
August 2014	32.40	58.30	31.05	49.00
September 2014	50.10	69.35	48.30	59.00
October 2014	59.20	66.30	51.30	53.00
November 2014	64.10	66.00	55.35	58.00
December 2014	58.55	66.80	50.25	61.00
January 2015	61.65	72.00	58.00	62.00
February 2015	62.15	68.20	56.15	59.00
March 2015	59.25	63.40	51.50	62.00

Marksans Pharma Ltd ("MPL") share price performance versus BSE Sensex during April 2014- March 2015.



Shareholding Pattern as on 31.03.2015

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Individual	52519	95.99	321254828	78.49
Bodies Corporate	948	1.73	24023586	5.87
NRIs	830	1.52	4384710	1.07
FIIs	51	0.09	54991284	13.43
Foreign Companies	2	-	320000	0.08
Trust	2	-	7000	-
Bank, Financial Institution & Insurance Companies	7	0.01	1765336	0.43
Clearing Members	360	0.66	2566954	0.63
Total	54719	100	409313698	100
Promoters	2	0.01	197491733	48.25
Non-Promoters	54717	99.99	211821965	51.75
Total	**54719**	**100**	**409313698**	**100**

Distribution of Shareholding as on 31.03.2015

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	51382	93.90	36936911	9.02
5001 – 10000	1642	3.00	12631821	3.09
10001 – 20000	777	1.42	11509948	2.81
20001 – 30000	249	0.45	6316480	1.54
30001 – 40000	133	0.24	4698863	1.15
40001 – 50000	107	0.19	5036561	1.23
50001 – 100000	199	0.36	14751488	3.61
Above 100000	230	0.42	317431626	77.55
Total	**54719**		**409313698**	**100**

Registrar and Transfer Agents	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Ph. No. 022-2847 0652 / 4043 0200, Fax No. 022-2847 5207 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 31.03.2015, 93.66% of the paid up share capital of the Company was in dematerialized form.
Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion dates and likely impact on equity	As on the date of this report, 61 FCCBs (out of total 50,000 FCCBs issued) of USD 1000 each in principal value are outstanding as the same are untraceable. These FCCBs carry rights to convert into equity shares until they are redeemed or re-purchased. In case all these FCCBs are offered for conversion, 81,314 equity shares would be issued.
Plant Locations	**India Formulation Plant** Marksans Pharma Limited, L-82 & 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 (W), Mumbai 400 053. Tel. No. : 022- 40012000, Fax No. 022- 40012011 Email: harshavardhan@marksanspharma.com

Non Mandatory Requirements

(I) The Board

There is no policy in the Company for determining the tenure of independent directors. However, independent directors will have a fixed tenure in terms of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreements.

(II) Shareholders Rights

Half yearly financial results including summary of the significant events are presently not being sent to the shareholders.

(III) Audit Qualifications

Every endeavor is made to make the financial statements without qualification.

(IV) Separate post of Chairman and CEO

Mr. Mark Saldanha, Managing Director and CEO of the company is also the Chairman of the Company.

(V) Reporting of Internal Auditor

The Internal Auditor's reports are placed before the Audit Committee from time to time.

Brief Resume of the Person Proposed to be Appointed/Re-Appointed as Director/Managing Director of the Company at the Annual General Meeting.

No.1

Name	Mr. Ajay S. Joshi
Age	53 Years
Qualification	Science Graduate
Experience	He has over 28 years of experience in the field of marketing pharmaceutical products in the international market particularly in the USA. Presently he is a Director of Spirit Pharmaceutical LLC of USA.
Name of the other public Companies in which also holds directorship	Spirit Pharmaceutical LLC
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 31.03.2015.	Nil
Relationship with other Directors / Key Managerial Personnel	None

No.2

Name	Mr. Seetharama Raju Buddharaju
Age	63 Years
Qualification	Science Graduate, Post Graduate Diploma in Marketing & Sales Management and Post Graduate Diploma in Business Management
Experience	He has more than 35 years of experience in Sales Management, Marketing & General Administration. He has handled various sales management assignments in Parke-Davis and Pfizer at senior levels in various locations for 22 years. He has also worked as Sales Head for 3 divisions of Sarabhai Chemicals. Currently he is practicing as a consultant.
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 31.03.2015.	Nil
Relationship with other Directors / Key Managerial Personnel	None

No.3

Name	Mr. Mark Saldanha
Age	42 Years
Qualification	Science Graduate
Experience	He has over 20 years of experience in production, marketing and finance. He is the principal architect of the success and progress of the Company. Under his able, dynamic and manifold leadership, the Company is rapidly growing to new heights of success and higher level of performance.
Name of the other public Companies in which also holds directorship	1. Marksans Pharma (UK) Limited 2. Marksans Holdings Limited 3. Bell, Sons & Co. (Druggists) Limited 4. Relonchem Limited 5. Nova Pharmaceuticals Australasia Pty. Ltd. 6. Marksans Pharma Inc. 7. Time-Cap Laboratories Inc. 8. Marksans Realty LLC
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 31.03.2015.	197491553
Relationship with other Directors / Key Managerial Personnel	Relative of Mrs. Sandra Saldanha, Whole-time Director

No. 4

Name	Dr. Balwant Shankarrao Desai
Age	50 Years
Qualification	B. Sc. in Chemistry, M.Sc.in Analytical Chemistry and Ph.D. in Analytical Chemistry
Experience	Dr. Balwant Shankarrao Desai is associated with Marksans Pharma Limited since 07.03.2006 looking after quality and regulatory affairs. Before joining Marksans Pharma Limited, he was associated with Alembic Limited, Serum Institute of India Limited, Ipca Laboratories Limited, Lupin Laboratories Limited, Merind Limited, U.S. Vitamins Limited. He has about 25 years of experience in the field of quality management systems as per national and international requirements, preparation and submission of ANDA and Dossiers of drug products for registration in US, Europe and other countries. He has also been instrumental in obtaining international regulatory approvals from US FDA, UK MHRA and other global health authorities.
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 31.03.2015.	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 LTD. for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 Agreements.

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 N. K. Mittal & Associates
Chartered Accountants

N.K. Mittal
Proprietor
Membership No. 46785
F. No. 113281W

Place: Mumbai
Date: 08th August, 2015

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, 2015 that:-

a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2015 and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d. We have indicated to the Auditors and the Audit committee:
   i. that there is no significant changes in internal control over financial reporting during the year;
   ii. that there are no significant changes in accounting policies during the year; and
   iii. that there is no instances of any fraud which we have become aware.

For Marksans Pharma Limited

Mark Saldanha
Managing Director

Jitendra Sharma
Chief Financial Officer

Place: Mumbai
Date: 30th May, 2015

Declaration on Compliance of the Company's Code of Conduct

This is to confirm that during the year ended 31st March, 2015 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 Clause 49 of the Listing Agreement with Stock Exchanges, in so far as it is applicable to them.

For **Marksans Pharma Limited**

Place: Mumbai
Date: 30th May, 2015

Mark Saldanha
Managing Director

Annexure F

Secretarial Audit Report

For the financial year ended on 31st March, 2015

[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 (W), 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 (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided 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, 2015 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, 2015 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 **(Not Applicable to the Company during the Audit Period);**

(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, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 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;

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to**

the Company during the Audit Period).

vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

a) The Drugs and Cosmetics Act, 1940

b) Drugs (Prices Control) Order, 1995 ("DPCO")

c) The Environment Protection Act,1986

d) The Water (Prevention and Control of Pollution) Act, 1974

e) The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified and hence not applicable during the audit period);

ii. The Listing Agreements entered into by the Company with the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above subject to observation that as required in terms of provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, the Company has not considered re-appointment of two existing Independent Directors as an Independent Director for a specified term, not liable to retire by rotation at their 22nd Annual General Meeting of the Company.

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 the review were carried out in accordance with the provision 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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, the specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. are mentioned below:

Sr. No.	Date of event	Details of the specific events/ actions bearing on Company's affairs pursuance of the above referred laws, rules, regulations, guidelines etc.
1.	25.09.2014	a) The Company has passed Special Resolution in Annual General Meeting pursuant to Section 180(1)(c) of the Act to borrow in excess of the aggregate of the paid up share capital and free reserves of the company subject to a maximum limit of ₹1,000 Crores over and above the aggregate of the paid up share capital and free reserves. b) The Company has passed Special Resolution in Annual General Meeting pursuant to Section 180 (1) (a) of the Act to create charges on the movable and immovable properties, both present and future of the Company from time to time.
2.	30.03.2015	The Company has issued and allotted 24006494 equity shares of face value of ₹1/- at a premium of ₹53.67/- per share to the qualified institutional buyers.

Khushboo Bakul Gopani
Practicing Company Secretary
Membership No. 29194

Date: 8th August, 2015
Place: Mumbai

Independent Auditor's Report

To
The Members of
MARKSANS PHARMA LIMITED

We have audited the accompanying standalone financial statements of **MARKSANS PHARMA LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2015 and a summary of significant accounting policies and other explanatory information .

Management's Responsibility for the Financial Statements

The Management and Board of Directors of the company are responsible for the matters stated in Section 134 (5) of the Companies Act 2013, ('the act') with respect of the preparation of theses standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rule 2014. This responsibility includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal control, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error .

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statement based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standard and matters which are required to be included in the audit report under the provision of the Act and rules made there under.

We conducted our audit in accordance with 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 financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors considers internal financial control relevant to the Company's preparation of the 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 Company has in place an adequate internal financial control system over financial reporting and the operating and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting polices used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us the aforesaid standalone 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 :-

(i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March 2015;

(ii) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and

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

Report on the Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143(3) of the Act, we further report that :

   (i) 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.

   (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

   (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (iv) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standard specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule 2014.

   (v) On the basis of the written representations received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, that none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of sub-section (2) of section 164 of the Act.

   (vi) In our opinion and to the best of our information and according to the explanation given to us, we report as under with respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014.

   a) The Company does not have any pending litigation which would impact its financial position.

   b) The Company did not have any long term contracts, including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   c) 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 N. K. MITTAL & ASSOCIATES
Chartered Accountants
FR No. 113281W

[CA N. K. MITTAL]
Proprietor
M No 46785

Place : Mumbai
Date : 30th May, 2015

CARO 2015 Report on the standalone financial statement of Marksans Pharma Limited for the year

To
The Members of
MARKSANS PHARMA LIMITED

1. (a) The Company is maintaining proper records showing full particulars, about its quantitative details and situation where it is located.

   (b) The fixed assets are physically verified by the management according to a phased programmed designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

2. (a) Physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the management. In respect of Inventory lying with third parties, these have substantially been confirmed by them.

   (b) In our opinion, the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

   (c) The Company has maintained proper records of inventory and as per the information and explanation given to us, no material discrepancies were noticed on physical verification .

3. The company has not taken/granted any loan secured or unsecured from/to companies, firm or other parties covered under register maintained under section 189 of the Companies Act 2013.

4. In our opinion and according to the information and explanations given to us, there are an adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the sale and services. In our opinion & according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.

5. In Our opinion and according to the information and explanations 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.

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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Employee's State Insurance, Cess and other statutory dues 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 and Cess were in arrears, as at 31-03-2015 for a period of more than 6 months from the date they became payable. The sales tax which have not been deposited on account of disputes and the forumwhere the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Amount (In ₹ Lacs)	Period to which the amount relates	Forum where disputes are pending
Commissioner of Sales Tax	Sales Tax (BST,CST) – 04-05	0.28	2004-2005	Commissioner of Sales Tax (Appeal)
Commissioner of Sales Tax	Sales Tax (BST,CST) – 04-05	7.62	2004-2005	Commissioner of Sales Tax (Appeal)
Total		7.90		

(c) According to the information and explanations given to us, there has not been any occasion of the Company during the year under report to transfer any sums to Investor Education and Protection Fund.

8. In our opinion and according to the information and explanations given to us, the accumulated losses of the Company were ₹24427.16 lacs as on 31-03-2014. The Company has earned profit of ₹6710.99.lacs during the current financial year and Net Worth of the Company is ₹35817.78 as on 31-03-2015.

9. According to the information and explanation given to us, the Company has not defaulted in payments of dues to financial institution and bank and debenture holders.

10. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has given guarantee to Bank for loans taken by its Subsidiary Company the terms and conditions whereof are not prejudicial to the interest of the company.

11. According to the records of the company examined by us and as per the information and explanation given to us, the Term Loans and Cash Credit loans availed by The company were prima facie, applied for the purpose for which the loans were obtained.

12. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated. Clause Para 4 matters listed in the Companies (Auditor's Report) Order 2015 for the year ended 31st March 2015 is not applicable to the company.

For **N. K. MITTAL & ASSOCIATES**
Chartered Accountants
FR No. 113281W

[CA N. K. MITTAL]
Proprietor
M No 46785

Place : Mumbai
Date : 30th May, 2015

Balance Sheet as at 31st March, 2015

Particulars	Note No.	31st March, 2015 ₹	31st March, 2014 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	534,313,698	520,307,204
(b) Reserves and surplus	4	3,047,464,330	1,078,892,255
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	-	198,154,043
(b) Deferred tax liabilities (Net)	6	5,032,406	18,677,590
4 Current liabilities			
(a) Short-term borrowings	7	435,216,125	580,587,258
(b) Trade payables	8	445,824,710	405,044,762
(c) Other current liabilities	9	398,805,624	735,859,917
(d) Short-term provisions	10	404,473,158	226,779,951
TOTAL		5,271,130,051	3,764,302,980
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		777,235,376	493,894,372
(ii) Intangible assets		122,877,081	174,255,769
(b) Non-current investments	12	676,163,898	676,163,898
(c) Long-term loans and advances	13	8,256,654	15,005,699
2 Current assets			
(a) Inventories	14	510,252,714	556,086,051
(b) Trade receivables	15	1,246,300,350	1,123,797,117
(c) Cash and cash equivalents	16	1,675,416,170	333,735,675
(d) Short-term loans and advances	17	254,627,808	391,364,399
(e) Other current assets		-	-
TOTAL		5,271,130,051	3,764,302,980
Significant Accounting Policies and Notes on Financial Statements	1 to 25		

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Statement of Profit and Loss for the year ended 31st March, 2015

	Particulars	Note No.	2014-15 ₹	2013-14 ₹
1	**Revenue from operations**	18	4,055,935,363	3,149,445,938
2	Other income	19	30,882,636	33,120,360
3	**Total Revenue (1 + 2)**		**4,086,817,999**	**3,182,566,298**
4	**Expenses:**			
	Cost of materials consumed	20	1,935,642,514	1,426,340,543
	Purchases of Stock-in-Trade		232,328,219	288,371,552
	Changes in inventories of finished goods, work-in-process and Stock-in-Trade	21	13,553,808	(18,406,344)
	Employee benefits expense	22	236,545,693	213,886,119
	Finance costs	23	131,129,624	152,127,854
	Depreciation and amortization expense	24	90,308,722	86,561,036
	Other expenses	25	480,459,404	401,093,733
	Total expenses		**3,119,967,984**	**2,549,974,493**
5	**Profit/(Loss) before exceptional and extraordinary items and tax (3-4)**		**966,850,015**	**632,591,805**
6	Exceptional items		-	-
7	**Profit/(Loss) before extraordinary items and tax (5-6)**		**966,850,015**	**632,591,805**
8	Extraordinary Items		-	-
9	**Profit/(Loss) before tax (7-8)**		**966,850,015**	**632,591,805**
10	Tax expense:			
	(1) Current Year		258,700,000	80,571,000
	(2) Earlier year		50,704,172	(15,082)
	(3) Deferred tax		(13,645,184)	(3,535,188)
	Total Tax Expenses		**295,758,988**	**77,020,730**
11	**Profit/(Loss) for the period from continuing operations (9-10)**		**671,091,027**	**555,571,075**
12	Profit/(Loss) from discontinuing operations		-	-
13	Tax expense of discontinuing operations		-	-
14	**Profit/(Loss) from Discontinuing operations (after tax) (12-13)**		**-**	**-**
15	**Profit/(Loss) for the period (11+14)**		**671,091,027**	**555,571,075**
16	Earnings per equity share:			
	(1) Basic		1.64	1.44
	(2) Diluted		1.64	1.44
	Significant Accounting Policies and Notes on financial Statements	1 to 25		

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Notes to financial statements for the year ended 31st March, 2015

1 BACKGROUND

Marksans Pharma Limited (The Company) together with it's subsidiaries, operates as an international pharmaceutical organisation with business encompassing the research, manufacturing, marketing and distribution of pharmaceutical products.

The company's equity shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The Financial Statements are prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), Including the Accounting Standards notified under the relevent provision of the Companies Act,2013.

2.2 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortisation.The Company capitalises all costs relating to the acquisition and installation of fixed assets.

2.3 Depreciation

Depreciation on fixed assets other than leasehold land is provided on Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act,2013.

2.4 Impairment of Assets

The company identifies impairable assets at the year end in terms of cash generating unit concept based on para - 5 to 13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, if any, when crystallizes is charged against revenue of the year.

2.5 Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including financing costs prior to commencement of commercial production is capitalized. All pre-operative and trial run expenditure accumulated as Capital work-in-progress is allocated on pro- rata basis depending on the prime cost of the assets.

2.6 Inventories

Inventories are valued at the lower of cost (net of CENVAT Credit and Input VAT) or Net Realisable Value as under :

Raw Materials, Packing Materials and Stores – At Weighted Average Cost on FIFO basis.

work-in-process - At Cost (Direct Cost plus Conversion Cost) upto estimated stage of completion.

Finished Goods - At Cost (Direct cost plus Conversion Cost and Excise Duty) or Net Realisable Value, whichever is lower.

2.7 Customs / Excise duty

Excise Duty on finished goods and Custom Duty on imported materials are accounted on production of packed finished goods / receipt of material in custom bonded warehouses. All the closing stock of finished goods lying at Goa factory is for export, hence provision for excise duty is not made.

2.8 Foreign Currency Transaction

a) Foreign currency transactions are recorded at the exchange rates prevailling on the date of such transactions.

Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailling 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 recognised in the statement of Profit and Loss,unless they are considered as an adjustment to borrowing costs.

b) Gain/Loss on account of foreign exchange fluctuation in respect of long term liabilities in foreign currencies specific to acquisition of fixed assets are recognised in the Statement of Profit and Loss.

Notes to financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

c) Forward contracts entered into by the Company to hedge the risk of existing assets or liabilities are accounted for as per Guidance Note contained in AS 11 'The Effects Of Changes in Exchange Rates (revised 2003)'.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Forward exchange contracts outstanding as at the year-end on account of firm commitment transaction are marked to market and the losses,If any are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.9 Research and Development

Capital expenditure on research and development is capitalized as fixed assets. Development cost relating to the new and improved product and/or process development is expensed as incurred.

2.10 Investments

Long term investments are stated at cost less any provision for permanent diminution in the value. The current investments are valued at lower of cost or market value.

2.11 Employee Benefits

Liability for Gratuity is accounted on accrual basis.

Annual contributions to Provident Fund & ESIC are accounted on accrual basis and charged to the Statement of Profit and Loss.

2.12 Revenue Recognition

The company recognises sale of goods on the invoice date. Sales comprise of amounts invoiced for goods sold, including excise duty wherever applicable but net of returns and trade discounts.Dividend Income is accounted on receipt of the same. CRAMS milestone revenues are recognised on signing of Agreement with respective parties.

Interest Income and Guarantee Commission

Interest income is recognised on the basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Guarantee commission is recognised in the Statement of Profit and Loss based on contractual terms.

2.13 Income Tax

Current Year:

Provision for current tax has been made in accordance with the Income Tax Laws prevailing for the relevant assessment year.

Deferred Tax:

Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.

Deferred tax assets/liabilities recognised as above is after excluding the amounts,which are getting reversed during the tax holiday period.

2.14 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 and an estimate can be made of the amount of the obligation. A disclosure for a

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

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 resouces is remote, no provision or disclosure is made.

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

Particulars	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	20.60	25.68
(b) Guarantees and Letter of Credit	5,529.81	8,342.30
(c) Other money for which the company is contingently liable		
Sales Tax		
Sales Tax (BST,CST) – 03-04	5.06	5.06
Sales Tax (BST,CST) – 04-05	7.90	7.90
	5,563.37	8,380.94

2.15 Foreign Currency Convertible Bonds (Bonds)

The Company had signed settlement agreement with few bond holders for settlement of 36,789 Bonds of USD 1,000 each in principal value representing about 97% of the outstanding bonds during February 2013. Out of that 21,511 bonds have been settled and cancelled. One bond holder holding 15,278 Bonds has defaulted in surrendering the third and final tranche bonds as per the settlement agreement even though the company was ready to pay the settlement consideration. They had already executed and surrendered first and second tranche bonds which were subsequently cancelled and extinguished but have defaulted in executing the third and final tranche settlement. The company has, therefore, filed a suit in the High Court of England for specific performance by the bond holder in accordance with the settlement agreement. In the meantime, the English High Court has granted injunction restraining the bond holder from selling or transferring their bonds to or create any interest in such bonds in favour of any person or entity other than the Company until further order of the court.

2.16 Accounting for Employee benefits

Liabilities for gratuity & other retirement benefits are accounted on accrual basis.

2.17 Segment Reporting as per AS 17

Business Segments

The Company is primarily engaged in a single business segment of manufacturing and marketing of Pharmaceutical Formulations and is managed as one entity for its various activities and is governed by a similar set of risks and returns.

Geographical Segments

In view of the management, the Indian and export markets represent geographical segments.

Segment Revenue	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
(a) Exports	40,043.11	31,170.26
(b) Local	516.24	324.20
Total	**40,559.35**	**31,494.46**

Notes to financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

2.18 Related Party Disclosures

As required by Accounting Standard 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India, list of parties with whom transactions have taken place during the year are as follows:

(a) Key Management Personnel / Directors - Remuneration:

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Mr.Mark Saldanha	19.02	19.02
Mrs. Sandra Saldanha(W.E.F. 25.09.2014)	36.26	-
Dr. Balwant S. Desai	73.81	36.62
Total	**129.09**	**55.64**

Rent paid to Mr. Mark Saldanha of ₹102.93 Lacs during the year.

(b) Parties where control exists

Subsidiary Companies

Nova Pharmaceuticals Australasia Pty Ltd

Marksans Pharma (UK) Limited

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

Nova Pharmaceuticals Australasia Pty Ltd - Subsidiary Company

Marksans Pharma (UK) Limited - Subsidiary Company

(d) Transactions with related parties during the year

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Subsidiary company		
Sale of Finished products	15112.55	10880.15
Dividend received	-	270.38
Purchase of Raw Material	5.53	
Balances outstanding at the end of the year		
Receivable from subsidiary	4069.97	4076.93

2.19 Finance Leases

Assets acquired under finance lease are recognised as assets with corresponding liabilities in the Balance Sheet at the inception of the lease at amounts equal to lower of the fair value of the leased asset or at the present value of the minimum lease payments. These leased assets are depreciated in line with the Company's policy on depreciation of fixed assets. The interest is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating Leases

Lease rent in respect of assets taken on operating lease are charged to the statement of Profit and Loss as per the terms of lease agreements.

2.20 Earnings per share

As per Accounting Standard 20 "Earnings Per Share" issued by ICAI, basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

Particulars	2014-2015 ₹	2013-2014 ₹
Earnings Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	671,091,027	555,571,075
2) Weighted average number of equity shares for Earnings Per Share computation		
a) For Basic Earnings Per Share of ₹1/- each	409,313,698	385,307,204
b) For Diluted Earnings Per Share of ₹1/- each		
- No. of Share for Basic EPS as per 2 a	409,313,698	385,307,204
- Add: Weighted average outstanding	-	-
- No. of Share for Diluted Earnings Per Share of ₹1/- each	409,313,698	385,307,204
3) Earning Per Share (Weighted Average)		
Basic	1.64	1.44
Diluted	1.64	1.44

2.21 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.

2.22 **Research and development expenditure**

During the year, the Company expensed ₹1,719.83 Lacs (Previous year ₹1975.63 Lacs) as research and development costs.

2.23 **Production, Sales and Stock**

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
(a) **Sale of Products**		
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	40,559.35	31,494.46
(b) **Finished goods purchased**		
Solid Orals, Tablets and Capsules (Including Soft Gelatin Capsules)	2,323.28	2,883.72
(c) **Raw, packing materials and consumables stores consumed**		
Ibuprofen	5,539.75	3,188.99
Metformin HCL	1,509.87	1,487.93
Paracetamol	741.28	1,057.36
Gliclazide	499.14	321.32
Gabapentin	407.17	177.41
Coating Material	424.35	274.71
Gelatin	392.84	440.33
Naproxin	389.36	216.75
Others	9,452.66	7,098.61
Total	**19,356.43**	**14,263.41**

Notes to financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

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

	(%) 2014-2015	Value 2014-2015	(%) 2013-2014	Value 2013-2014
Indigenous	55.17	10,678.54	53.87	7683.44
Imported	44.83	8,677.89	46.13	6579.97

	Opening Stock		Closing Stock	
	2014-2015	2013-2014	2014-2015	2013-2014
(e) Inventoreies of finished goods (manufactured)				
Solid Orals, Tablets and Capsules	451.93	402.49	513.17	451.93
(Including Soft Gelatin Capsules)				
(f) Inventoreies of finished goods(traded)				
Solid Orals, Tablets and Capsules	71.82	61.86	74.60	71.82
(Including Soft Gelatin Capsules)				

2.24 (a)

C. I. F. Value of Imports	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
- Raw materials	8,854.79	6003.47
- Capital Goods / Spare Parts and Components and others	1,994.87	987.13
Total Forex Outflow	10,849.66	6,990.60

(b) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

During the financial year 2014-15,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)

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Earnings in foreign currency from exports / other income	40,043.11	31,170.26

2.25 Corporate Social Responsibility

Corporate Social Responsibility expenditure is not applicable for the year.

2.26 Figures of the previous year have been regrouped and re-arranged wherever necessary, so as to make them comparable with the current year's figures.

Notes to financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015		31st March, 2014	
	Number	₹	Number	₹
3. SHARE CAPITAL				
Authorised				
Equity Shares of ₹1/- each	550,000,000	550,000,000	550,000,000	550,000,000
7% Redeemable Cumulative Preference Shares of ₹100/- each	1,400,000	140,000,000	1,400,000	140,000,000
Total	**551,400,000**	**690,000,000**	**551,400,000**	**690,000,000**
Issued, Subscribed & Paid up				
Equity Shares of ₹1/- each	409,313,698	409,313,698	385,307,204	385,307,204
7% Redeemable Cumulative Preference Shares of ₹100/- each	1,250,000	125,000,000	1,350,000	135,000,000
Total	**410,563,698**	**534,313,698**	**386,657,204**	**520,307,204**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares of ₹1/- each		7%Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	385,307,204	385,307,204	1,350,000	135,000,000
Shares Issued during the year*	24,006,494	24,006,494	-	-
Shares bought back/redeemed during the year**	-	-	100,000	10,000,000
Shares outstanding at the end of the year	409,313,698	409,313,698	1,250,000	125,000,000

* The Company has on 30th March, 2015 issued and allotted 2,40,06,494 Equity Shares of ₹1/- each face value to qualified institutional buyers under QIP pursuant to Section 42 of the Companies Act, 2013 and Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at ₹54.67 (including premium) determined in accordance with the said SEBI Regulations. Accordingly, the Issued, Subscribed and Paid-up Equity Share Capital of the Company has increased from ₹38,53,07,204 (Rupees thirty eight crore fifty three lac seven thousand two hundred four only) divided into 38,53,07,204 (thirty eight crore fifty three lac seven thousand two hundred four only) Equity Shares of ₹1/- (Rupee one only) each to ₹40,93,13,698/- (Rupees forty crore ninety three lac thirteen thousand six hundred ninety eight only) divided into 40,93,13,698 (Forty crore ninety three lac thirteen thousand six hundred ninety eight only) Equity Shares of ₹1/- (Rupee one only) each with effect from 30th March, 2015.

** In accordance with the terms of issue of 7% Redeemable Cumulative Preference Shares of ₹100/- each (the Preference Shares), the Company has decided to pre-redeem the preference shares in tranches before the redemption date of 27th March, 2018. Accordingly, the Company has on 07th February, 2015 redeemed 1,00,000 Preference Shares at par. Consequently, the Issued, Subscribed and Paid-up Preference Share Capital of the Company has reduced from ₹13,50,00,000 (Rupees thirteen crore fifty lac only) divided into 13,50,000 (thirteen lac fifty thousand only) Preference Shares of ₹100/- (Rupees one hundred only) each to ₹12,50,00,000 (Rupees twelve crore fifty lac only) divided into 12,50,000 (twelve lac fifty thousand only) Preference Shares of ₹100/- (Rupees one hundred only) each with effect from 07th February, 2015.

Notes to financial statements for the year ended 31st March, 2015

3. SHARE CAPITAL *(contd.)*

b. **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.

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

The Company had issued 1,350,000 7% Redeemable Cumulative Preference Shares of ₹100/- each (Preference Shares) fully paid-up to Glenmark Pharmaceuticals Limited on 27th March, 2013 against redemption of 1,350,000 7% Redeemable Cumulative Preference Shares of ₹100/- each issued on 27th March, 2008. These new preference shares will be due for redemption on 27th March,2018. However, In accordance with the terms of issue, the Company has decided to pre-redeem the preference shares in tranches before the redemption date of 27th March, 2018.

Accordingly, the Company has on 07th February, 2015 redeemed 1,00,000 Preference Shares at par . These 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.

d. 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 preference shares as stated in Note No.3a above.

e. As on 31st March, 2015, 61 Bonds of USD 1000 each in principal value are unsettled and outstanding as they are remaining untraceable. In accordance with the terms of the issue of the Bonds, these Bonds carry conversion rights until they are redeemed or repurchased. Accordingly, 81,314 equity shares of ₹1/- each will be issued in case the bond holders opt for the conversion of the said 61 Bonds into equity shares.

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

Particulars	31st March, 2015		31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid				
Mr. Mark Saldanha	197,491,553	48.25	197,491,553	51.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid				
Glenmark Pharmaceuticals Limited	1,250,000	100	1,350,000	100

Notes to financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
4. RESERVES & SURPLUS		
a. Capital Reserves	122,500	122,500
	122,500	122,500
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Transferred from Profit and Loss	10,000,000	-
Closing Balance	10,000,000	-
c. Securities Premium Account		
Opening Balance	462,888,795	462,888,795
(+) Securities premium credited on Share issue	1,288,428,533	-
Closing Balance	1,751,317,328	462,888,795
d. General Reserve		
Opening Balance	3,058,597,200	3,058,597,200
(+) Current Year Transfer	78,768,369	-
(-) Written Back in Current Year	-	-
Closing Balance	3,137,365,569	3,058,597,200
e. Surplus		
Opening balance	(2,442,716,240)	(2,942,152,271)
(+) Net Profit/(Net Loss) For the current year	671,091,027	555,571,075
(-) Transfer to Capital Redemption reserve	(10,000,000)	-
(-) Proposed Dividend	(57,867,644)	(47,980,720)
(-) Dividend Distribution Tax on Proposed Dividend	(11,848,210)	(8,154,324)
Closing Balance	(1,851,341,067)	(2,442,716,240)
Total	3,047,464,330	1,078,892,255

5. LONG TERM BORROWINGS		
Secured		
a. Term loans		
from banks	-	198,000,000
b. Vehicle Loan	-	154,043
Total	-	198,154,043

6. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities : DTL		
Related to Fixed Assets	20,229,044	18,677,590
Deferred Tax Assets : DTA		
Disallowances under Income Tax Act, 1961	15,196,638	-
Net DTA / DTL	5,032,406	18,677,590

Notes to financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
7. SHORT TERM BORROWINGS		
Secured		
Working Capital facilities from Bank	435,216,125	580,587,258
Total	435,216,125	580,587,258

7.1 Working capital facilities are secured by hypothecation of current assets and all the movable fixed assets and equitable mortgage of the immovable assets.

8. TRADE PAYABLE		
a) Total outstanding dues to Micro and Small enterprises*		
b) Total outstanding dues to other than Micro and Small enterprises	445,824,710	405,044,762
Total	445,824,710	405,044,762

* Refer Note no.2.21 on outstanding dues from Micro and Small enterprises.

Trade Payable Includes general and miscellaneous creditors.

9. OTHER CURRENT LIABILITIES		
a. Current maturities of Term Loan	63,884,874	113,668,851
b. Current maturities of Vehicle Loan	154,043	214,430
c. Foreign Currency Convertible Bonds*	334,218,095	621,966,636
d. Unclaimed Dividend	538,612	-
e. Deposits	10,000	10,000
Total	398,805,624	735,859,917

9.1 Foreign Curreny Convertible Bonds (Bonds)

The Company had issued 50,000 Bonds of USD 1,000 each in principal value. Out of that, the Company has bought back/ entered into settlement agreement for 49,939 Bonds. Under the settlement agreement, USD 5,250,000 is remaining to be paid as on 31st March, 2015. The balance 61 Bonds are outstanding as on 31st March, 2015 as the same are untraceable. Adequate provisions have been made in the books of account for both these cases. Accordingly, the current outstanding (including payables under the settlement agreement) as above is USD 5,338,572 (₹334,218,095) as on 31st March, 2015.

9.2 Current maturities of Term Loan

The term loan is secured by hypothecation of current assets and all the movable fixed assets, equitable mortgage of the immovable assets and personal guarantee by Mr.Mark Saldanha, Managing Director.

There areno overdues repayment of the term loan.

10. SHORT TERM PROVISIONS		
a. Provision for Gratuity and compensated absences		
-Gratuity	6,862,445	5,925,094
-Compensated absences	30,796,983	22,938,652
b. Others	144,615,032	61,344,897
c. Proposed Dividend	57,867,644	47,980,720
d. Dividend Distribution Tax on Proposed Dividend	11,848,210	8,154,324
e. Income Tax provision	152,482,844	80,436,264
Total	404,473,158	226,779,951

Notes to financial statements for the year ended 31st March, 2015

11. FIXED ASSETS

	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 1st April 2014	Additions	Disposals	Impairments	Balance as at 31st Mar 2015	Balance as at 1st April 2014	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2015	Balance as at 31st Mar 2015	Balance as at 31st Mar 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Land	9,665,840	-	-	-	9,665,840	-	-	-	-	9,665,840	9,665,840
Buildings	177,060,451	129,300,774	-	-	306,361,225	63,456,614	6,065,291	-	69,521,905	236,839,320	113,603,837
Plant and Equipment	552,994,938	119,022,331	-	-	672,017,269	191,972,781	28,481,765	-	220,454,546	451,562,723	361,022,157
Furniture and Fixtures	8,347,156	23,876,653	-	-	32,223,809	4,027,627	1,203,162	-	5,230,789	26,993,020	4,319,529
Vehicles	8,016,649	48,270,090	-	-	56,286,739	5,885,712	1,907,089	-	7,792,801	48,493,938	2,130,937
Office equipment	4,953,902	433,223	-	-	5,387,125	2,641,074	333,948	-	2,975,022	2,412,103	2,312,828
Computer and Software	27,558,725	1,367,967	-	-	28,926,692	26,719,481	938,779	-	27,658,260	1,268,432	839,244
Total	**788,597,661**	**322,271,038**	**-**	**-**	**1,110,868,699**	**294,703,289**	**38,930,034**	**-**	**333,633,323**	**777,235,376**	**493,894,372**
Intangible Assets											
Internally Generated ANDA,Market Authorisations, Product Licences & Others	513,786,882	-	-	-	513,786,882	339,531,113	51,378,688	-	390,909,801	122,877,081	174,255,769
Total	**513,786,882**	**-**	**-**	**-**	**513,786,882**	**339,531,113**	**51,378,688**	**-**	**390,909,801**	**122,877,081**	**174,255,769**
Total (a+b)	**1,302,384,543**	**322,271,038**	**-**	**-**	**1,624,655,581**	**634,234,402**	**90,308,722**	**-**	**724,543,124**	**900,112,457**	**668,150,141**
Previous year figure	1,276,227,236	26,174,297	16,990	-	1,302,384,543	547,681,115	86,561,036	7,749	634,234,402	668,150,141	728,546,121

11.1 Land held on leasehold basis. Building includes those constructed on leasehold land.

11.2 Pursuant to the Companies Act, 2013 ("The Act), effective 1st April 2014, the Compnay has revised the estimated useful lives of its fixed assets to ensure Compliance with the stipulaton of Schedule II of the Act. Accordingly the unamortised depreciable amount of the fixed assets have been charged over the revised remaining useful lives .This has the impact of depreciation charge . Further, the caring amount of fixed assets, where the remaining useful life of the asset as per Schedule II is nil as on 01.04.2014, is recognised in the opening balance of retained earnings.

Notes to financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
12. NON-CURRENT INVESTMENTS		
Trade Investments		
Investment in subsidiaries(Unquoted)	676,163,898	676,163,898
Total	676,163,898	676,163,898

12.1 Investement in Equity Instruments

Name of the Body Corporate	Nova Pharmaceuticals Australasia Pty Ltd.		Investment in Marksans Pharma (UK) LTD.	
Subsidiary / Associate / JV / Controlled Entity / Others	Subsidiary		Subsidiary	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
No. of Shares	90	90	8492565	8492565
Quoted / Unquoted	Unquoted	Unquoted	Unquoted	Unquoted
Partly Paid / Fully paid	Fully Paid	Fully Paid	Fully Paid	Fully Paid
Extent of Holding (%)	60%	60%	100%	100%
Amount (₹)	15,905,003	15,905,003	660,258,895	660,258,895
Whether stated at Cost - Yes / No	Yes	Yes	Yes	Yes
If Answer to Column above is 'No' - Basis of Valuation	N.A.	N.A.	N.A.	N.A.

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
13. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good	8,256,654	15,005,699
Total	8,256,654	15,005,699

14. INVENTORIES		
a. Raw Materials and Packing Materials	401,508,813	433,788,342
b. Work-in-process	49,967,114	69,922,529
c. Finished goods	51,317,029	45,193,440
d. Stock-in-trade	7,459,758	7,181,740
Total	510,252,714	556,086,051

15. TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period more than six months from due date	4,740,401	-
Others	1,241,559,949	1,123,797,117
Total	1,246,300,350	1,123,797,117

Notes to financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
16. CASH AND CASH EQUIVALENTS		
a. Balances with banks*	1,319,530,187	5,339,486
b. Cash in hand	405,291	374,299
c. Bank deposits with less than 12 months maturity	355,446,453	327,987,651
d. Margin Money	34,239	34,239
Total	**1,675,416,170**	**333,735,675**

* This Includes ₹13124.35 Lacs received against Issue of 24,006,494 equity shares under QIP.

17. SHORT-TERM LOANS AND ADVANCES		
a. Advance recoverable in cash or kind		
Unsecured, considered good	254,627,808	391,364,399
Total	**254,627,808**	**391,364,399**

Particulars	2014-15 ₹	2013-14 ₹
18. REVENUE FROM OPERATIONS		
Sale of products	4,029,220,066	3,134,224,543
Other operating revenues	26,715,297	15,221,395
Less: Excise duty	-	-
Total	**4,055,935,363**	**3,149,445,938**

19. OTHER INCOME		
Interest Income	30,882,636	6,082,534
Dividend Income	-	27,037,826
Total	**30,882,636**	**33,120,360**

20. COST OF MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	433,788,342	409,284,390
Add: Purchases	1,903,362,985	1,450,844,495
Less: Inventory at the end of the Year	(401,508,813)	(433,788,342)
Cost of material and components consumed	**1,935,642,514**	**1,426,340,543**

Notes to financial statements for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventory at the beginning of the year	122,297,709	103,891,365
Inventory at the end of the Year	(108,743,901)	(122,297,709)
Changes in inventories of finished goods, work-in-process and stock-in-trade	**13,553,808**	**(18,406,344)**

22. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and Wages	212,116,763	192,912,814
(b) Contributions to - Providend fund, E.S.I.C. and other fund	7,301,723	5,370,940
(c) Staff welfare expenses	17,127,207	15,602,365
Total	**236,545,693**	**213,886,119**

23. FINANCE COSTS		
Interest expense	62,211,921	68,173,237
Others	26,576,037	28,782,967
Interest on Income Tax	15,216,776	-
Applicable net loss on foreign exchange	27,124,890	55,171,650
Total	**131,129,624**	**152,127,854**

24. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	38,930,034	35,182,348
Amortization of intangible asssets	51,378,688	51,378,688
Total	**90,308,722**	**86,561,036**

Notes to financial statements for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
25. OTHER EXPENSES		
Water Charges	4,769,840	4,034,642
Power & Fuel	72,622,561	60,608,665
Freight Inward & Raw Material Clearing Charges	23,553,279	27,290,085
Repairs & Maintenance - Plant and Machinery	35,442,787	25,951,195
Repairs & Maintenance - Building	5,258,448	3,916,177
Other Manufacturing Expenses	33,916,463	28,599,847
Rent	16,036,680	21,271,307
Rates & Taxes	1,124,532	346,355
Travelling Expenses	17,568,866	14,570,044
Communication Expenses	2,213,582	2,848,817
Courier & Postage Expenses	1,579,718	2,591,289
Printing & Stationery	5,404,784	4,922,386
Audit Fees	337,000	337,000
Vehicle Expenses & Local Conveyance	9,854,633	3,877,357
Legal & Professional Fees	23,732,009	25,704,139
Office Expenses	1,211,011	13,619
Insurance Charges	5,816,956	6,931,687
Exchange Loss/(Gain)	(97,294,865)	(51,009,832)
Loss on sale of Fixed Assets	-	3,907
Other Operating Expenses	56,058,712	47,584,064
Freight Outward & Export clearing Exps	166,402,721	118,524,208
Expenses on issue of share under QIP	55,886,428	-
Selling & Distribution Expenses	38,963,259	52,176,775
Total	**480,459,404**	**401,093,733**

25.1 Details of Payments to the Auditor		
a. As Auditor	337,000	337,000
Total	**337,000**	**337,000**

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Statement of Cash Flow for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	966,850,015	632,591,805
Adjustments to reconcile profit before tax and prior period items to cash provided by operations:		
-Depreciation	90,308,722	86,561,036
-Expenses on issue of share under QIP	55,886,428	-
-Loss on sale of Fixed Assets	-	3,907
-Interest Expense	62,211,921	68,173,237
-Interest Income	(30,882,636)	(6,082,534)
Operating Profit before working capital changes	1,144,374,450	781,247,451
Movements in working capital :		
(Increase)/Decrease in Inventories	45,833,337	(42,910,296)
(Increase)/Decrease in Trade and other receivables	(122,503,233)	(209,608,696)
(Increase)/Decrease in loans and advances	143,485,637	(140,097,231)
Increase/(Decrease) in Trade Payable and short term provisions	218,473,154	233,731,896
Income Tax Paid	(309,404,172)	(80,555,918)
Net cash used in operating activities	1,120,259,173	541,807,206
B. Cash Flow provided by (used in) Investing Activities:		
(Purchase)/Sale of Fixed Assets	(322,271,039)	(26,168,962)
Investment	-	-
Interest Income	30,882,636	6,082,534
Net Cash Flow provided by (used in) Investing Activities	(291,388,403)	(20,086,428)
C. Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	24,006,494	-
Redemption of Preference Share Capital	(10,000,000)	-
Increase in Share Premium	1,288,428,533	-
Increase in General Reserve	78,768,369	-
Proposed Dividend and Dividend Distribution Tax on it	(69,715,854)	(56,135,044)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(680,579,468)	(67,806,368)
Interest Expense	(62,211,921)	(68,173,237)
Expenses on issue of share under QIP	(55,886,428)	-
Net Cash Flow provided by (used in) Financing Activities	512,809,725	(192,114,649)
Net Increase /(Decrease) in Cash and Bank Balances	1,341,680,495	329,606,129
Cash & Bank Balances as at 31.03.2014	333,735,675	4,129,546
Cash & Bank Balances as at 31.03.2015	1,675,416,170	333,735,675
	1,341,680,495	329,606,129

Notes:

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

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

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Independent Auditor's Report

To
The Members of
MARKSANS PHARMA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement 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 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 thereunder.

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 31st March, 2015, and their consolidated profit and loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statement of the subsidiaries, whose financial statements reflect total assets of ₹23165.48 Lacs as at 31st March, 2015 and total revenues of ₹39134.91 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of other auditors.

Report on the Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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 31st March, 2015 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 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) 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 **N. K. MITTAL & ASSOCIATES**
Chartered Accountants
FR No. 113281W

[CA N. K. MITTAL]
Proprietor
M No 46785

Place : Mumbai
Date : 30th May, 2015

CARO 2015 Report on the consolidated financial statement of Marksans Pharma Limited for the year ended 31st March, 2015.

To
The Members of
MARKSANS PHARMA LIMITED

1. In respect of the fixed assets of the Group:

   a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion and the opinion of the other auditors, is reasonable. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.

2. In respect of the inventories of the Group:

   a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.

   b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

   c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

3. The Group has not taken/granted any loan secured or unsecured from/to companies, firm or other parties covered under register maintained under section 189 of the Companies Act 2013:

4. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Group commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.

5. In Our opinion and according to the information and explanations given to us, the Group 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.

6. According to the information and explanations given to us and the other auditors, in our opinion the Group has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the holding company and jointly controlled companies incorporated in India ;

   a) The respective entities have generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

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 and Cess were in arrears, as at 31-03-2015 for a period of more than 6 months from the date they became payable. The sales tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Amount (In ₹ Lacs)	Period to which the amount relates	Forum where disputes are pending
Commissioner of Sales Tax	Sales Tax (BST,CST) – 04-05	0.28	2004-2005	Commissioner of Sales Tax (Appeal)
Commissioner of Sales Tax	Sales Tax (BST,CST) – 04-05	7.62	2004-2005	Commissioner of Sales Tax (Appeal)

(c) According to the information and explanations given to us, there has not been a occasion of the Company during the year under report to transfer any sums to Investor Education and Protection Fund.

8. In our opinion and according to the information and explanations given to us, the accumulated losses of the Company were ₹25,398.43 lacs as on 31-03-2014. The Company has earned profit of ₹10,939.65.lacs during the current financial year and Net Worth of the Company is ₹37,976.39 as on 31-03-2015.

9. According to the information and explanation given to us, the Group has not defaulted in payments of dues to financial institution and bank and debenture holders.

10. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Holding company has given guarantee to Bank for loans taken by its Subsidiary Company the terms and conditions whereof are not prejudicial to the interest of the company.

11. According to the records of the company examined by us and as per the information and explanation given to us, the Term Loans and Cash Credit loans availed by The Group were prima facie, applied for the purpose for which the loans were obtained.

12. To the best of our knowledge and according to the information and explanations given to us, and the other auditors, no fraud by the Group and no material fraud on the Group has been noticed or reported during the year.

For N. K. MITTAL & ASSOCIATES
Chartered Accountants
FR No. 113281W

[CA N. K. MITTAL]
Proprietor
M No 46785

Place : Mumbai
Date : 30th May, 2015

Consolidated Balance Sheet as at 31st March, 2015

Particulars	Note No.	31st March, 2015 ₹	31st March, 2014 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	534,313,698	520,307,204
(b) Reserves and surplus	4	3,263,324,967	901,517,023
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
Minority Interest		81,002,032	66,355,369
3 Non-current liabilities			
(a) Long-term borrowings	5	-	198,154,043
(b) Deferred tax liabilities (Net)	6	14,550,897	23,424,746
4 Current liabilities			
(a) Short-term borrowings	7	821,856,156	1,055,392,474
(b) Trade payables	8	1,070,195,350	831,817,806
(c) Other current liabilities	9	398,805,624	965,789,884
(d) Short-term provisions	10	571,497,711	338,193,964
TOTAL		6,755,546,435	4,900,952,513
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,023,704,523	724,825,374
(ii) Intangible assets		635,270,717	731,670,491
(b) Non-current investments		-	-
(c) Long-term loans and advances	12	8,256,654	15,005,699
2 Current assets			
(a) Inventories	13	1,301,067,804	1,025,887,430
(b) Trade receivables	14	1,834,543,614	1,696,072,320
(c) Cash and cash equivalents	15	1,852,652,098	469,469,982
(d) Short-term loans and advances	16	100,051,025	238,021,217
(e) Other current assets		-	-
TOTAL		6,755,546,435	4,900,952,513
Significant Accounting Policies and Notes on Financial Statements	1 to 24		

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
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, 2015

	Particulars	Note No.	2014-15 ₹	2013-14 ₹
1	**Revenue from operations**	17	7,966,876,152	6,299,968,700
2	Other income	18	33,433,155	35,040,630
3	**Total Revenue (1 + 2)**		**8,000,309,307**	**6,335,009,330**
4	**Expenses:**			
	Cost of materials consumed	19	2,777,438,550	2,290,466,524
	Purchases of Stock-in-Trade		1,689,945,195	1,416,544,239
	Changes in inventories of finished goods, work-in-process and Stock-in-Trade	20	(12,998,570)	(27,717,585)
	Employee benefits expense	21	726,060,431	664,410,719
	Finance costs	22	160,453,648	191,329,152
	Depreciation and amortization expense	23	161,340,167	156,911,928
	Other expenses	24	939,225,473	778,950,013
	Total expenses		**6,441,464,894**	**5,470,894,990**
5	**Profit/(Loss) before exceptional and extraordinary items and tax (3-4)**		**1,558,844,413**	**864,114,340**
6	Exceptional items		-	-
7	**Profit/(Loss) before extraordinary items and tax (5-6)**		**1,558,844,413**	**864,114,340**
8	Extraordinary Items		-	-
9	**Profit/(Loss) before tax (7-8)**		**1,558,844,413**	**864,114,340**
10	Tax expense:			
	(1) Current Year		396,803,812	131,420,463
	(2) Earlier year		50,635,386	(15,082)
	(3) Deferred tax		(8,230,464)	(3,535,188)
	Total Tax Expenses		**439,208,734**	**127,870,193**
11	**Profit/(Loss) for the period from continuing operations (9-10)**		**1,119,635,679**	**736,244,147**
12	Profit/(Loss) from discontinuing operations		-	-
13	Tax expense of discontinuing operations		-	-
14	**Profit/(Loss) from Discontinuing operations (after tax) (12-13)**		**-**	**-**
15	**Profit/(Loss) for the period before adjustment for Minority interest(11+14)**		1,119,635,679	736,244,147
16	**Less: Minority Interest**		25,670,452	17,167,312
17	**Profit/(Loss) for the period after adjustment for Minority interest(15-16)**		1,093,965,227	719,076,835
18	Earnings per equity share:			
	(1) Basic		2.67	1.87
	(2) Diluted		2.67	1.87
	Significant Accounting Policies and Notes on financial Statements	1 to 24		

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Notes to Consolidated financial statements for the year ended 31st March, 2015

1 BACKGROUND

a. The financial statements of the parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, Income and expenses after eliminating intra- group balances. Minority interest in subsidiaries represents the minority shareholders' proportionate share of the net assets and net income.

b. The Consolidated financial statement envisages combining of financial statement of Marksans Pharma Limited and its following subsidiaries.

Name of Subsidiary	Country of Incorporation	Percentage of Ownership
(1) Nova Pharmaceuticals Australasia Pty Ltd	Australia	60%
(2) Marksans Pharma (UK) Limited	UK	100%
a) Relonchem Limited.		
b) Marksans Holdings Limited.		
-Bell Sons and Co. (Druggists) Limited		

c. Assets and Liabilities of foreign subsidiary are translated into Indian Rupees at the rate of exchange prevailing as at the Balance Sheet Date. Revenues and expenses are translated into Indian Rupees at average exchange rates prevailing during the year and the resulting net transaction adjustment has been adjusted to reserve.

d. The difference between the costs to the company of its investment in the subsidiary companies over the Company's portion of equity is recognised in the financial statements as Goodwill or Capital Reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The Financial Statements are prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), Including the Accounting Standards notified under the relevant provision of the Companies Act, 2013.

2.2 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortisation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

2.3 Depreciation

Depreciation on fixed assets other than leasehold land is provided on Straight Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act,2013.

2.4 Impairment of Assets

The company identifies impairable assets at the year end in terms of cash generating unit concept based on para - 5 to 13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, if any, when crystallizes is charged against revenue of the year.

2.5 Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including financing costs prior to commencement of commercial production is capitalized. All pre-operative and trial run expenditure accumulated as Capital Work-in-Progress is allocated on a pro- rata basis depending on the prime cost of the assets.

2.6 Inventories

Inventories are valued at the lower of cost (net of CENVAT Credit and Input VAT) or Net Realisable Value as under :

Raw Materials, Packing Materials and Stores – At Weighted Average Cost on FIFO basis.

Notes to Consolidated financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Work-in-Process - At Cost (Direct Cost plus Conversion Cost) upto estimated stage of completion.

Finished Goods - At Cost (Direct cost plus Conversion Cost and Excise Duty) or Net Realisable Value, whichever is lower.

2.7 Customs / Excise duty

Excise Duty on finished goods and Custom Duty on imported materials are accounted on production of packed finished goods / receipt of material in custom bonded warehouses. All the closing stock of finished goods lying at Goa factory is for export, hence provision for excise duty is not made.

2.8 Foreign Currency Transaction

a) Foreign currency transaction are recorded at the exchange rates prevailing on 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 recognised in the Statement of Profit and Loss,unless they are considered as an adjustment to borrowing costs.

b) Gain/Loss on account of foreign exchange fluctuation in respect of long term liabilities in foreign currencies specific to acquisition of fixed assets are recognised in the Statement of Profit and Loss.

c) Forward contracts entered into by the Company to hedge the risk of existing assets or liabilities are accounted for as per Guidance Note contained in AS 11 'The Effects Of Changes in Exchange Rates (revised 2003)'.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Forward exchange contracts outstanding as at the year-end on account of firm commitment transaction are marked to market and the losses,if any are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.9 Research and Development

Capital expenditure on research and development is capitalized as fixed assets. Development cost relating to the new and improved product and/or process development is expensed as incurred.

2.10 Investments

Long term investments are stated at cost less any provision for permanent diminution in the value. The current investments are valued at lower of cost or market value.

2.11 Employee Benefits

Liability for Gratuity is accounted on accrual basis.

Annual contributions to Provident Fund & ESIC are accounted on accrual basis and charged to the Statement of Profit and Loss.

2.12 Revenue Recognition

The company recognizes sale of goods on the invoice date. Sales comprise of amounts invoiced for goods sold, including excise duty wherever applicable but net of returns and trade discounts. Dividend Income is accounted on receipt of the same. CRAMS milestone revenues are recognised on signing of Agreement with respective parties.

Interest Income and Guarantee Commission

Interest income is recognised on the basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Guarantee commission is recognised in the Statement of Profit and Loss based on contractual terms.

Notes to Consolidated financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

2.13 Income Tax

Current Year:

Provision for current tax has been made in accordance with the Income Tax Laws prevailing for the relevant assessment year.

Deferred Tax:

Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.

Deferred tax assets/liabilities recognised as above is after excluding the amounts,which are getting reversed during the tax holiday period.

2.14 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 and an 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 liklihood of outflow of resources is remote, no provision or disclosure is made.

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

Particulars	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	20.60	25.68
(b) Guarantees and Letter of Credit	5,529.81	8,342.30
(c) Other money for which the company is contingently liable		
Sales Tax		
Sales Tax (BST,CST) – 03-04	5.06	5.06
Sales Tax (BST,CST) – 04-05	7.90	7.90
	5,563.37	8,380.94

2.15 Foreign Currency Convertible Bonds

The Company had signed settlement agreement with few bond holders for settlement of 36,789 Bonds of USD 1,000 each in principal value representing about 97% of the outstanding bonds during February 2013. Out of that 21,511 bonds have been settled and cancelled. One bond holder holding 15,278 Bonds has defaulted in surrendering the third and final tranche bonds as per the settlement agreement even though the company was ready to pay the settlement consideration. They had already executed and surrendered first and second tranche bonds which were subsequently cancelled and extinguished but have defaulted in executing the third and final tranche settlement. The company has, therefore, filed a suit in the High Court of England for specific performance by the bond holder in accordance with the settlement agreement. In the meantime, the English High Court has granted injunction restraining the bond holder from selling or transferring their bonds to or create any interest in such bonds in favour of any person or entity other than the Company until further order of the court.

Notes to Consolidated financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

2.16 Related Party Disclosures

As required by Accounting Standard 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India, list of parties with whom transactions have taken place during the year are as follows:

(a) Key Management Personnel / Directors - Remuneration:

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Mr. Mark Saldanha	19.02	19.02
Mrs. Sandra Saldanha(W.E.F. 25.09.2014)	36.26	-
Dr. Balwant S. Desai	73.81	36.62
Total	**129.09**	**55.64**

Rent paid to Mr. Mark Saldanha of ₹102.93 Lacs during the year.

(b) Parties where control exists

Subsidiary Companies

Nova Pharmaceuticals Australasia Pty Ltd

Marksans Pharma (UK) Limited

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

Nova Pharmaceuticals Australasia Pty Ltd - Subsidiary Company

Marksans Pharma (UK) Limited - Subsidiary Company

(d) Transactions with related parties during the year

	2014-2015 (₹ in lacs)	2013-2014 (₹ in lacs)
Subsidiary company		
Sale of Finished products	15112.55	10880.15
Dividend received	-	270.38
Purchase of Raw Material	5.53	
Balances outstanding at the end of the year		
Receivable from subsidiary	4069.97	4076.93

2.17 Earnings per share

As per Accounting Standard 20 "Earnings Per Share" issued by ICAI, basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to Consolidated financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

Particulars	2014-2015 ₹	2013-2014 ₹
Earnings Per Share (EPS)		
1) Net profit as per the Statement of Profit and Loss available for equity shareholders	1,093,965,227	719,076,835
2) Weighted average number of equity shares for Earnings Per Share computation		
a) For Basic Earnings Per Share of ₹1/- each	409,313,698	385,307,204
b) For Diluted Earnings Per Share of ₹1/- each		
- No. of Share for Basic EPS as per 2 a	409,313,698	385,307,204
- Add: Weighted average outstanding	-	-
- No. of Share for Diluted Earnings Per Share of ₹1/- each	409,313,698	385,307,204
3) Earning Per Share (Weighted Average)		
Basic	2.67	1.87
Diluted	2.67	1.87

2.18 Additional information as required under Schedule III to the Companies Act,2013, of enterprises consolidated as Subsidiary

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount - ₹	As % of consolidated profit or loss	Amount - ₹
Parent				
Marksans Pharma Limited	94.32	3,581,778,026	61.34	671,091,027
Subsidiaries				
Marksans Pharma (UK) Limited	2.48	94,366,897	35.14	384,368,523
Nova Pharmaceuticals Australasia Pty Ltd	5.33	202,495,774	5.87	64,176,131
Minority Interests in Subsidiaries	2.13	81,002,032	2.35	25,670,452

Notes to Consolidated financial statements for the year ended 31st March, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

2.19 Information of Subsidiaries

Particulars	Currency	Bell Sons & Co (Druggists) Limited	Relonchem Limited	Marksans Pharma (U.K.) Limited CONSOLIDATED	Currency	NOVA Pharmaceuticals Australasia Pty Ltd
Capital	GBP	6334	2300	8492565	AUD	150
	₹	588265	213611	660258895	₹	4781
Reserve	GBP	4449667	7181859	1606857	AUD	4194532
	₹	413259263	667009409	94366897	₹	202500299
Total Assets	GBP	11346611	13463687	24545190	AUD	4697188
	₹	1053807419	1250429159	2089851392	₹	226696877
Total Liabilities	GBP	11346611	13463687	24545190	AUD	4697188
	₹	1053807419	1250429159	2089851392	₹	226696877
Investment	GBP	-	-	-	AUD	-
	₹	-	-	-	₹	-
Turnover	GBP	19419682	17052510	33688703	AUD	10816046
	₹	1919254940	1685306384	3329467993	₹	581472796
Profit/(Loss) Before Taxation	GBP	1523916	3810241	5062351	AUD	1705355
	₹	150609228	376567642	500314174	₹	91680226
Provision for Taxation	GBP	332709	840469	1173178	AUD	511607
	₹	32881764	83063887	115945651	₹	27504095
Profit/(Loss) After Taxation	GBP	1191207	2969772	3889173	AUD	1193748
	₹	117727464	293503755	384368523	₹	64176131
Dividend	GBP	-	-	-	AUD	0
	₹	-	-	-	₹	0

2.20 Research and development expenditure

During the year, the Company expensed ₹1719.83 Lacs (Previous year ₹1975.63 Lacs) as research and development costs.

2.21 Corporate Social Responsibility

Corporate Social Responsibility expenditure is not applicable for the year.

2.22 Figures of the previous year have been regrouped and re-arranged wherever necessary, so as to make them comparable with the current year's figures.

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015		31st March, 2014	
	Number	₹	Number	₹
3. SHARE CAPITAL				
Authorised				
Equity Shares of ₹1/- each	550,000,000	550,000,000	550,000,000	550,000,000
7% Redeemable Cumulative Preference Shares of ₹100/- each	1,400,000	140,000,000	1,400,000	140,000,000
Total	**551,400,000**	**690,000,000**	**551,400,000**	**690,000,000**
Issued, Subscribed & Paid up				
Equity Shares of ₹1/- each	409,313,698	409,313,698	385,307,204	385,307,204
7% Redeemable Cumulative Preference Shares of ₹100/- each	1,250,000	125,000,000	1,350,000	135,000,000
Total	**410,563,698**	**534,313,698**	**386,657,204**	**520,307,204**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares of ₹1/- each		7%Redeemable Cumulative Preference Shares of ₹100/- each	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	385,307,204	385,307,204	1,350,000	135,000,000
Shares Issued during the year*	24,006,494	24,006,494	-	-
Shares bought back/redeemed during the year**	-	-	100,000	10,000,000
Shares outstanding at the end of the year	409,313,698	409,313,698	1,250,000	125,000,000

* The Company has on 30th March, 2015 issued and allotted 2,40,06,494 Equity Shares of ₹1/- each face value to qualified institutional buyers under QIP pursuant to Section 42 of the Companies Act, 2013 and Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at ₹54.67 (including premium) determined in accordance with the said SEBI Regulations. Accordingly, the Issued, Subscribed and Paid-up Equity Share Capital of the Company has increased from ₹38,53,07,204 (Rupees thirty eight crore fifty three lac seven thousand two hundred four only) divided into 38,53,07,204 (thirty eight crore fifty three lac seven thousand two hundred four only) Equity Shares of ₹1/- (Rupee one only) each to ₹40,93,13,698/- (Rupees forty crore ninety three lac thirteen thousand six hundred ninety eight only) divided into 40,93,13,698 (Forty crore ninety three lac thirteen thousand six hundred ninety eight only) Equity Shares of ₹1/- (Rupee one only) each with effect from 30th March, 2015.

** In accordance with the terms of issue of 7% Redeemable Cumulative Preference Shares of ₹100/- each (the Preference Shares), the Company has decided to pre-redeem the preference shares in tranches before the redemption date of 27th March, 2018. Accordingly, the Company has on 07th February, 2015 redeemed 1,00,000 Preference Shares at par. Consequently, the Issued, Subscribed and Paid-up Preference Share Capital of the Company has reduced from ₹13,50,00,000 (Rupees thirteen crore fifty lac only) divided into 13,50,000 (thirteen lac fifty thousand only) Preference Shares of ₹100/- (Rupees one hundred only) each to ₹12,50,00,000 (Rupees twelve crore fifty lac only) divided into 12,50,000 (twelve lac fifty thousand only) Preference Shares of ₹100/- (Rupees one hundred only) each with effect from 07th February, 2015.

Notes to Consolidated financial statements for the year ended 31st March, 2015

3. SHARE CAPITAL *(contd.)*

b. **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.

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

The Company had issued 1,350,000 7% Redeemable Cumulative Preference Shares of ₹100/- each (Preference Shares) fully paid-up to Glenmark Pharmaceuticals Limited on 27th March, 2013 against redemption of 1,350,000 7% Redeemable Cumulative Preference Shares of ₹100/- each issued on 27th March,2008. These new preference shares will be due for redemption on 27th March, 2018. However, In accordance with the terms of issue, the Company has decided to pre-redeem the preference shares in tranches before the redemption date of 27th March, 2018.

Accordingly, the Company has on 07th February, 2015 redeemed 1,00,000 Preference Shares at par. These 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.

d. 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 preference shares as stated in Note No.3a above.

e. As on 31st March, 2015, 61 Bonds of USD 1,000 each in principal value are unsettled and outstanding as they are remaining untraceable. In accordance with the terms of the issue of the Bonds, these Bonds carry conversion rights until they are redeemed or repurchased. Accordingly, 81,314 equity shares of ₹1/- each will be issued in case the bond holders opt for the conversion of the said 61 Bonds into equity shares.

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

Particulars	31st March, 2015		31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹1/- each fully paid				
Mr. Mark Saldanha	197,491,553	48.25	197,491,553	51.25
7% Redeemable Cumulative Preference Shares of ₹100/- each fully paid				
Glenmark Pharmaceuticals Limited	1,250,000	100	1,350,000	100

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
4. RESERVES & SURPLUS		
a. Capital Reserves		
Opening Balance	122,500	122,500
(+) Current Year Transfer	-	-
Closing Balance	122,500	122,500
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Transferred from Profit and Loss	10,000,000	-
Closing Balance	10,000,000	-
c. Securities Premium Account		
Opening Balance	462,888,795	462,888,795
(+) Securities premium credited on Share issue	1,288,428,533	-
Closing Balance	1,751,317,328	462,888,795
d. General Reserve		
Opening Balance	3,058,597,200	3,058,597,200
(+) Current Year Transfer	78,768,369	-
(-) Written Back in Current Year	-	-
Closing Balance	3,137,365,569	3,058,597,200
e. Exchange Fluctuation A/c	(109,887,211)	(80,248,880)
	(109,887,211)	(80,248,880)
e. Surplus		
Opening balance	(2,539,842,592)	(3,154,683,415)
(+) Net Profit/(Net Loss) For the current year	1,093,965,227	719,076,835
(-) Transfer to Capital Redemption reserve	(10,000,000)	-
(-) Proposed Dividend	(57,867,644)	(96,081,688)
(-) Dividend Distribution Tax on Proposed Dividend	(11,848,210)	(8,154,324)
Closing Balance	(1,525,593,219)	(2,539,842,592)
Total	3,263,324,967	901,517,023

5. LONG TERM BORROWINGS		
Secured		
a. Term loans		
from banks	-	198,000,000
b. Vehicle Loan	-	154,043
Total	-	198,154,043

6. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities : DTL		
Related to Fixed Assets	20,229,044	18,677,590
Add: Deferred Tax Liabilty of Marksans Pharma UK Ltd.	9,518,491	4,747,156
Deferred Tax Assets : DTA		
Disallowances under Income Tax Act, 1961	15,196,638	-
Net DTA / DTL	14,550,897	23,424,746

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
7. SHORT TERM BORROWINGS		
Secured		
Working Capital facilities from Bank	821,856,156	1,055,392,474
Total	821,856,156	1,055,392,474

7.1 Working capital facilities are secured by hypothecation of current assets and all the movable fixed assets and equitable mortgage of the immovable assets.

Working capital loans taken for Bell Sons and Co.(Druggists) Limited and Relonchem Limited are secured by Corporate Guarantee provided by the parent company Marksans Pharma Ltd.

8. TRADE PAYABLE		
Trade Payable	1,070,195,350	831,817,806
Total	1,070,195,350	831,817,806

Trade Payable Includes general and miscellaneous creditors.

9. OTHER CURRENT LIABILITIES		
a. Current maturities of Term Loan	63,884,874	343,598,818
b. Current maturities of Vehicle Loan	154,043	214,430
c. Foreign Currency Convertible Bonds	334,218,095	621,966,636
d. Unclaimed Dividend	538,612	-
e. Deposits	10,000	10,000
Total	398,805,624	965,789,884

9.1 Term Loan

The term loan is secured by hypothecation of current assets and all the movable fixed assets, equitable mortgage of the immovable assets and personal guarantee by Mr.Mark Saldanha, Managing Director. There are no overdues repayment of the term loan.

9.2 Foreign Currency Convertible Bonds (Bonds)

The Company had issued 50,000 Bonds of USD 1000 each in principal value. Out of that, the Company has bought back/ entered into settlement agreement for 49,939 Bonds. Under the settlement agreement, USD 5,250,000 is remaining to be paid as on 31st March, 2015. The balance 61 Bonds are outstanding as on 31st March, 2015 as the same are untraceable. Adequate provisions have been made in the books of account for both these cases. Accordingly, the current outstanding (including payables under the settlement agreement) as above is USD 5,338,572 (₹334,218,095) as on 31st March, 2015.

10. SHORT TERM PROVISIONS		
a. Provision for Gratuity and compensated absences		
-Gratuity	6,862,445	5,925,094
-Compensated absences	41,746,387	30,985,630
b. Others	191,997,328	131,136,001
c. Proposed Dividend	57,867,644	47,980,720
d. Dividend Distribution Tax on Proposed Dividend	11,848,210	8,154,324
e. Income Tax provision	261,175,697	114,012,195
Total	571,497,711	338,193,964

Notes to Consolidated financial statements for the year ended 31st March, 2015

11. FIXED ASSETS

	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 1st April 2014	Additions	Disposals	Impairments	Balance as at 31st Mar 2015	Balance as at 1st April 2014	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2015	Balance as at 31st Mar 2015	Balance as at 31st Mar 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Land	9,665,840	-	-	-	9,665,840	-	-	-	-	9,665,840	9,665,840
Buildings	378,426,406	132,562,144	-	-	510,988,550	85,866,864	10,024,437	-	95,891,301	415,097,249	292,559,542
Plant and Equipment	843,647,155	148,209,070	2,100,350	-	989,755,875	435,116,815	41,588,653	1,398,747	475,306,721	514,449,154	408,530,340
Furniture and Fixtures	8,347,156	23,876,653	0	-	32,223,809	4,027,627	1,203,162	-	5,230,789	26,993,020	4,319,529
Vehicles	13,986,351	48,270,090	-	-	62,256,441	7,374,571	2,530,923	-	9,905,494	52,350,947	6,611,780
Office equipment	6,554,476	1,921,160	1,468,439	-	7,007,197	4,255,377	511,787	1,639,847	3,127,317	3,879,880	2,299,099
Computer and Software	27,558,724	1,367,967	-	-	28,926,691	26,719,480	938,778	-	27,658,258	1,268,433	839,244
Total	**1,288,186,108**	**356,207,084**	**3,568,789**	**-**	**1,640,824,403**	**563,360,734**	**56,797,740**	**3,038,594**	**617,119,880**	**1,023,704,523**	**724,825,374**
Intangible Assets											
Goodwill	452,659,117	-	-		452,659,117	141,481,127	28,251,362		169,732,489	282,926,628	311,177,990
Prescription Product Licences	357,580,991	8,142,653	-		365,723,644	114,915,955	24,049,884		138,965,839	226,757,805	242,665,036
OTC Product Licences	4,832,081	0	-		4,832,081	1,260,384	862,493		2,122,877	2,709,204	3,571,697
Internally Generated ANDA,Market Authorisations, Product Licences & Others	513,786,881	-	-	-	513,786,881	339,531,113	51,378,688	-	390,909,801	122,877,080	174,255,768
Total	**1,328,859,070**	**8,142,653**	**0**	**0**	**1,337,001,723**	**597,188,579**	**104,542,427**	**-**	**701,731,006**	**635,270,717**	**731,670,491**
Total (a+b)	**2,617,045,178**	**364,349,737**	**3,568,789**	**0**	**2,977,826,126**	**1,160,549,313**	**161,340,167**	**3,038,594**	**1,318,850,886**	**1,658,975,240**	**1,456,495,865**
Previous year figure	2,568,750,963	52,726,277	4,432,062	0	2,617,045,178	1,007,587,706	156,911,928	3,950,321	1,160,549,313	1,456,495,865	1,561,163,257

11.1 Land held on leasehold basis. Building includes those constructed on leasehold land.

11.2 Pursuant to the Companies Act, 2013 ("The Act),effective 1st April 2014, the Compnay has revised the estimated useful lives of its fixed assets to ensure Compliance with the stipulaton of Schedule II of the Act. Accordingly the unamortised depreciable amount of the fixed assets have been charged over the revised remaining useful lives .This has the impact of depreciation charge . Further, the caring amount of fixed assets, where the remaining useful life of the asset as per Schedule II is nil as on 01.04.2014, is recognised in the opening balance of retained earnings.

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
12. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good	8,256,654	15,005,699
Total	**8,256,654**	**15,005,699**

13. INVENTORIES		
Raw Materials, Packing Materials,Work-in-process, Finished goods and Stock-in-trade	1,301,067,804	1,025,887,430
Total	**1,301,067,804**	**1,025,887,430**

14. TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period more than six months from due date	4,740,401	-
Others	1,829,803,213	1,696,072,320
Total	**1,834,543,614**	**1,696,072,320**

15. CASH AND CASH EQUIVALENTS		
a. Balances with banks*	1,494,383,867	137,632,249
b. Cash in hand	630,028	586,442
c. Bank deposits with less than 12 months maturity	355,762,132	329,100,665
d. Margin Money	1,876,071	2,150,626
Total	**1,852,652,098**	**469,469,982**

* This Includes ₹13124.35 Lacs received against Issue of 24,006,494 equity shares under QIP.

16. SHORT-TERM LOANS AND ADVANCES		
a. Advance recoverable in cash or kind		
Unsecured, considered good	100,051,025	238,021,217
Total	**100,051,025**	**238,021,217**

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
17. REVENUE FROM OPERATIONS		
Sale of products	7,940,160,855	6,284,747,305
Other operating revenues	26,715,297	15,221,395
Less: Excise duty	-	-
Total	**7,966,876,152**	**6,299,968,700**
18. OTHER INCOME		
Interest Income	32,762,393	7,199,669
Other income	670,762	803,135
Dividend Income	-	27,037,826
Total	**33,433,155**	**35,040,630**
19. COST OF MATERIALS AND COMPONENTS CONSUMED		
Cost of material and components consumed	2,777,438,550	2,290,466,524
20. 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	(12,998,570)	(27,717,585)
21. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and Wages	646,117,381	593,302,266
(b) Contributions to - Providend fund, E.S.I.C. and other fund	55,094,793	48,229,359
(c) Staff welfare expenses	24,848,257	22,879,094
Total	**726,060,431**	**664,410,719**
22. FINANCE COSTS		
Interest expense	86,983,281	103,957,105
Others	31,128,701	32,200,397
Interest on Income Tax	15,216,776	-
Applicable net loss on foreign exchange	27,124,890	55,171,650
Total	**160,453,648**	**191,329,152**
23. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	56,797,740	54,616,574
Amortization of intangible asssets	104,542,427	102,295,354
Total	**161,340,167**	**156,911,928**

Notes to Consolidated financial statements for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
24. OTHER EXPENSES		
Water Charges	4,769,840	4,034,642
Power & Fuel	92,448,919	73,997,326
Freight Inward & Raw Material Clearing Charges	143,562,540	109,154,611
Repairs & Maintenance - Plant and Machinery	71,210,299	51,911,993
Repairs & Maintenance - Building	5,258,448	3,916,177
Other Manufacturing Expenses	61,353,283	49,277,683
Rent	31,709,704	35,232,052
Rates & Taxes	7,531,608	11,095,671
Travelling Expenses	22,153,019	22,888,560
Communication Expenses	9,975,849	7,079,760
Courier & Postage Expenses	1,579,718	2,591,289
Printing & Stationery	12,211,396	9,852,659
Audit Fees	3,731,662	4,536,018
Vehicle Expenses & Local Conveyance	15,198,337	8,699,082
Legal & Professional Fees	43,396,299	49,860,786
Office Expenses	1,507,337	197,521
Insurance Charges	19,718,948	17,949,779
Exchange Loss/(Gain)	(88,892,435)	(37,605,930)
Loss/(Profit) on sale of Fixed Assets	836,303	(164,709)
Other Operating Expenses	94,542,101	86,801,112
Freight Outward & Export Clg. Exps	234,871,239	164,944,732
Expenses on issue of share under QIP	55,886,428	-
Selling & Distribution Expenses	94,664,631	102,699,199
Total	**939,225,473**	**778,950,013**

24.1 Details of Payments to the Auditor		
a. As Auditor	3,731,662	4,536,018
Total	**3,731,662**	**4,536,018**

For and on behalf of

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Statement of Cash Flow for the year ended 31st March, 2015

Particulars	2014-15 ₹	2013-14 ₹
A. Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	1,093,965,227	719,076,835
Adjustments to reconcile profit before tax and prior period		
items to cash provided by operations:		
-Depreciation	161,340,167	156,911,928
-Expenses on issue of share under QIP	55,886,428	-
-Exchange Fluctuation Reserve	(29,638,331)	(57,804,083)
-Loss/(Profit) on sale of Fixed Assets	836,303	(164,709)
-Interest Expense	86,983,281	103,957,105
-Interest Income	(32,762,393)	(7,199,669)
Operating Profit before working capital changes	1,336,610,682	914,777,407
Movements in working capital :		
(Increase)/Decrease in Inventories	(275,180,373)	(248,968,442)
(Increase)/Decrease in Trade and other receivables	(138,471,294)	(382,929,653)
(Increase)/Decrease in loans and advances	144,719,237	(50,605,386)
Deferred Tax Assets/Liability	(8,873,850)	(2,739,686)
Minority Interest	14,646,663	(3,544,401)
Increase/(Decrease) in Trade Payable and Short term provisions	471,681,291	422,400,063
Net cash used in operating activities	1,545,132,356	648,389,902
B. Cash Flow provided by (used in) Investing Activities:		
(Purchase)/Sale of Fixed Assets	(364,655,845)	(52,079,826)
Investment	-	-
Interest Income	32,762,393	7,199,669
Net Cash Flow provided by (used in) Investing Activities	(331,893,452)	(44,880,157)
C. Cash Flow provided by (used in) Financing Activities:		
Increase in Equity Share Capital	24,006,494	-
Redemption of Preference Share Capital	(10,000,000)	
Increase in Share Premium	1,288,428,533	-
Increase in General Reserve	78,768,369	-
Proposed Dividend and Dividend Distribution Tax on it	(69,715,854)	(104,236,012)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(998,674,621)	(84,646,215)
Interest Expense	(86,983,281)	(103,957,105)
Expenses on issue of share under QIP	(55,886,428)	-
Net Cash Flow provided by (used in) Financing Activities	169,943,212	(292,839,332)
Net Increase /(Decrease) in Cash and Bank Balances	1,383,182,116	310,670,413
Cash & Bank Balances as at 31.03.2014	469,469,982	158,799,569
Cash & Bank Balances as at 31.03.2015	1,852,652,098	469,469,982
	1,383,182,116	310,670,413

Notes:

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

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

N.K. Mittal & Associates
Chartered Accountant
F.NO. 113281W

N.K. MITTAL
Proprietor
M. NO. 46785

Place : Mumbai
Date : 30.05.2015

For and on Behalf of the Board of Directors

Mark Saldanha
Chairman & Managing Director

Sandra Saldanha
Whole - time Director

Dr. Balwant S. Desai
Whole - time Director

Jitendra Sharma
Chief Financial Officer

Harshavardhan Panigrahi
Company Secretary & Legal Manager

Marksans Pharma Limited
CIN: L24110MH1992PLC066364
Regd Office: 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), 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 Third (23rd) Annual General Meeting of the Members of Marksans Pharma Limited will be held on Tuesday, the 29th September, 2015 at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai 400 053, at 10:30 a.m. 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, 2015, 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, 2015.

2. To declare dividend on equity shares and preference shares for the financial year ended 31st March, 2015.

3. To appoint a Director in place of Dr. Balwant Shankarrao Desai (DIN: 03631170), who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s N. K. Mittal & Associates, Chartered Accountants (Firm Registration No. 113281W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors based on recommendation of the Audit Committee of Directors of the Company."

Special Business

5. To approve the appointment of Mr. Ajay Shivram Joshi (DIN 00947684) as an Independent Director 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 Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with the Stock Exchanges, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Ajay Shivram Joshi (DIN 00947684) as an Independent Director of the Company and in respect of whom the Company has received a notice from a Member in writing, proposing his candidature for the office of Director, as an Independent Director of the Company for a period of five years with effect from 1st April, 2015 till 31st March, 2020 not liable to retire by rotation."

6. To approve the appointment of Mr. Seetharama Raju Buddharaju (DIN 03630668) as an Independent Director 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 Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with the Stock Exchanges,

consent of the members of the Company be and is hereby accorded for the appointment of Mr. Seetharama Raju Buddharaju (DIN 03630668) as an Independent Director of the Company and in respect of whom the Company has received a notice from a Member in writing, proposing his candidature for the office of Director, as an Independent Director of the Company for a period of five years with effect from 1st April, 2015 till 31st March, 2020 not liable to retire by rotation."

7. To re-appoint Mr. Mark Saldanha (DIN 00020983) as the Managing Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Section 188(1)(f) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and on the basis of the recommendation of the Nomination and Remuneration Committee, Mr. Mark Saldanha(DIN 00020983) be and is hereby re-appointed as the Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from 6th October, 2015 upon the terms and subject to the conditions as set out hereunder:

(i) Mr. Mark Saldanha will be paid the following remuneration:

Particulars	Amount in ₹ Per Month
Basic Salary	8,00,000/-
Special Allowance	64,360/-
Gratuity (4.33%)	34,640
Bonus	5,000/-
Provident Fund (12%)	96,000/-
Total Remuneration Per Month	10,00,000/-
Total Remuneration Per Annum	1,20,00,000/-

(ii) The Board of Directors of the Company shall have liberty to determine such increments in the Basic Salary as it may deem appropriate from time to time.

(iii) Mr. Mark Saldanha shall be entitled to the following Perquisites:

(a) Fully furnished residential house for himself and his family.

(b) Reimbursement of house maintenance expenses together with utilities thereof such as gas, electricity, water, furnishing and repairs, servants allowance, education allowance for dependent children, entertainment and newspaper and periodicals allowance, medical reimbursement, leave travel allowance for himself and his family, club fees and Medical Insurance Policy and Personal accident Policy in accordance with the rules of the Company or as agreed by the Board of Directors.

(c) Membership of club
Admissions fees and monthly subscriptions for not more than one club.

(d) Retirement benefits
Company's contribution to Provident Fund and Super-annuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity Payable in accordance with the rules of the Company and the value of such benefits shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

(e) Use of Car and telephone
Provisions of the Company's car with driver for use on Company's business and telephone at residence and also mobile (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Mark Saldanha(DIN 00020983) shall be subject to deduction of tax as per the provisions of the Income Tax Act."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Mark Saldanha(DIN 00020983) (including the salary, perquisites, benefits and amenities) shall not exceed the limits laid down in Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013."

"RESOLVED FURTHER THAT in case in any financial year during the currency of the tenure of Mr. Mark Saldanha(DIN 00020983), the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above as the minimum remuneration, provided that the total remuneration shall not exceed the ceiling as provided in Section II of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to alter and vary the aforesaid terms and conditions from time to time in the best interests of the Company but subject to the provisions contained in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do such acts, deeds and things as may be necessary in this regard."

8. To approve and adopt new set of Articles of Association of the Company and in this regard to consider and if thought fit, to passed, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 5 and 14 of the Companies Act, 2013 ('the Act'), and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted in the place of existing Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, Mr. Mark Saldanha, Managing Director, Mr. Jitendra Sharma, Chief Financial Officer and Mr. Harshavardhan Panigrahi, Company Secretary be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By order of the Board of Directors

Harshavardhan Panigrahi
Company Secretary and Manager Legal

Mumbai
Dated: 8th August, 2015

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 shareholder.

b) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 26th September, 2015 and will remain closed till Tuesday, the 29th September, 2015 (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 3rd October, 2015 to those members whose names shall appear on the Company's Register of Members on 25th September, 2015. In respect of the shares held in dematerialised form, the 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 addresses.

d) Pursuant to the provision of Section 123 and 124 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 year ended March 31, 2014 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

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.

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 accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

g) Shareholders 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) Trading in the Company's shares through Stock Exchange is permitted only in dematerialized /electronic form. The equity shares of the Company have been inducted in both National Securities Depository Limited and Central Depository Services (India) Limited to enable shareholders to hold and trade the securities in dematerialized / electronic form. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.

j) In terms of provisions of the Companies Act, 2013, nomination facility is available to individual shareholders. The shareholders 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. Shareholders holding shares in dematerialized form should write to their Depository Participant for the purpose.

k) Brief resume of Directors proposed to be 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 stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges 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 and also their copy of the Annual Report.

m) In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company has considered Wednesday, 23rd September, 2015 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.

n) 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.

o) 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 Clause 35B of the Listing Agreement, 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. 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. Details of the process and manner of remote e-voting is being sent to all the Members along with the Notice.

p) The Company has engaged the services of CDSL to provide e-voting facilities 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 Friday, 25th September, 2015 at 10.00 a.m.

   Conclusion of remote e-voting: On Monday, 28th September, 2015 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.

q) 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 may 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 to 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.

r) 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.

s) 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.

t) 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.

u) **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. 5

As per the provisions of Section 149 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Independent Directors shall not be liable to retire by rotation and their tenure shall be for a fixed period.

Mr. Ajay Shivram Joshi (DIN 00947684) was appointed as a Director under the provisions of the Companies Act, 1956 and he was fulfilling the criteria of independent directors as defined in Section 149 and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

However, since the existing term of Mr. Ajay Shivram Joshi(DIN 00947684) was not expiring, he was not re-appointed under the provisions of the Companies Act, 2013 in the last Annual General Meeting.

Mr. Ajay Shivram Joshi(DIN 00947684) had given declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

However, as per the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a fixed term up to five (5) consecutive years on the Board of a Company and shall not be liable to retire by rotation. Section 149(5) of the Companies Act, 2013 provides for one year transitional period to comply with the provisions of Companies Act, 2013 with regard to appointment of Independent Directors. Hence the Board of Directors has at its meeting held on 7th February, 2015 re-appointed, on the recommendation of the Nomination and Remuneration Committee of Directors and subject to approval of the members at the ensuing Annual General Meeting, Mr. Ajay Shivram Joshi (DIN 00947684) as an Independent Director for a consecutive term of five (5) years with effect from 01st April, 2015 upto 31st March, 2020 and not liable to retire by rotation.

Mr. Ajay Shivram Joshi (DIN 00947684) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Mr. Ajay Shivram Joshi (DIN 00947684) has also given declaration that he meets with the criteria of independence as prescribed both under Sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. In the opinion of the Board, Mr. Ajay Shivram Joshi(DIN 00947684) fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. He is independent of the management of the Company and possesses appropriate skills, experience and knowledge.

Mr. Ajay Shivram Joshi (DIN 00947684) is a science graduate. He has over 28 years of experience in the field of marketing pharmaceutical products in international market particularly in the USA. He is also the Director of Spirit Pharmaceutical LLC of USA and has in-depth knowledge and experience in the aforesaid field. The Company will be benefited from his knowledge and experience in international markets and particularly USA market.

1.	Name		Mr. Ajay Shivram Joshi	
2.	Date of Birth		07.08.1962	
3.	Age		53 years	
4.	Profession		Service	
5.	Qualification		Science Graduate	
6.	6.1 Terms and conditions of re- appointment and details of remuneration sought to be paid		As mentioned in the resolution under Item 5 of the notice	
	6.2 Remuneration last drawn		Nil	
7.	Experience		He has over 28 years of experience in the field of marketing pharmaceutical products in the international market particularly in the USA. Presently he is a Director of Spirit Pharmaceutical LLC of USA	
8.	Shareholding of the Director		Nil	
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		None	
10.	Date of first appointment on the Board		02.05.2011	
11.	List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards			
	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships in other Companies	Board Committee Membership/ (Chairmanship)
	8	No	Spirit Pharmaceutical LLC	Nil

Brief resume of Mr. Ajay Shivram Joshi (DIN 00947684), nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Ajay Shivram Joshi (DIN 00947684) as an Independent Director setting out the terms and conditions are available for inspection by members at the registered office of the Company.

Mr. Ajay Shivram Joshi(DIN 00947684) is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

Item No. 6

As per the provisions of Section 149 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Independent Directors shall not be liable to retire by rotation and their tenure shall be for a fixed period.

Mr. Seetharama Raju Buddharaju (DIN 03630668) was appointed as a Director under the provisions of the Companies Act, 1956 and he was fulfilling the criteria of independent directors as defined in Section 149 and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

However, since the existing term of Mr. Seetharama Raju Buddharaju (DIN 03630668) was not expiring, he was not reappointed under the provisions of the Companies Act, 2013 in the last Annual General Meeting.

Mr. Seetharama Raju Buddharaju (DIN 03630668) had given declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

However, as per the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a fixed term up to five (5) consecutive years on the Board of a Company and shall not be liable to retire by rotation. Section 149(5) of the Companies Act, 2013 provides for one year transitional period to comply with the provisions of Companies Act, 2013 with regard to appointment of Independent Directors. Hence the Board of Directors has at its meeting held on 7th February, 2015 re-appointed, on the recommendation of the Nomination and Remuneration Committee of Directors and subject to approval of the members at the ensuing Annual General Meeting, Mr. Seetharama Raju Buddharaju (DIN 03630668) as an Independent Director for a consecutive term of five (5) years with effect from 01st April, 2015 upto 31st March, 2020 and not liable to retire by rotation.

Mr. Seetharama Raju Buddharaju (DIN 03630668) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Mr. Seetharama Raju Buddharaju (DIN 03630668) has also given declaration that he meets with the criteria of independence as prescribed both under Sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. In the opinion of the Board, Mr. Seetharama Raju Buddharaju (DIN 03630668) fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. He is independent of the management of the Company and possesses appropriate skills, experience and knowledge.

Mr. Seetharama Raju Buddharaju (DIN 03630668) is a Science Graduate with Post Graduate Diploma in Marketing & Sales Management and Post Graduate Diploma in Business Management having more than 35 years of experience in Sales Management, Marketing & General Administration. He has handled various sales management assignments in Parke-Davis and Pfizer at senior levels in various location for 22 years. He has also worked as Sales Head for 3 divisions of Sarabhai Chemicals. Currently he is practicing as a consultant. His in-depth knowledge and experience in the aforesaid field shall be of great help to the Company in the long run.

1.	Name	Mr. Seetharama Raju Buddharaju
2.	Date of Birth	01.10.1951
3.	Age	63 years
4.	Profession	Consultant
5.	Qualification	Science Graduate, Post Graduate Diploma in Marketing & Sales Management and Post Graduate Diploma in Business Management
6.	6.1 Terms and conditions of re- appointment and details of remuneration sought to be paid	As mentioned in the resolution under Item No.6 to the notice
	6.2 Remuneration last drawn	Nil

7.	Experience		He has more than 35 years of experience in Sales Management, Marketing & General Administration. He has handled various sales management assignments in Parke-Davis and Pfizer at senior levels in various locations for 22 years. He has also worked as Sales Head for 3 divisions of Sarabhai Chemicals. Currently he is practicing as a consultant.	
8.	Shareholding of the Director		Nil	
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		None	
10.	Date of first appointment on the Board		05.10.2011	
11.	List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards			
	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships in other Companies	Board Committee Membership/ (Chairmanship)
	8	Yes	Nil	Nil

Brief resume of Mr. Seetharama Raju Buddharaju (DIN 03630668), nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Seetharama Raju Buddharaju (DIN 03630668) as an Independent Director setting out the terms and conditions are available for inspection by members at the registered office of the Company.

Mr. Seetharama Raju Buddharaju (DIN 03630668) is interested in the resolution set out at Item No. 6 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No. 7

The tenure of Mr. Mark Saldanha as the Managing Director of the Company will expire on 5th October, 2015. In terms of Section 196 read with Schedule V of the Companies Act, 2013, the Board of Directors of the Company has on the basis of recommendation of the Nomination and Remuneration Committee and subject to approval of Members of the Company at the ensuing Annual General Meeting, re-appointed Mr. Mark Saldanha, as the Managing Director of the Company for a further period of five (5) years with effective from 6th October, 2015. The re-appointment of and remuneration of Mr. Mark Saldanha has also the approval of the Audit Committee of Directors of the Company.

Mr. Mark Saldanha is the principal architect of the success and progress of the Company. Under his able, dynamic and manifold leadership, the Company will surely touch new heights of success and higher level of performance in the years to come. It is, therefore, necessary in the best interest of the Company to avail his services and guidance for the further progress of the Company.

Accordingly, the resolution in this item of the notice for approving the re-appointment of Mr. Mark Saldanha as

the Managing Director of the Company upon the terms and conditions as set out in the resolution, is being proposed for consideration of the members of the Company.

Mr. Mark Saldanha satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 for being eligible for the appointment.

The remuneration proposed to be paid to Mr. Mark Saldanha is commensurate with the functions and responsibilities that will be discharged by Mr. Mark Saldanha.

Mr. Mark Saldanha is a Science Graduate. He has vast experience in the field of production, marketing and finance. The Company will be benefited by his expertise. Currently, Mr. Mark Saldanha is also a Director in Marksans Pharma (UK) Limited, Marksans Holdings Limited, Bell, Sons & Co. (Druggists) Limited, Relonchem Limited, Nova Pharmaceuticals Australasia Pty. Ltd., Marksans Pharma Inc, Time Cap Laboratories Inc. and Marksans Realty LLC.

1.	Name		Mr. Mark Saldanha	
2.	Date of Birth		18.08.1972	
3.	Age		42 years	
4.	Profession		Business	
5.	Qualification		Science Graduate	
6.	6.1 Terms and conditions of re- appointment and details of remuneration sought to be paid		As mentioned in the resolution under Item 7 of the notice	
	6.2 Remuneration last drawn		₹19,02,460/-	
7.	Experience		He has over 20 years of experience in production, marketing and finance. He is the principal architect of the success and progress of the Company. Under his able, dynamic and manifold leadership, the Company rapidly growing to new heights of success and higher level of performance	
8.	Shareholding of the Director		197491553	
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		Relative of Mrs. Sandra Saldanha, Whole-time Director	
10.	Date of first appointment on the Board		06.10.2005	
11.	List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards			
	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships in other Companies	Board Committee Membership/(Chairmanship)
	8	Yes	1. Marksans Pharma UK Ltd. 2. Marksans Holdings Ltd. 3. Bell, Sons & Co (Druggists) Ltd. 4. Relonchem Ltd. 5 Nova Pharmaceuticals Australasia Pty Ltd. 6. Marksans Pharma Ltd.	Nil

Brief resume of Mr. Mark Saldanha, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Mark Saldanha is holding 19,74,91,553 equity shares in the company and accordingly, he may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of his re-appointment as the Managing Director. Mrs. Sandra Saldanha who is his relative and the Whole-time Director of the Company, may be deemed to be concerned or interested in the re-appointment of Mr. Mark Saldanha.

Mr. Mark Saldanha is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and therefore, his re-appointment as the Managing Director and remuneration payable will require approval of the Company by a Special Resolution in terms of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ("New Act"). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the New Act, several articles of the existing Articles of Association of the Company requires alterations / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles of Association. It is thus expedient to adopt new set of Articles of Association, in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration in line with the provisions of the New Act. Hence the Board of Directors at its meeting held on 8th August, 2015 decided to adopt new set of Articles of Association in place of existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company. A copy of the proposed set of new Articles of Association of the Company is available for inspection of the members at the Registered Office of the Company during the office hours on any working day, except Saturdays.

None of the Directors, Key Managerial Personnel of Company and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

Details of Directors Seeking Appointment/ Re-Appointment as Required Under Clause 49 of The Listing Agreement with the Stock Exchange:

Re-appointment of Dr. Balwant Shankarrao Desai (DIN: 03631170) (Item No.3)

Dr. Balwant Shankarrao Desai (DIN 03631170), a non-independent director shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Dr. Balwant Shankarrao Desai joined the Board of Directors of the Company at the 19th Annual General Meeting held on 29th September, 2011 by way of an Ordinary Resolution. Dr. Balwant Shankarrao Desai, age 50 Years is a science graduate. He has over 26 years of experience in the field of quality management systems as per national and international requirements, preparation and submission of ANDA and Dossiers of drug products for registration in US, Europe and other countries.

1.	Name		Dr. Balwant Shankarrao Desai	
2.	Date of Birth		21.12.1964	
3.	Age		50 years	
4.	Profession		Service	
5.	Qualification		B. Sc. in Chemistry, M.Sc.in Analytical Chemistry and Ph.D. in Analytical Chemistry	
6.	6.1 Terms and conditions of re- appointment and details of remuneration sought to be paid		As per resolution no.7 passed by the members at the 22nd Annual General Meeting held on 25th September, 2014.	
	6.2 Remuneration Last drawn		₹73,80,524/-	
7.	Experience		Dr. Balwant Shankarrao Desai is associated with Marksans Pharma Limited since 07.03.2006 looking after quality and regulatory affairs. Before joining Marksans Pharma Limited, he was associated with Alembic Limited, Serum Institute of India Limited, Ipca Laboratories Limited, Lupin Laboratories Limited, Merind Limited, U.S. Vitamins Limited. He has about 26 years of experience in the field of quality management systems as per national and international requirements, preparation and submission of ANDA and Dossiers of drug products for registration of products in US, Europe and other countries. He has also been instrumental in obtaining international regulatory approvals from US FDA, UK MHRA and other global health authorities.	
8.	Shareholding of the Director		Nil	
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company		None	
10.	Date of first appointment on the Board		29.09.2011	
11.	List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards			
	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships in other Companies	Board Committee Membership/ (Chairmanship)
	8	Yes	Nil	Nil

Brief resume of Dr. Balwant Shankarrao Desai, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Balwant Shankarrao Desai, none of the other Director, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in agenda Item No. 3

By order of the Board of Directors

Mumbai
Dated: 8th August, 2015

Harshavardhan Panigrahi
Company Secretary and Manager Legal

E-Voting Instruction for Shareholder

The instructions for shareholders 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 and Clause 35B of the Listing Agreement, the Company is providing facility for voting by electronic means and all resolutions set forth in the Notice convening the 23rd 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 25th September 2015 at 10 a.m. IST and ends on 28th September, 2015 at 5 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, 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 23rd September, 2015 may obtain User ID and Password by sending a request at helpdesk.evoting@cdslindia.com.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(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 demat 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 in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number and after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

(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 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 for 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 same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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 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.

(xix) 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.

(xx) 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 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 5.00 p.m. on 28th September, 2015. 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 shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd September, 2015.

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 within two days of the passing of the resolutions at the 23rd Annual General Meeting of the Company on 29th September 2015, and communicated to the Stock Exchanges where the company's shares are listed.

Marksans Pharma Ltd.

CIN: L24110MH1992PLC066364

Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai – 400053

Tel: +91 22 4001 2000, Fax: +91 22 4001 2011, Website: www.marksanspharma.com

ATTENDANCE SLIP

Folio No./Client ID:.....No. of Shares.....

Name of Member / Proxy: .....

I hereby record my presence at the 23rd Annual General Meeting of the Company on Tuesday, September 29, 2015 at 10:30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai 400 053.

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

Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri (W), Mumbai – 400053

Tel: +91 22 4001 2000, Fax: +91 22 4001 2011, Website: www.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: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on Tuesday, 29th day of September, 2015 at 10.30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Nagar, Link Road, Andheri (W), Mumbai 400 053 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, 2015		
2. Declaration of dividend on equity shares and preference shares for the year ended March 31, 2015		
3. Re-appointment of Dr. Balwant Shankarrao Desai (DIN 03631170) who retires by rotation.		
4. Re-appointment of M/s N. K. Mittal & Associates, Chartered Accountants, as Statutory Auditors of the Company		
Special Business		
1. Appointment of Mr. Ajay Shivram Joshi (DIN 00947684) as an Independent Director		
2. Appointment of Mr. Seetharama Raju Buddharaju (DIN 03630668) as an Independent Director		
3. Re-appointment of Mr. Mark Saldanha (DIN 00020983) as the Managing Director		
4. Approval and adoption new set of Articles of Association of the Company as per Companies Act. 2013.		

Signed on the ……day of …… 2015 *Signature of Shareholder:*

Signature of Proxy holders:

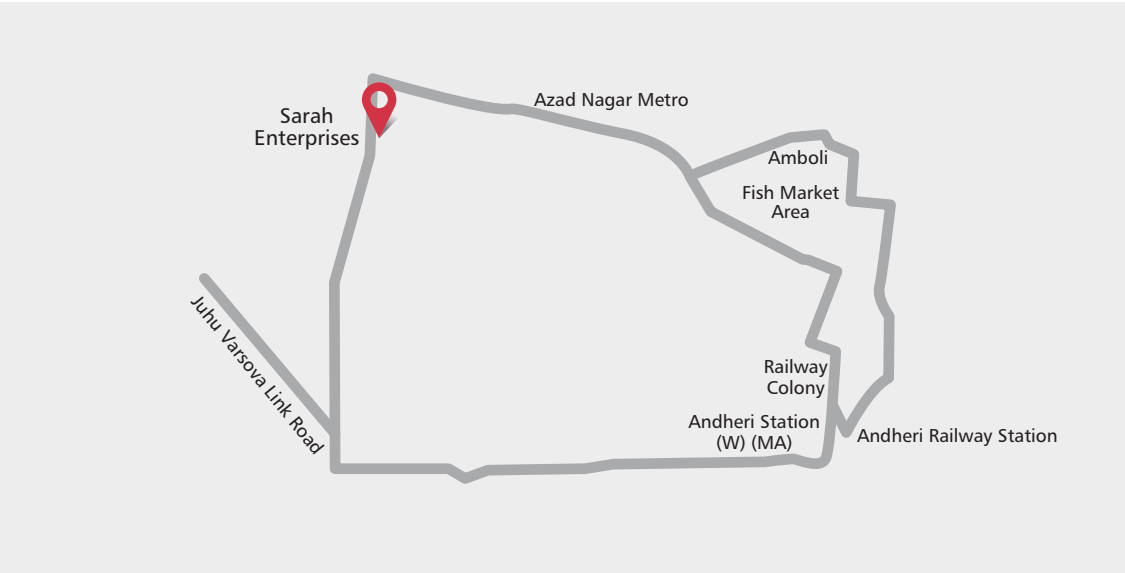
Please Affix Revenue Stamp

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 Sarah Enterprises (Venue of AGM)



CORPORATE INFORMATION

Board of Directors

Mr. Mark Saldanha – *Chairman & Managing Director*

Mrs. Sandra Saldanha – *Whole-time Director*

Dr. Balwant S. Desai – *Whole-time Director*

Mr. Seetharama S. Buddharaju – *Independent Director*

Mr. Naresh B. Wadhwa – *Independent Director*

Mr. Ajay S. Joshi – *Independent Director*

Registered Office

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

CIN

L24110MH1992PLC066364

Registrar & Share Transfer Agent

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai – 400072

Legal advisors

Crawford Bayley & Co.
Desai & Diwanji

Bankers

State Bank of India
Bank of India
Corporation Bank

Works

1. L-82 & 83, Verna Industrial Estate, Verna, Goa – 403722
2. Bell, Sons & Co. (Druggists) Ltd.
   Gifford House, Slaidburn Crescent, Southport, PR9 9AL
3. Time Cap Laboratories, Inc.
   7, Michael Avenue, Farmingdale, New York- 11735, USA

23rd Annual General Meeting

Day & Date: Tuesday, 29th September, 2015

Time: 10:30 a.m.

Venue: GMS Community Centre Hall, Sitladevi Complex
1st Floor, D.N. Nagar, Link Road, Andheri (West)
Mumbai- 400053

Key Management Personnel

Mr. Mark Saldanha – *Chairman & Managing Director*

Dr. Balwant S. Desai – *Whole-time Director & COO*

Mrs. Sandra Saldanha – *Whole-time Director*

Mr. Jitendra Sharma – *Chief Financial Officer*

Company Secretary & Manager - Legal

Mr. Harshavardhan Panigrahi

Statutory Auditors

M/s N.K. Mittal & Associates

Secretarial Auditor

Mrs. Khushboo Bakul Gopani

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Marksans Pharma Ltd.

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