



# Marksans Pharma Ltd.

Date: November 12, 2019

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

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

**Sub: Unaudited Financial Results for the quarter and half year ended September 30, 2019 and Limited Review Reports thereon.**

Dear Sir,

In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith Unaudited Financial Results for the quarter and half year ended September 30, 2019 (both Standalone and Consolidated) approved by the Board of Directors at its meeting held today i.e. November 12, 2019 along with Limited Review Reports thereon.

The meeting commenced at 12:30 p.m. and concluded at 02:05 p.m.

In this connection, we hereby certify that the Auditors have given their reports on the Unaudited Financial Results for the quarter ended September 30, 2019 (both Standalone and Consolidated) with unmodified opinion.

You are requested to note the above in your records.

Thanking you.

Yours faithfully,  
For **Marksans Pharma Limited**

**Harshavardhan Panigrahi**  
Company Secretary

Encl.: As above

**Marksans Pharma Ltd.**

11th Floor, "GRANDEUR", Opp. Gundecha Symphony, Veera Desai Extension Road, Oshiwara,  
Andheri (W), Mumbai - 400 053 • Tel.: +91 22 4001 2000 • E-mail: info@marksanspharma.com  
www.marksanspharma.com

**Independent Auditor's Review Report on Standalone Unaudited Quarterly and year-to-date Financial Results of Marksans Pharma Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To The Board of Directors of  
Marksans Pharma Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Marksans Pharma Limited** (the "Company") for the quarter ended 30<sup>th</sup> September 2019 and year to date results for the period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> September, 2019 together with the notes thereon (the "Statement") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

This statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 (the "Act") as applicable, and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



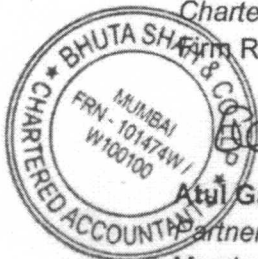
**BHUTA SHAH & Co LLP**  
CHARTERED ACCOUNTANTS

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

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Reg. No.: 101474W / W100100



*Atul Gala*  
Atul Gala

Partner

Membership No.: 048650

UDIN: 19048650AAAAGZ3080

Place: Mumbai,

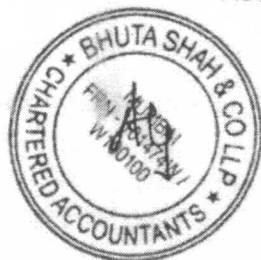
Date: 12<sup>th</sup> November, 2019

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year-to-date Financial Results of Marksans Pharma Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To The Board of Directors of Marksans Pharma Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Marksans Pharma Limited** ("the Parent") and its 3 subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30<sup>th</sup> September, 2019 and year to date results for the period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> September, 2019 together with the notes thereon ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 (the "Act") as applicable, and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



**BHUTA SHAH & Co LLP**  
CHARTERED ACCOUNTANTS

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

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

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

For Bhuta Shah & Co LLP

Chartered Accountants

Reg. No.: 101474W / W100100



Atul Gala

Partner

Membership No.: 048650

UDIN: 19048650AAAAGY8636

Place: Mumbai,

Date: 12<sup>th</sup> November, 2019

**MARKSANS PHARMA LIMITED**

Registered Office: 11th Floor, Grandeur, Veera Desai Extension Road, Oshiwara, Andheri [West], Mumbai-400053 [CIN:L24110MH1992PLC066364]

Telephone No.: 022-4001 2000, Fax No.: 022-4001 2011, E-mail: info@marksanspharma.com

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019**

(₹ in Million)

Sr. No.	PARTICULARS	STANDALONE						CONSOLIDATED					
		3 MONTHS ENDED			6 MONTHS ENDED		YEAR ENDED	3 MONTHS ENDED			6 MONTHS ENDED		YEAR ENDED
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)	
1	Revenue from Operations	1,007.16	924.18	1,146.51	1,931.33	2,077.88	4,241.60	2,563.96	2,450.34	2,690.41	5,014.30	5,042.94	10,000.69
2	Other Income	78.68	21.48	27.97	100.15	60.16	79.30	78.81	21.76	(7.97)	100.58	24.35	46.21
3	<b>Total Income</b>	<b>1,085.84</b>	<b>945.66</b>	<b>1,174.48</b>	<b>2,031.48</b>	<b>2,138.04</b>	<b>4,320.90</b>	<b>2,642.77</b>	<b>2,472.10</b>	<b>2,682.44</b>	<b>5,114.88</b>	<b>5,067.29</b>	<b>10,046.90</b>
4	Expenses												
	Cost of Material Consumed	538.56	461.09	549.33	999.65	974.99	2,081.42	798.46	706.01	1,072.94	1,504.47	2,078.00	4,120.57
	Purchase of Stock - in-trade	101.00	69.38	75.65	170.38	125.13	309.07	420.64	186.94	252.38	607.58	492.57	1,058.48
	Changes in inventories of finished goods, work-in-process and stock-in-trade	(19.47)	20.55	1.39	1.08	(6.83)	(27.09)	107.38	349.80	(13.74)	457.18	(100.08)	(199.02)
	Employee benefits expense	118.99	118.26	116.78	237.25	230.31	463.30	406.32	411.48	428.54	817.81	799.33	1,590.66
	Finance cost	24.72	18.84	19.31	43.55	34.30	65.62	28.11	22.51	30.63	50.62	54.60	96.55
	Depreciation and amortisation expense	26.61	26.38	21.48	52.99	42.70	86.87	49.76	47.33	55.37	97.09	115.01	228.04
	Other expenses	140.16	152.07	225.17	292.23	405.32	781.60	495.49	471.91	579.08	967.39	1,047.06	2,108.54
	<b>Total Expenses</b>	<b>930.57</b>	<b>866.57</b>	<b>1,009.11</b>	<b>1,797.13</b>	<b>1,805.92</b>	<b>3,760.79</b>	<b>2,306.16</b>	<b>2,195.98</b>	<b>2,405.20</b>	<b>4,502.14</b>	<b>4,486.49</b>	<b>9,003.82</b>
5	<b>Profit/(Loss) before tax (3-4)</b>	<b>155.27</b>	<b>79.09</b>	<b>165.37</b>	<b>234.35</b>	<b>332.12</b>	<b>560.11</b>	<b>336.61</b>	<b>276.12</b>	<b>277.24</b>	<b>612.74</b>	<b>580.80</b>	<b>1,043.08</b>
6	Tax expense:												
	(1) Current Year	41.55	17.04	37.52	58.59	73.26	121.09	81.82	45.80	67.08	127.61	129.56	235.85
	(2) Earlier year	(8.28)	-	-	(8.28)	(12.15)	(7.20)	(8.28)	-	-	(8.28)	(12.15)	(7.20)
	(3) Deferred tax	3.37	5.50	4.43	8.87	8.89	10.05	3.37	5.50	4.43	8.87	8.89	10.05
	<b>Total Tax Expenses</b>	<b>36.64</b>	<b>22.54</b>	<b>41.95</b>	<b>59.18</b>	<b>70.00</b>	<b>123.94</b>	<b>76.91</b>	<b>51.30</b>	<b>71.51</b>	<b>128.20</b>	<b>126.30</b>	<b>238.70</b>
7	<b>Profit/(Loss) for the period (5-6)</b>	<b>118.63</b>	<b>56.55</b>	<b>123.42</b>	<b>175.17</b>	<b>262.12</b>	<b>436.17</b>	<b>259.70</b>	<b>224.82</b>	<b>205.73</b>	<b>484.54</b>	<b>454.50</b>	<b>804.38</b>
	Other Comprehensive Income/(Loss)												
	Items that will not be reclassified to Profit or Loss	0.11	0.11	0.54	0.23	0.54	0.46	0.11	0.11	0.54	0.23	0.54	0.46
	Income tax relating to above items that will not be reclassified to Profit or Loss	-	-	-	-	-	(0.13)	-	-	-	-	-	(0.13)
	Items that will be reclassified to profit or loss							27.41	(20.94)	86.98	6.47	99.96	(4.31)
	Income tax relating to above items that will be reclassified to Profit or Loss												
8	<b>Other Comprehensive Income/(Loss)</b>	<b>0.11</b>	<b>0.11</b>	<b>0.54</b>	<b>0.23</b>	<b>0.54</b>	<b>0.33</b>	<b>27.52</b>	<b>(20.83)</b>	<b>87.52</b>	<b>6.70</b>	<b>100.50</b>	<b>(3.98)</b>
9	<b>Total Comprehensive Income for the period</b>	<b>118.74</b>	<b>56.66</b>	<b>123.96</b>	<b>175.40</b>	<b>262.66</b>	<b>436.50</b>	<b>287.22</b>	<b>203.99</b>	<b>293.25</b>	<b>491.24</b>	<b>555.00</b>	<b>800.40</b>
10	Total Comprehensive Income attributable to:-												
	Non-Controlling interests	-	-	-	-	-	-	3.17	11.76	9.53	14.94	19.87	39.77
	Owners of the Company	118.74	56.66	123.96	175.40	262.66	436.50	284.05	192.23	283.72	476.30	535.13	760.63
11	Paid up Equity Share Capital (Face Value ₹1 each)	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31	409.31
12	Earnings Per Share of ₹1 each												
	Basic	0.29	0.14	0.30	0.43	0.64	1.07	0.63	0.52	0.48	1.15	1.06	1.87
	Diluted	0.29	0.14	0.30	0.43	0.84	1.07	0.63	0.52	0.48	1.15	1.06	1.87



**Notes:**

- 1 The results for the quarter ended 30th September, 2019 and year-to-date were reviewed by the Audit Committee and approved by the Board of Directors in it's meeting held on 12th November, 2019. The results for the quarter ended 30th September, 2019 have been reviewed by Statutory Auditors of the Company in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements), 2015, as amended.
- 2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended, prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 The company operates in single business segment of research, manufacturing and marketing of pharmaceutical formulation.
- 4 Ind AS 116 'Leases', mandatory from reporting periods beginning on or after 1st April, 2019, replaces existing standard Ind AS 17 'Leases' and interpretation / guidance contained in its appendices under the modified retrospective approach to majority of lease contracts existing as at 1st April, 2019 recognising the right to use assets and corresponding liability in case where the Company is lessee. Accordingly, on 1st April, 2019, the Company recognised the lease liabilities of Rs. 61.57 million and right of use of Rs. 56.08 million (after adjustment of Rs. 5.49 million towards lease incentive and other item related to the lease agreement as at 31st March, 2019). Due to adoption of Ind AS 116, the profit before tax for the quarter is lower by Rs 0.69 million and for the half year ended is lower by Rs 1.45 million.
- 5 The Consolidated financial result includes financial result of subsidiaries namely Marksans Pharma (UK) Ltd, Marksans Pharma Inc, Nova Pharmaceuticals Australasia Pty Ltd (and also step-down subsidiaries).
- 6 Previous period's figures have been regrouped / reclassified, wherever necessary to make them comparable with the current year.

For Marksans Pharma Limited



A handwritten signature in black ink, appearing to read "Mark Saldanha".

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

**Date : 12th November, 2019**

**Place: Mumbai**

**[www.marksanspharma.com](http://www.marksanspharma.com)**

## ANNEXURE-1

## STATEMENT OF ASSETS AND LIABILITIES

(₹ in Million)

Statement of Financial Position	Standalone as at		Consolidated as at	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	968.90	971.86	2,044.14	1,980.82
Capital work-in-progress	-	-	-	-
Intangible assets	101.14	54.27	768.29	716.44
Intangible assets under development	-	-	-	-
<b>Financial assets</b>				
(i) Investments	2,360.74	2,360.74	-	-
(ii) Loans	-	-	-	-
(iii) Other non-current financial assets	20.06	12.92	20.21	12.92
Deferred tax assets (net)	-	-	25.38	12.48
Other non-current assets	-	-	-	-
<b>Total non-current assets</b>	<b>3,450.84</b>	<b>3,399.79</b>	<b>2,858.02</b>	<b>2,722.66</b>
<b>Current assets</b>				
Inventories	596.54	703.64	2,343.58	2,932.46
<b>Financial Assets</b>				
(i) Trade receivables	1,785.24	1,778.30	2,190.84	1,765.97
(ii) Cash and cash equivalents	41.61	18.00	473.02	335.38
(iii) Other Financial Assets	149.98	148.71	4.53	3.27
Other current assets	53.10	71.44	208.29	277.34
<b>Total current assets</b>	<b>2,626.47</b>	<b>2,720.09</b>	<b>5,220.26</b>	<b>5,314.42</b>
<b>TOTAL ASSETS</b>	<b>6,077.31</b>	<b>6,119.88</b>	<b>8,078.28</b>	<b>8,037.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	409.31	409.31	409.31	409.31
<b>Other Equity</b>				
Reserves and Surplus	4,441.67	4,296.43	5,461.64	5,015.51
Equity attributable to owners of the Company	-	-	-	-
Non-Controlling interest	-	-	115.71	102.17
<b>Total equity</b>	<b>4,850.98</b>	<b>4,705.74</b>	<b>5,986.66</b>	<b>5,526.99</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	-	-	-	-
(ii) Other financial liabilities	100.00	100.00	100.00	100.00
Deferred tax liabilities (Net)	79.17	70.29	79.17	70.29
Other non-current liabilities	56.77	-	56.77	-
Provisions	13.56	13.56	13.56	13.56
<b>Total non current liabilities</b>	<b>249.50</b>	<b>183.85</b>	<b>249.50</b>	<b>183.85</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	545.76	773.27	735.86	999.09
(ii) Trade payables	259.08	372.26	665.72	1,060.69
(iii) Other financial liabilities	139.27	73.37	375.75	209.04
Other current liabilities	-	-	-	-
Provisions	7.73	5.62	7.73	8.38
Current tax liabilities (Net)	24.99	5.77	57.06	49.04
<b>Total current liabilities</b>	<b>976.83</b>	<b>1,230.29</b>	<b>1,842.12</b>	<b>2,326.24</b>
<b>Total liabilities</b>	<b>1,226.33</b>	<b>1,414.14</b>	<b>2,091.62</b>	<b>2,510.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,077.31</b>	<b>6,119.88</b>	<b>8,078.28</b>	<b>8,037.08</b>



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## Unaudited Cash Flow Statement for the Half year ended 30th Sept, 2019

(₹ in Million)

Particulars	Half Year ended 30th Sept, 2019 Unaudited	Half Year ended 30th Sept, 2018 Unaudited
<b>A. Cash Flow From Operating Activities</b>		
Profit/(Loss) Before Tax	234.35	332.11
Adjustments to profit before tax and prior period Items:		
-Depreciation and amortisation expenses	52.99	42.70
-(Profit)/Loss on sale of Property, Plant and Equipment	-	-
-Finance Cost	43.55	34.30
-Dividend Income	-	(36.18)
-Interest Income	(0.14)	(0.07)
-Unwinding discount on Security Deposits i.e. Interest Income	(0.21)	(0.15)
-Remeasurement of the net defined benefit plans	0.23	0.54
-Change in Fair value of Forward contract	(1.90)	88.74
<b>Operating Profit before working capital changes</b>	<b>328.87</b>	<b>461.99</b>
<b>Movements in working capital :</b>		
(Increase)/Decrease in Inventories	107.09	(83.57)
(Increase)/Decrease in Trade receivables	(6.94)	(286.91)
(Increase)/Decrease in Other financial assets	(8.40)	145.82
(Increase)/Decrease in Other assets	(9.13)	(105.84)
Increase/(Decrease) in Trade Payable, provisions and Other Non current/Current Liabilities and Current/Non Current Financial Liabilities	(54.29)	155.46
Income Tax Paid	(31.09)	(17.46)
<b>Net cash used in operating activities</b>	<b>326.11</b>	<b>269.49</b>
<b>B. Cash Flow provided by (used in) Investing Activities:</b>		
(Purchase)/Sale of Property, Plant and Equipment Investment	(102.39)	(84.44)
Dividend Income	-	36.18
Interest Income	0.14	0.07
Increase in Margin Money	1.89	(4.02)
Unwinding discount on Security Deposits i.e. Interest Income	0.21	0.15
Change in Fair value of Forward contract	1.90	(88.74)
<b>Net Cash Flow provided by (used in) Investing Activities</b>	<b>(98.25)</b>	<b>(140.80)</b>
<b>C. Cash Flow provided by (used in) Financing Activities:</b>		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	-	-
Increase in Share Premium	-	-
Increase in General Reserve	-	-
Dividend and Dividend Distribution Tax on it	(24.67)	(20.47)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(161.61)	(70.30)
Finance Cost	(43.55)	(34.30)
<b>Net Cash Flow provided by (used in) Financing Activities</b>	<b>(229.83)</b>	<b>(125.07)</b>
<b>Net Increase /(Decrease) in Cash and Bank Balances</b>	<b>(1.97)</b>	<b>3.62</b>
Cash & Bank Balances at the beginning of the period	11.17	5.53
Cash & Bank Balances at the end of the period	9.20	9.15
	(1.97)	3.62

## Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.
- The Breakup of Cash Balance is as follows

Particulars	30th Sept, 2019	30th Sept, 2018
a. Balances with banks		
In current Account	8.99	8.71
b. Cash in hand	0.21	0.44
<b>TOTAL</b>	<b>9.20</b>	<b>9.15</b>



Unaudited Consolidated Cash Flow Statement for the Half year ended 30th Sept, 2019

(₹ in Million)

Particulars	Half Year ended 30th Sept, 2019 Unaudited	Half Year ended 30th Sept, 2018 Unaudited
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit/(Loss) Before Tax</b>	<b>612.73</b>	<b>580.81</b>
Adjustments to reconcile profit before tax and prior period items to cash provided by operations:		
-Depreciation	97.09	115.01
-Exchange differences in translating the financial statements of a foreign operation	6.47	99.96
-(Profit)/Loss on sale of Property Plant and Equipment	-	-
-Finance Cost	50.62	54.60
-Dividend Income	-	-
-Interest Income	(0.42)	(0.07)
-Unwinding discount on Security Deposits i.e. Interest Income	(0.21)	(0.15)
-Remeasurement of the net defined benefit plans	0.23	0.54
-Change in Fair value of Forward contract	(1.90)	88.74
<b>Operating Profit before working capital changes</b>	<b>764.61</b>	<b>939.44</b>
<b>Movements in working capital :</b>		
(Increase)/Decrease in Inventories	588.88	(193.78)
(Increase)/Decrease in Trade and other receivables	(424.87)	(480.26)
(Increase)/Decrease in Other financial assets	(8.56)	0.37
(Increase)/Decrease in Other assets	28.69	(2.89)
Minority Interest	(1.39)	(21.68)
Increase/(Decrease) in Trade Payable, provisions and Other Non current/Current Liabilities and Current/Non Current Financial Liabilities	(338.85)	142.98
Income Tax paid	(111.31)	(28.64)
<b>Net cash used in operating activities</b>	<b>497.20</b>	<b>355.54</b>
<b>B. Cash Flow provided by (used in) Investing Activities:</b>		
(Purchase)/Sale of Property Plant and Equipment	(217.75)	122.47
Investment	-	-
Dividend Income	-	-
Interest Income	0.42	0.07
Increase in Margin Money	1.89	(4.02)
Unwinding discount on Security Deposits i.e. Interest Income	0.21	0.15
Change in Fair value of Forward contract	1.90	(88.74)
<b>Net Cash Flow provided by (used in) Investing Activities</b>	<b>(213.33)</b>	<b>29.93</b>
<b>C. Cash Flow provided by (used in) Financing Activities:</b>		
Increase in Equity Share Capital	-	-
Redemption of Preference Share Capital	-	-
Increase in Share Premium	-	-
Increase in General Reserve	-	-
Proposed Dividend and Dividend Distribution Tax on it	(24.67)	(46.52)
Proceeds/(Repayment) of Short Term and Long Term Borrowings	(96.53)	(336.74)
Finance Cost	(50.62)	(54.60)
<b>Net Cash Flow provided by (used in) Financing Activities</b>	<b>(171.82)</b>	<b>(437.86)</b>
<b>Net Increase /(Decrease) in Cash and Bank Balances</b>	<b>112.05</b>	<b>(52.39)</b>
<b>Cash &amp; Bank Balances at the beginning of the period</b>	<b>328.55</b>	<b>397.17</b>
<b>Cash &amp; Bank Balances at the end of the period</b>	<b>440.60</b>	<b>344.78</b>
	112.05	(52.39)



Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
- The Previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.
- The Breakup of Cash Balance is as follows

Particulars	30th Sept, 2019	30th Sept, 2018
a. Balances with banks		
In current Account	440.29	344.31
b. Cash in hand	0.31	0.47
<b>TOTAL</b>	<b>440.60</b>	<b>344.78</b>



# Marksans Pharma Ltd.

Date: November 12, 2019

**BSE Limited**

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

**National Stock Exchange of India Limited**

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

**Sub: News Release**

Dear Sir,

Enclosed herewith kindly find a News Release dated November 12, 2019 of the Company.

You are requested to note the above in your records.

Thanking you.

Yours faithfully,

**For Marksans Pharma Limited**

**Harshavardhan Panigrahi**  
**Company Secretary & Manager – Legal**

**Marksans Pharma Ltd.**

11th Floor, "GRANDEUR", Opp. Gundecha Symphony, Veera Desai Extension Road, Oshiwara,  
Andheri (W), Mumbai - 400 053 • Tel.: +91 22 4001 2000 • E-mail: info@marksanspharma.com •  
www.marksanspharma.com



# Marksans Pharma Ltd.

**Q2 FY20 Revenue at Rs. 264.28 Cr., EBITDA at Rs. 41.45 Cr., PAT at Rs. 25.97 Cr.**

**Mumbai, November 12<sup>th</sup>, 2019** – Marksans Pharma Ltd (NSE: MARKSANS; BSE Code: 524404), one of the fastest growing pharmaceutical companies in India today announced financial results for the second quarter and half year ended September 30<sup>th</sup>, 2019.

## **Financial Highlights - Consolidated Financial Overview:**

in Rs. Cr.

	Q2FY20	Q2FY19	YoY Growth (%)	YoY% (Constant currency)	1HFY20	1HFY19	YoY Growth (%)	YoY% (Constant currency)
<b>Total Revenue</b>	264.28	268.24	-1.48%	6.90%	511.49	506.73	0.94%	9.38%
<b>EBITDA</b>	41.45	36.32	14.12%	20.15%	76.05	75.04	1.34%	6.70%
<b>EBITDA Margin%</b>	15.68%	13.54%	214 bps	168 bps	14.87%	14.81%	6 bps	-36 bps
<b>PAT</b>	25.97	20.58	26.20%	32.88%	48.45	45.45	6.61%	12.25%
<b>PAT Margin%</b>	9.83%	7.67%	216 bps	186 bps	9.47%	8.97%	50 bps	24 bps

### **Consolidated Q2 FY20 (Y-o-Y)**

- **Overall business grew by 6.9% in constant currency basis in Q2 FY20 when compared to Q2 FY19**
- **Total Revenue** was Rs. 264.28 as compared to Rs. 268.24 in Q2 FY19
- **EBITDA** was Rs. 41.45 Cr. as compared to Rs. 36.32 Cr. in Q2 FY19, an increase of 14.12% on reported basis and 20.15% in constant currency terms
- **EBITDA Margin** stood at ~15.68% on reported basis
- **PAT** stood at Rs. 25.97 Cr. as compared to Rs. 20.58 Cr. in Q2 FY19, a growth of 26.20%

### **Consolidated H1 FY20 (Y-o-Y)**

- **Overall business grew by 9.38% in constant currency basis in H1 FY20 when compared to H1 FY19**
- **Total Revenue** was Rs. 511.49 Cr. as compared to Rs. 506.73 Cr. in Q2 FY19
- **EBITDA** was Rs. 76.05 Cr. as compared to Rs. 75.04 Cr. in Q2 FY19, a growth of 1.34%
- **EBITDA Margin** stood at ~14.87%
- **PAT** stood at Rs. 48.45 Cr. as compared to Rs. 45.45 Cr. in Q2 FY19, an increase of 6.61%

**Commenting on the performance Mark Saldanha, Managing Director of the Company said** *“I am happy with the performance this quarter. The revenue was up 7% on a constant currency basis compared to the corresponding quarter of the last fiscal and our EBITDA margins also showed a marked improvement.”*

He also added, *“We will continue to focus on our strategy of niche products that have minimal competition to drive revenue growth in all geographies. UK along with US markets will drive the revenue contribution of the Company going forward. New product launches in the US and UK markets in the current fiscal would be key to further establishing our presence in those markets.”*

## Business Performance

### Revenue by Market:

in Rs. Cr.

	1HFY20	1HFY19	YoY Growth (%)	YoY% (Constant currency)	Mix (H1 FY20) %
Europe, UK – Formulations	225.24	242.10	-6.96%	2.90%	44.04%
US & North America – Formulations	203.36	191.19	6.37%	11.99%	39.76%
Australia & NZ – Formulations	61.94	58.24	6.35%	18.40%	12.11%
Rest of World (ROW)	20.95	15.20	37.83%	45.12%	4.10%
<b>Consolidated Revenue from operations</b>	<b>511.49</b>	<b>506.73</b>	<b>0.94%</b>	<b>9.38%</b>	<b>100.00%</b>

### Business Highlights

- Company achieved revenue of Rs.225.24 crores from Europe, UK: Formulation business as compared to Rs. 242.10 crores achieved during last year same period registering degrowth of 6.96% during the quarter, mainly on account of currency fluctuations
- US & North America Formulation business reported growth of 6.37% to Rs 203.36 crores in first half of this fiscal; Time Cap Laboratories Inc (company's 100% Wholly Owned Subsidiary) offers Marksans an ideal platform to further expand its operations in US
- Australia & NZ Formulation business revenue was at Rs. 61.94 crores in H1 FY20, registering growth of 6.35% over H1 FY20
- Rest of World Formulation business was Rs. 20.95 crores in H1 FY20
- Almost 96% of company's total revenue came from regulated markets of US, Europe, Australia and New Zealand

### About Marksans Pharma Ltd

Marksans Pharma Limited ([www.marksanspharma.com](http://www.marksanspharma.com)) headquartered at Mumbai, India is engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulation in the global markets. The company's manufacturing facilities are approved by several leading regulatory agencies including USFDA, UKMHRA and Australian TGA. The company's robust product portfolio spreads over major therapeutic segments of CVS, CNS, Antidiabetic, Pain Management, Gastroenterological and Anti-allergies. The company is marketing these products globally.

For details, feel free to contact:

#### Investor Relations Team at Marksans Pharma

**Jitendra Sharma, CFO**

Marksans Pharma Ltd

Tel: +91 022 40012000

[jitendra@marksanspharma.com](mailto:jitendra@marksanspharma.com)

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[ssablok@christensenir.com](mailto:ssablok@christensenir.com)

Fax: +91 224001 2011

CIN: L24110MH1992PLC066364

ISIN: INE750C01026

NSE Code: MARKSANS

BSE CODE: 524404

Website: <http://www.marksanspharma.com>



Marksans Pharma Ltd.

# Investor Presentation

Q2 and H1 FY20

12<sup>th</sup> November 2019

BSE: 524404 | NSE: MARKSANS | ISIN: INE750C01026

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Marksans Pharma Ltd.

# Forward looking statement

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to successfully integrate acquisitions, competition in our areas of business, client concentration, liability for damages in our contracts, withdrawal of tax incentives, political instability, unauthorized use of our intellectual property and general economic conditions affecting our industry



# Agenda

- Company at a glance
- Long-term strategy
- Research & development
- Segmental revenue composition
- Operational review and financials
- Quarterly review – Q2 FY20
- Investment rationale



# Company at a glance

# Company overview



Marksans Pharma Ltd.

## Business Description

- Marksans Pharma Ltd., headquartered at Mumbai, is engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulation
- Key focus areas lie in the OTC & prescription (Rx) drugs
- Company manufactures tablets (plain, enteric coated and film coated), hard & soft gelatin capsule, oral liquids and ointments
- Its manufacturing facilities are accredited by USFDA, UKMHRA and Australian TGA

## Business Model



- 94% of revenues comes from regulated markets



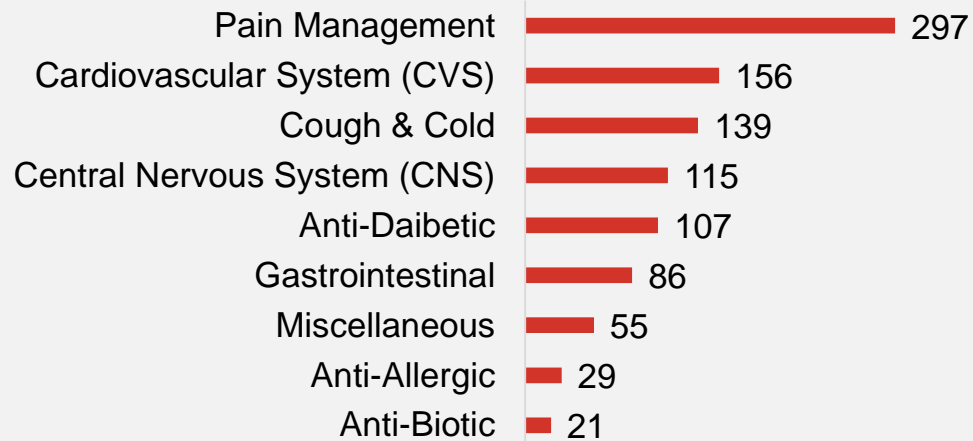
- Forward-integrated business model



- Presence in niche softgel segment

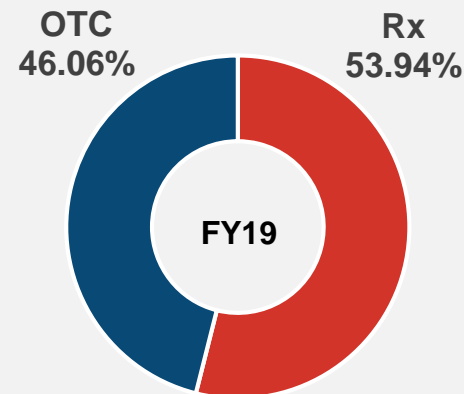
## Product Portfolio

Rs. Cr.

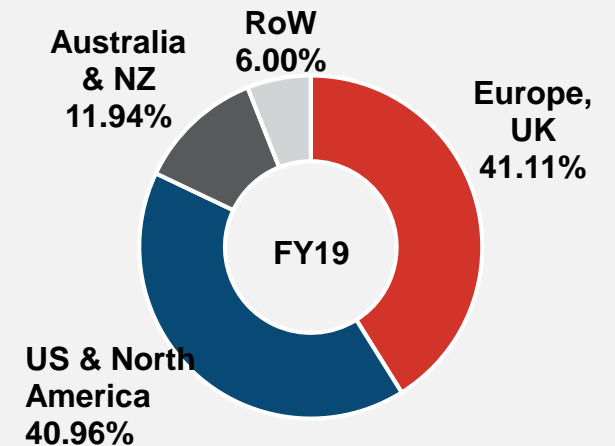


(FY19)

## Revenue Mix



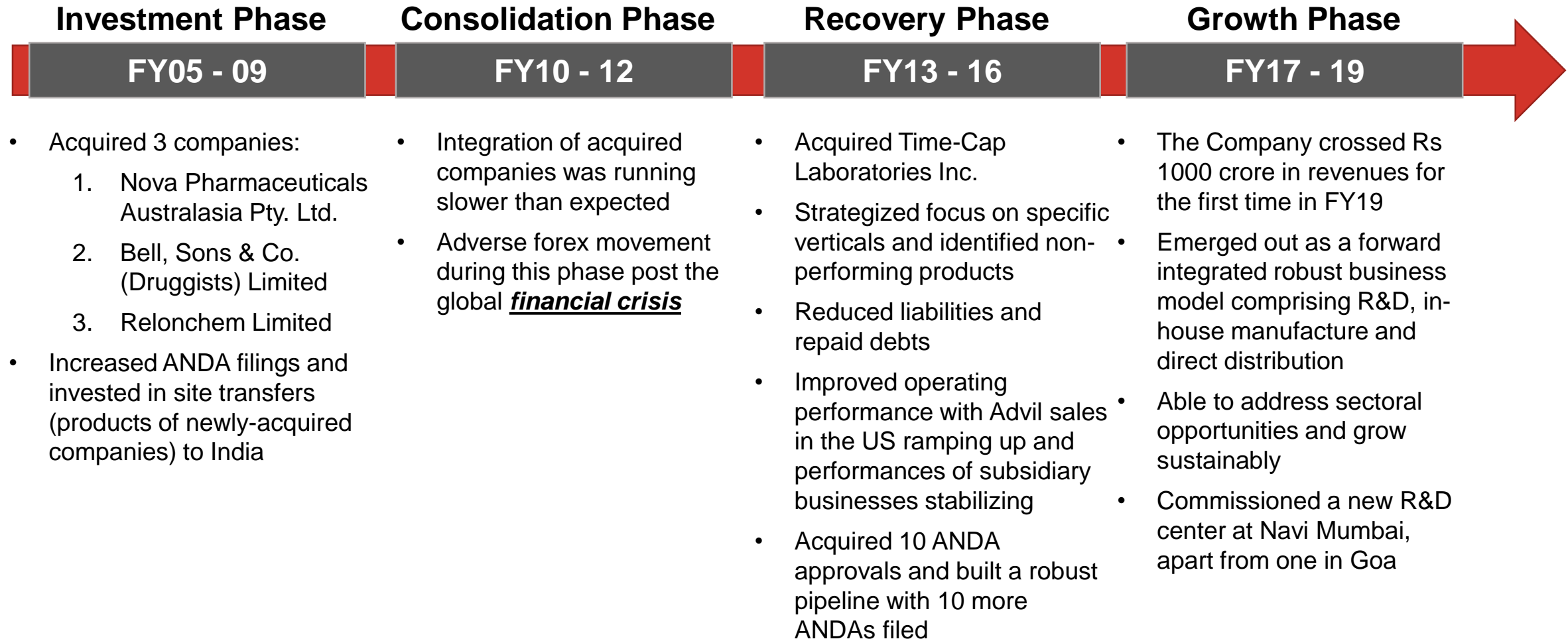
## Geographic Mix



# Marksans Pharma Evolution



Marksans Pharma Ltd.





## Focus on Regulated Markets

- Marksans commenced business with CRAMS directed at the UK and Australian markets
- Entered the regulated Australian market with the acquisition of Nova in 2005
- Entered the regulated UK market with the acquisition of Bell Sons & Company Ltd. in 2007 and Relonchem Limited in 2008
- Entered the US market in 2011-12 and acquired Time-Cap Laboratories in 2015
- The Company now has a global presence across 25 countries



## Forward integrated business model

- Marksans commenced operations as a formulations manufacturing enterprise
- The Company entered front-end marketing in regulated markets through acquisitions
- The Company was among a few Indian mid-sized companies with frontend marketing capabilities
- The Company invested in a state of- the-art R&D facility, strengthening integration



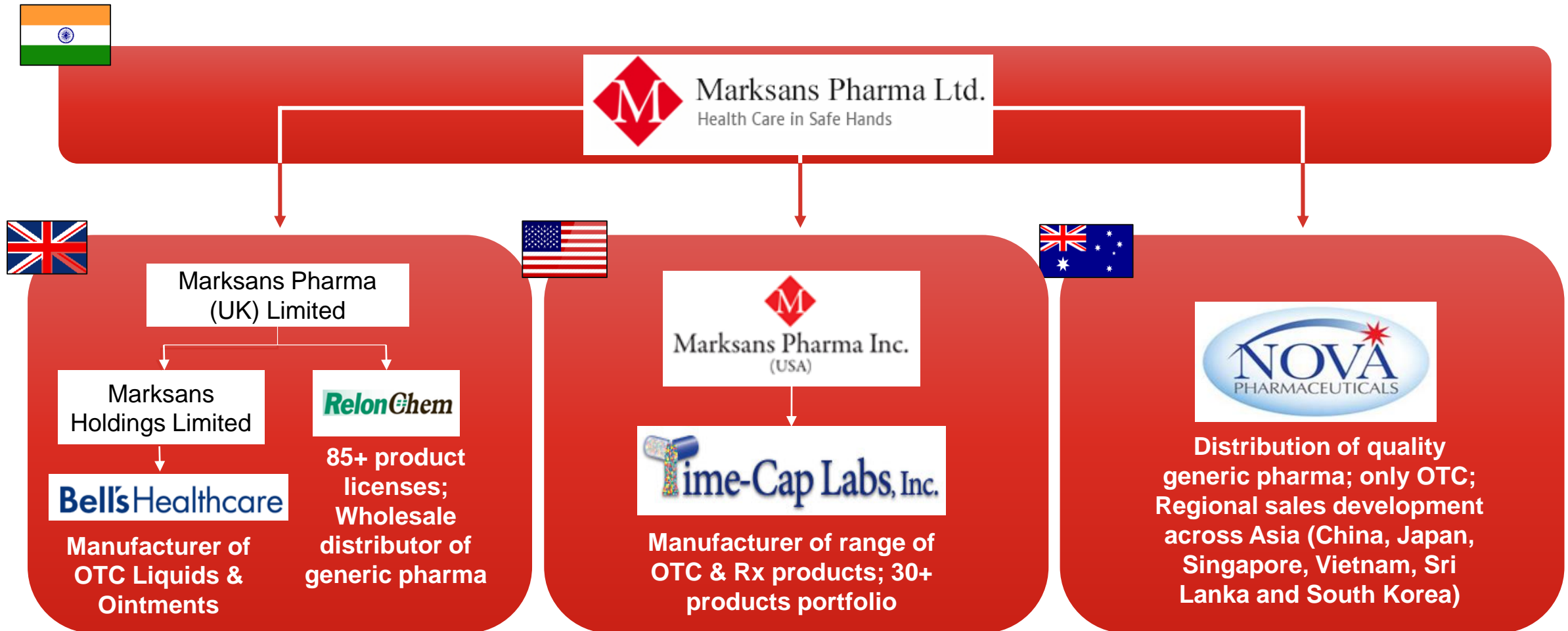
## Wider product basket

- Marksans commenced its journey with products addressing the pain management segment
- The Company focused on high-growth areas impacted by lifestyle disorders
- The Company launched soft gelatin capsules, a niche category
- The Company now offers products across >10 therapeutic segments

# Company structure



Marksans Pharma Ltd.



# Manufacturing capabilities



Marksans Pharma Ltd.

## Goa, India



- Manufactures oral solid tablets and soft gelatin capsules
- One of the biggest manufacturing facility in Asia having 18,000 square mtr campus

### Capacity

- 2.4 bn softgel and hard gelatin capsules per annum
- 5 bn tablets per annum

### Accreditations



## Southport, UK



- Manufactures non-sterile liquids, ointments and powder products
- Supplies to UK, West Africa & Middle East

### Capacity

- 13.6 mn bottles per annum
- 7.8 mn tubes per annum
- 5.7 mn sachets per annum

### Accreditations



## Farmingdale, USA



- Manufactures soft gels, tablets and capsules
- Spread across an area of 7000 sq. m
- "Made in the USA" product offering

### Capacity

- 6 bn tablets and hard capsules per annum

### Accreditations





Marksans Pharma Ltd.



# Long-term strategy



# Strategic focus on regulated markets



Marksans Pharma Ltd.

Marksans Pharma generates ~95% of its revenues from regulated markets



USA



UK



Australia



New Zealand

- Marksans Pharma entered strategic tie-ups and acquired key players in major markets to expand its global footprint
- Company can generate higher margins by eliminating third parties from the value chain
- Currently, the company markets products in 25+ countries with **the UK and the US being the largest**
- Other prominent markets include Australia, New Zealand, Canada and several other European countries
- These markets are empowered with regulatory approvals which allows the company to sell its products without restrictions
- Marksans is among a handful of Indian players with a proprietary marketing presence in the world's largest pharma market such as US, UK and Australia
- The Company expects to expand in the regulated markets through integrated product development, cGMP compliance, regulatory compliance and utilization of latest technologies

# Niche formulations with few competitors



Marksans Pharma Ltd.

Marksans Pharma is currently one of the most active Indian firms focused in Softgel segment



- **Differentiated offerings:** Focused on softgel capsules with a view to build a differentiated set of offerings in the crowded generics market
- **Limited competition** - Given the challenges in preparing Softgel formulations plus other economic, technical and patent constraints there are not many players in this segment
- **High barriers to entry** – High capex requirements and operational costs further restrict entry
- **Selectively targeted larger markets:** Marksans has filed softgel products in all major markets including USA, UK, Europe, Canada, Australia & Russia. Of this, US alone is potentially a USD9 billion market
- **New approvals:** 6 new approvals are awaited in US
- **Manufacturing capabilities with regulatory approvals:** Marksans' Goa facility has a capacity to turn out 2.4 billion softgel capsules per annum, and has all the necessary approvals by USFDA, UKMHRA, TGA & other key regulatory authorities

# Forward integrated business model



Marksans Pharma Ltd.





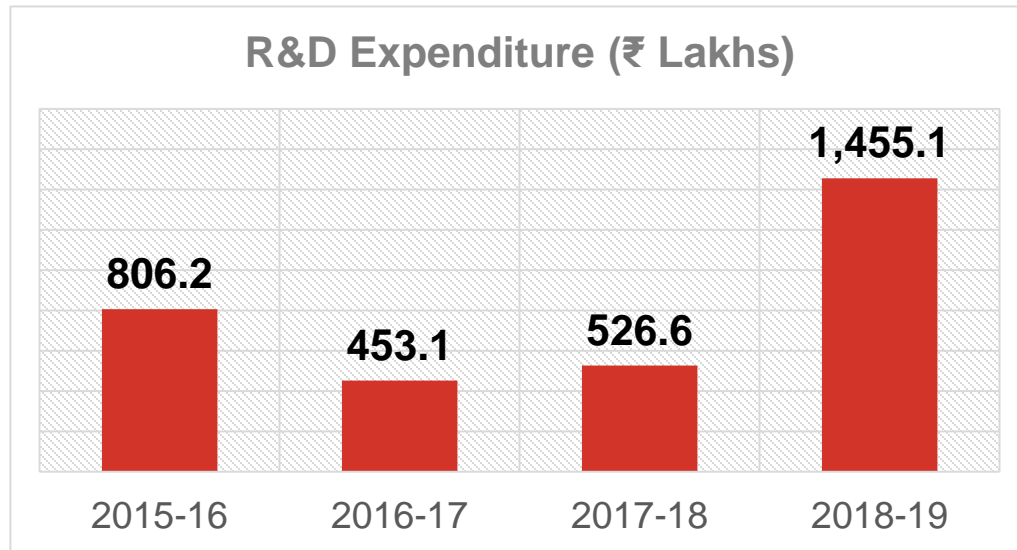
# Research & development

# R&D continues to be the backbone of the Marksans



Marksans Pharma Ltd.

In FY19, total R&D expenditure as a percentage of total standalone revenue was 3.37 %



## R&D activities comprises of:

- **Developing** generic products and pharmaceutical formulations
- **Identifying niche areas** (such as cardiovascular diseases, diabetes and neuroscience) for product development
- **Post-patent filing** for regulated and emerging markets
- **Collaborating with partners** in developing drugs going off-patent

## KEY HIGHLIGHTS

- In FY18, Marksans commissioned a new R&D center at Navi Mumbai, apart from one in Goa to foray into new segments, respond to globally unmet therapeutic needs, enhance the Company's opportunity responsiveness and to file a larger number of ANDAs
- Team of over **50 experienced scientists** specializing in new drug delivery systems, formulation development and analytical development
- The company continues to maintain regulatory certifications with MHRA, TGA and USFDA, based on recent inspections
- **Marksans's ability to formulate and market a drug in the shortest possible lead time has given the business a critical competitive advantage**



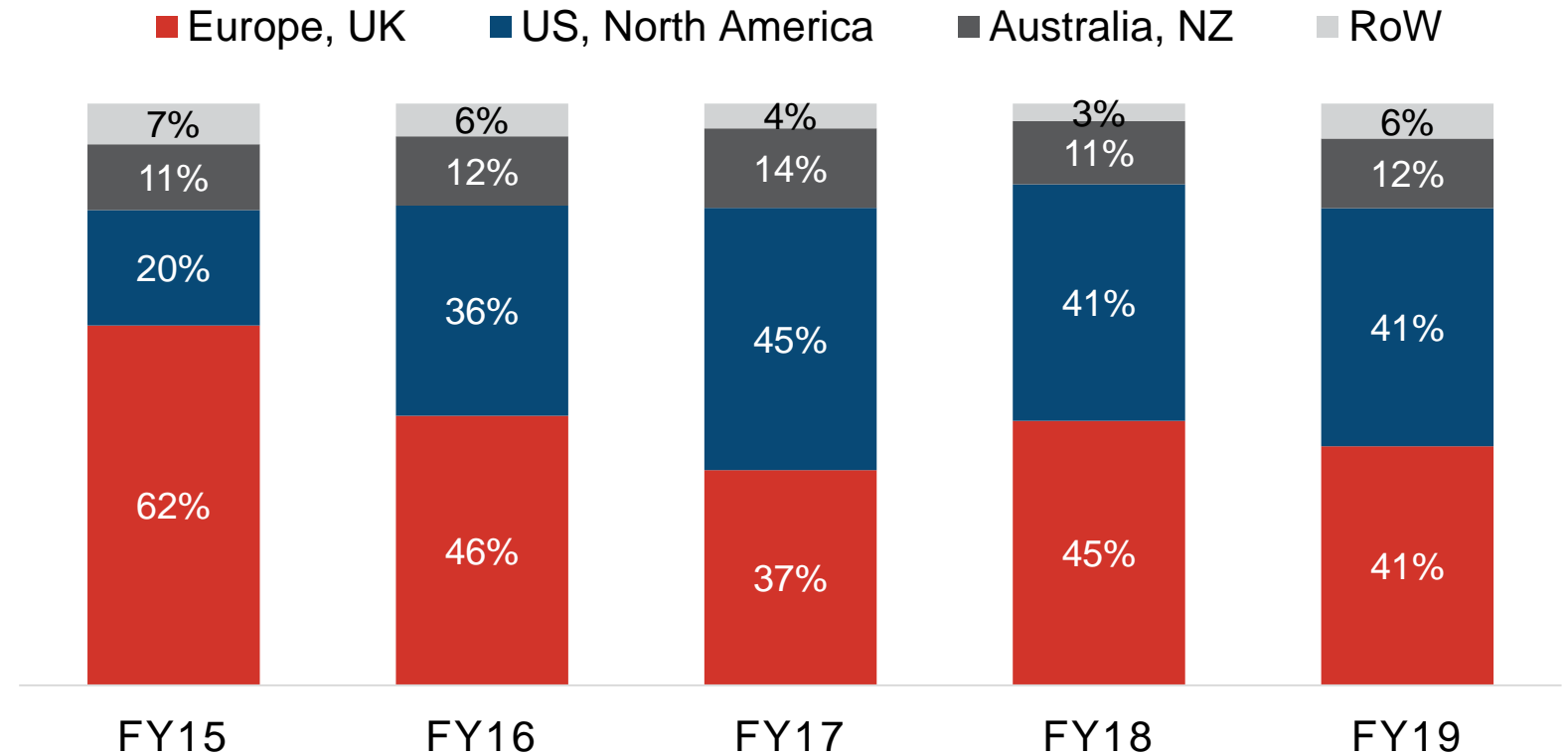
# Segmental revenue composition

# The US, North America has increased its share in revenue over the past years

Company's business is classified under 4 heads:

- North America/ US generics
- Europe/UK generics
- Australia and New Zealand
- Rest of the world (RoW) generics (CIS, Middle Eastern, African and South-East Asian countries)

REVENUE MIX



# The UK is the highest contributor to Marksans Pharma's revenues



Marksans Pharma Ltd.

**The UK**

**413.0**

Total revenues  
(₹ Cr.)

**(0.52)%**  
Y-o-y growth

**41.10%**  
Contribution to  
total revenues

## Overview of the market

- The UK pharmaceutical market is estimated to grow from ~USD 29 billion in 2015 to ~USD 43 billion by 2020, at a CAGR of 8.4%, driven primarily by a robust life sciences industry

## Company presence

- One of the top 5 Indian pharma companies in the UK
- UK business is driven by its two subsidiaries, Relonchem and Bell
- Bell has a strong OTC portfolio with 50+ products
- Relonchem's portfolio comprises high-end Rx portfolio of 100+ products

## Outlook

- Company has 50+ products in the pipeline in different stages to cater UK market
- Company is awaiting approval for ~20 MAs in the UK market



# Marksans is among a few Indian players with a proprietary marketing presence in the US



Marksans Pharma Ltd.

**The  
United  
States**

**411.5**

Total revenues  
(₹ Cr.)

**10.76%**

Y-o-y growth

**40.96%**

Contribution to  
total revenues

## Overview of the market

- The US holds over 30-40% of the global pharmaceutical market. It is expected to reach USD 190.4 billion by 2024, at a projected CAGR of 10.6% during 2019-2024, due to favoring government programs and policies

## Company presence

- In June 2015, Marksans acquired Time-Cap Labs which enabled Marksans to expand its offering in US market
- 30+ products, positioned in the niche soft gel category
- Proprietary marketing presence with 100% integration of Time-Cap Laboratories
- Strong distribution channel marketing for both OTC and Rx products

## Outlook

- Strengthen company's US operations in the coming years
- Add 4-5 new products to its portfolio during the year under review

# Australia and NZ region registered highest growth among regulated markets in FY19



Marksans Pharma Ltd.

**Australia  
and New  
Zealand**

**119.9**

Total Revenues  
(₹ Cr.)

**21.05%**

Y-o-y growth

**11.94%**

Contribution to  
total revenues

## Overview of the market

- Australia's pharmaceutical market is set to rise from >\$22.85 billion in 2016 to \$25.2 billion by 2020 registering a CAGR of 2%

## Company presence

- Marksans carries out business operations in Australia and New Zealand through its subsidiary Nova Pharmaceuticals
- Nova is one of the leading generics and private label suppliers in Australia
- Tie-ups with topmost retailers & pharmacies in Australia, like Woolworths Ltd., Coles Mayer Ltd., Aldis, Metcash and Fauldings
- Presence in key therapeutic areas

## Outlook

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

# After harnessing the regulated markets, Marksans is venturing out in the emerging countries



Marksans Pharma Ltd.

**Rest of  
the world**

**60.3**

Total Revenues  
(₹ Cr.)

**70.03%**

Y-o-y growth

**6.00%**

Contribution to  
total revenues

## Overview of the markets

- ROW includes markets of South East Asia, MENA, Russian Federation & Africa

## Company presence

- Targeting four major clusters such as South East Asia, Russia and the CIS, Middle East and Africa
- In these four clusters, specific countries like Iraq, Kenya, Ukraine, Sri Lanka and Myanmar are targeted
- Started filing for approvals in these countries

## Outlook

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



Marksans Pharma Ltd.

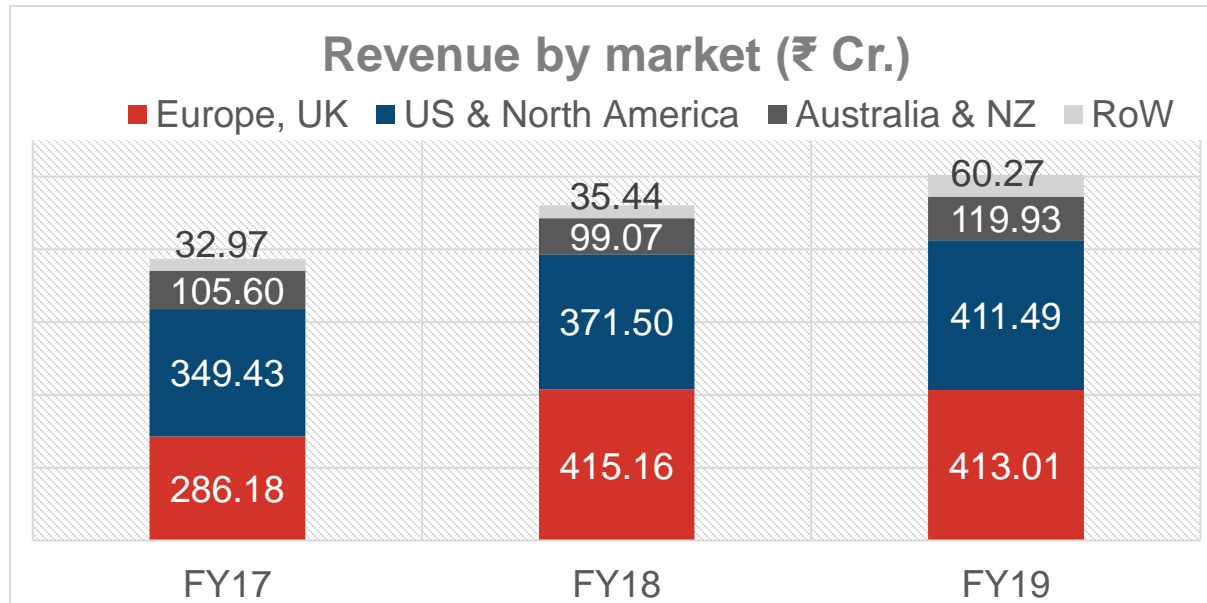
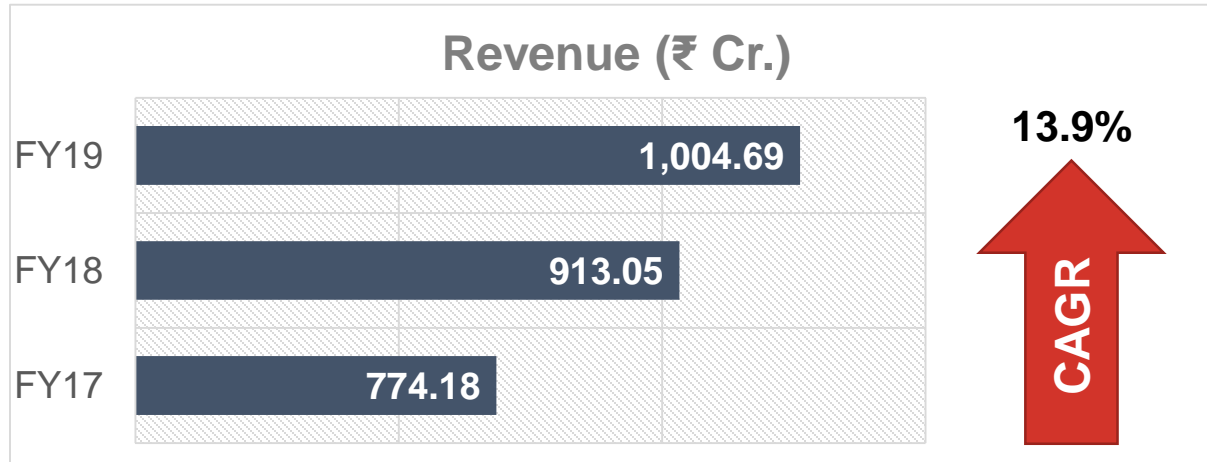


# Operational review and financials

# Consolidated revenue crossed INR 1000 Cr. in FY19



Marksans Pharma Ltd.



## Topline driven by key geographies

- The revenue growth in FY19 was driven by increasing market share in the US & North American region

### US Region:

- Revenue from the US market grew 10.76% over FY18, contributing to ~41% of the total revenues
- Completed 100% integration with Time-Cap Laboratories in FY18
- Time Cap Labs Inc has achieved revenue of USD 57.91 Millions (FY 18-USD 52.48 Millions)

### UK Europe:

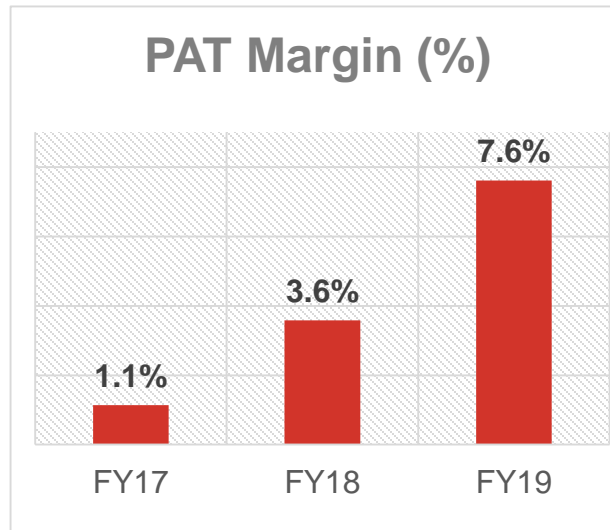
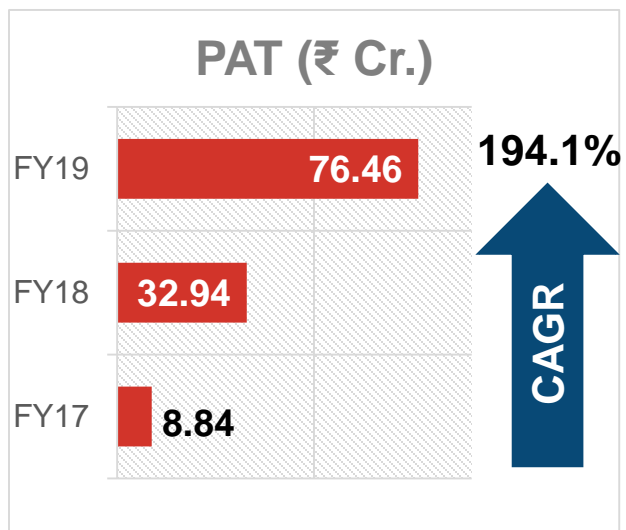
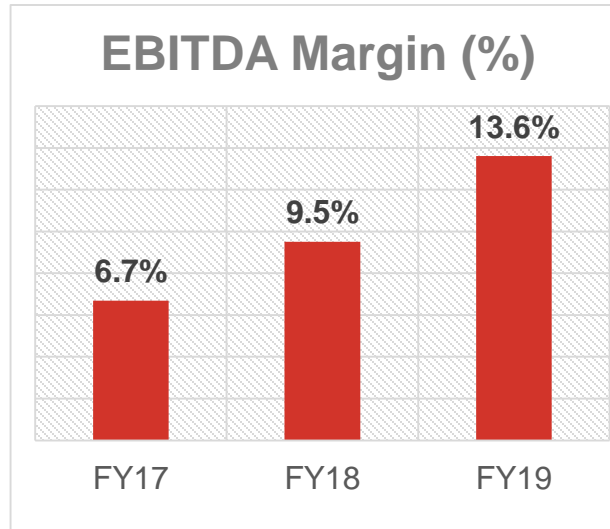
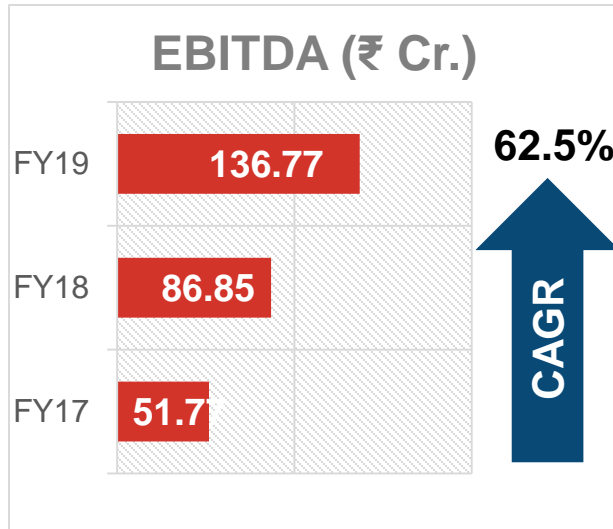
- Strong product pipeline followed by successful launches every quarter
- In Europe, UK, company targets a focused segments where competition is low
- There is a consistency in the top line generation and will be followed by existing pipeline and future launches

Source – 2019 Annual Report

# EBITDA margin increased by 418 bps during FY19



Marksans Pharma Ltd.



## Steady growth in the profitability

- Gross margin improved from 42.7% during FY18 to 50.2% in FY19 due to better product mix in US
- The company reported a ~410 bps increase in EBITDA margin in FY19. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business
- The company reported a ~300 bps increase in PAT margin in FY19.

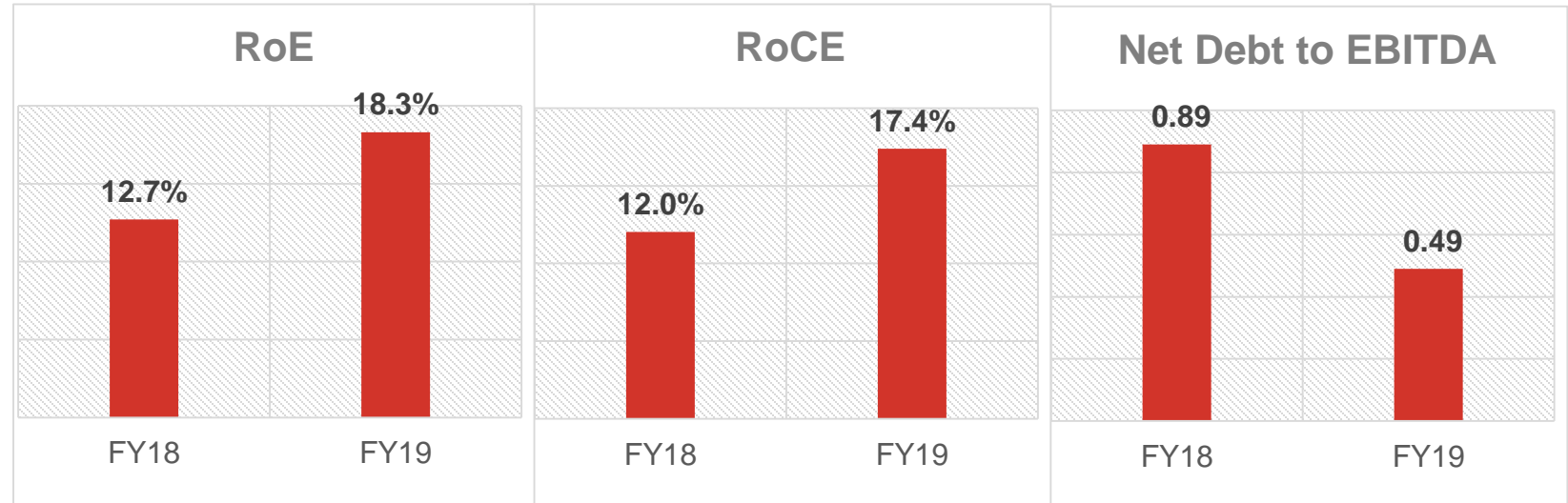
Source – 2019 Annual Report

# Balance Sheet Trends as on 31<sup>st</sup> March, 2019



Marksans Pharma Ltd.

Particulars (₹ Cr.)	Mar-19	Mar-18
Net Worth	542.48	470.86
Capital Employed	571.08	497.51
Net debt	66.37	77.54
Cash & Bank Balance	33.54	39.88
Inventories	293.25	218.12
WC Cycle	108.6 days	85.5 days
Asset Turnover	2.6x	2.4x



## Highlights

- Marksans reported a peak debt-equity ratio of >3 in 2008; since then the company has ploughed profits into debt repayment and business expansion
- The Company repaid all long-term debt in 2014-15
- The Company's D/E ratio was 0.12 as on 31st March 2019 as compared to 0.16 in FY18
- Company's net debt/EBITDA has also declined which indicates a growing ability to service debt
- Inventories increased by 34.4% mainly to support the increase in sale of formulation

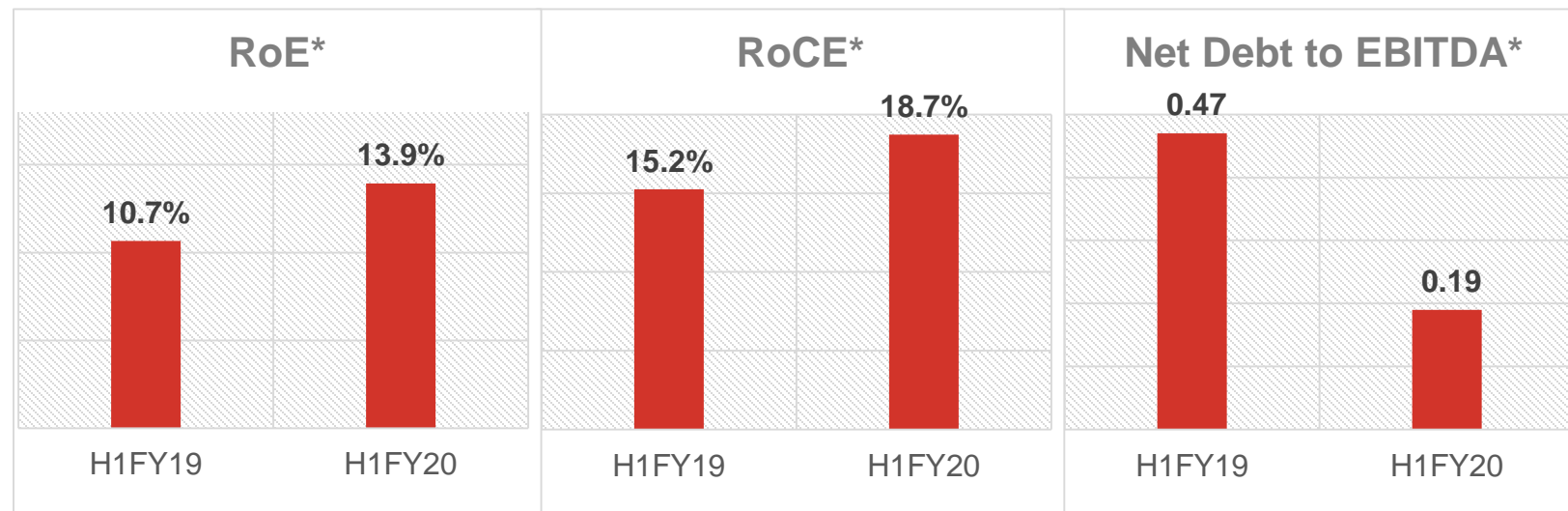
Source – 2019 Annual Report

# Balance Sheet Trends as on 30<sup>th</sup> September, 2019



Marksans Pharma Ltd.

Particulars (₹ Cr.)	Sep-19	Sep-18
Net Worth	587.10	519.73
Capital Employed	623.62	553.53
Net debt	26.28	50.33
Cash & Bank Balance	47.30	35.04
Inventories	234.36	237.50
WC Cycle	122.4	117.2
Asset Turnover	1.25	1.20



\*Annualised

## Highlights

- The Company's debt-equity ratio is 0.29 in September 2019 from 0.52 in September 2018, annualised
- Company's net debt/EBITDA has also declined which indicates a growing ability to service debt
- ATO increased from 1.25x in September 2019 from 1.20x in September 2018 which shows increase in the company's efficiency and productivity

Source – Company Data





# Quarterly Review – Q2 FY20

# Growth in Profitability



Marksans Pharma Ltd.

Rs. Cr.	Q2FY20	Q2FY19	YoY Growth (%)	YoY% (Constant currency)	1HFY20	1HFY19	YoY Growth (%)	YoY% (Constant currency)
<b>Total Revenue</b>	264.28	268.24	<b>-1.48%</b>	<b>6.90%</b>	511.49	506.73	<b>0.94%</b>	<b>9.38%</b>
<b>EBITDA</b>	41.45	36.32	<b>14.12%</b>	<b>20.15%</b>	76.05	75.04	<b>1.34%</b>	<b>6.70%</b>
<b>EBITDA Margin%</b>	<b>15.68%</b>	<b>13.54%</b>	<b>214 bps</b>	<b>168 bps</b>	<b>14.87%</b>	<b>14.81%</b>	<b>6 bps</b>	<b>-36 bps</b>
<b>PAT</b>	25.97	20.58	<b>26.20%</b>	<b>32.88%</b>	48.45	45.45	<b>6.61%</b>	<b>12.25%</b>
<b>PAT Margin%</b>	<b>9.83%</b>	<b>7.67%</b>	<b>216 bps</b>	<b>186 bps</b>	<b>9.47%</b>	<b>8.97%</b>	<b>50 bps</b>	<b>24 bps</b>

## Key Highlights

**Overall business grew at 6.90% on constant currency (cc) basis in Q2 FY20 and 9.38% (cc) in H1 FY20**

- EBITDA was Rs. 41.45 Cr. in Q2 FY20 as compared to Rs. 36.32 Cr. in Q2 FY19, an increase of 14.12% vs 20.15% in constant currency
- EBITDA Margin stood at ~15.68% in Q2 FY20 and ~14.87% in H1 FY20
- PAT stood at Rs. 25.97 Cr. in Q2 FY20 as compared to Rs. 20.58 Cr. in Q2 FY19, a growth of 26.20%

Source – Company Data

# Business Review



Marksans Pharma Ltd.

Rs. Cr.	Q2FY20	Q2FY19	YoY Growth (%)	YoY% (Constant currency)	1HFY20	1HFY19	YoY Growth (%)	YoY% (Constant currency)	Mix (H1 FY20) %
Europe, UK	124.37	133.86	-7.09%	2.76%	225.24	242.10	-6.96%	2.90%	44.04%
US & North America	99.79	99.11	0.69%	6.01%	203.36	191.19	6.37%	11.99%	39.76%
Australia & NZ	31.12	32.87	-5.32%	5.40%	61.94	58.24	6.35%	18.40%	12.11%
Rest of World (ROW)	9.00	2.40	275.00%	294.84%	20.95	15.20	37.83%	45.12%	4.10%
<b>Consolidated Revenue from operations</b>	<b>264.28</b>	<b>268.24</b>	<b>-1.48%</b>	<b>6.90%</b>	<b>511.49</b>	<b>506.73</b>	<b>0.94%</b>	<b>9.38%</b>	<b>100.00%</b>

## Key Highlights

**Almost 96% of company's total revenue came from regulated markets of US, Europe, Australia and New Zealand**

- In Q2 FY20 and H1 FY20, there were currency fluctuations across geographies such as Europe - UK, US & North America and Australia & NZ
- USD declined by 5.0%, GBP declined by 9.6% and AUD declined by 10.2% in September'19 when compared with September'18

Source – Company Data

# Financials



Marksans Pharma Ltd.

PARTICULARS (₹ Cr.)	Q2'20	Q1'20	Q2'19	H1'20	H1'19	FY19	FY18
Total Revenue	264.3	247.2	268.3	511.5	506.7	1,004.7	921.2
Material Consumption	136.8	125.4	130.8	262.1	248.3	500.3	528.0
<b>Gross Profit</b>	127.5	121.8	137.5	249.4	258.5	504.4	393.2
<i>Gross Margin %</i>	48.3%	49.3%	51.3%	48.8%	51.0%	50.2%	42.7%
Operating Expenses	86.1	87.2	101.2	173.4	183.4	367.6	306.3
<b>EBITDA</b>	41.5	34.6	36.3	76.1	75.0	136.8	86.9
<i>EBITDA Margin %</i>	15.7%	14.0%	13.5%	14.9%	14.8%	13.6%	9.4%
Finance Cost	2.8	2.3	3.1	5.1	5.5	9.7	10.2
Depreciation and amortization	4.9	4.7	5.5	9.7	11.5	22.8	26.8
<b>Earnings Before Tax</b>	33.7	27.6	27.7	61.3	58.1	104.3	49.8
Taxes	7.7	5.1	7.1	12.8	12.6	23.9	14.0
<b>Earnings After Tax</b>	26.0	22.5	20.6	48.5	45.5	80.4	35.8
<i>PAT Margin %</i>	9.8%	9.1%	7.7%	9.5%	9.0%	8.0%	3.9%

Source – Company Data

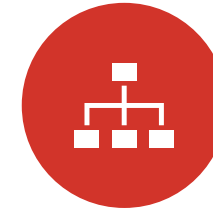


# Investment Rationale

# Investment Rationale



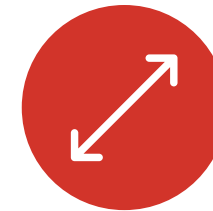
Company is widening its products portfolio in the complex and high-margin generics segment



The US, the UK and Australia are the key Marksans' markets with all of them being now empowered with all regulatory approvals



Marksans is among a handful of Indian players with a proprietary marketing presence in the US which is world's largest pharma market



Marksans is among a few mid and small-sized pharma companies to have created an integrated business model by engaging R&D team in creating and filing dossiers across major markets



The new state-of-the-art R&D center in Navi Mumbai (Nerul) is focused on formulations and novel drug delivery systems



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



Marksans Pharma Ltd.



# Marksans Pharma Ltd.

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