Glenmark

A new way for a new world

Annual Report
2019-2020

CREATING A NEW WAY FOR A NEW WORLD

CONTENTS

THEME STORIES:

A NEW WAY FOR A NEW WORLD

THIS YEAR (2020) CHANGED EVERYTHING FOR THE WORLD. THE NEW WORLD DEMANDS MORE OUT OF EVERYONE, WHETHER AS INDIVIDUALS, CORPORATES OR SOCIETY AT LARGE

COVID-19 has thrown the world into an unprecedented crisis. Its impact is being felt across every country and community. While the world may have been caught off-guard initially, it is now rallying to beat the pandemic while mitigating its direct and indirect effects on the most vulnerable. It is amply clear that to succeed in this mission, every constituent must play its part.

In this increasingly evolving and complex scenario, Glenmark has maintained an unwavering focus on the trinity of Employees, Patients and the Community. With a 14,000+ strong and dedicated workforce across the globe, and the global population hoping for a medical breakthrough, Glenmark has kept its firm focus on this trinity to ensure business continuity, benchmark high safety standards, and reach out to support society with open arms. All this while making sure that we strive for innovation with more focus and agility than ever before. This year has indeed motivated us to keep pushing the boundaries as we innovate a New Way for a New World.

CHAIRMAN'S MESSAGE

GLENMARK'S RESPONSE TO THE PANDEMIC WAS SWIFT AND PURPOSE-DRIVEN: WE ENSURED BUSINESS CONTINUITY ACROSS GLOBAL GEOGRAPHIES AND LAUNCHED INDIA'S FIRST ORAL ANTIVIRAL FOR THE TREATMENT OF COVID-19

—

Glenn Saldanha

Chairman & Managing Director

DEAR SHAREHOLDERS,

As this is being written, the world is striving to come to grips with the turmoil unleashed by the COVID-19 pandemic. Governments that were forced to prioritize lives over livelihood as the virus hit their shores, are now having to think hard on the long-term economic and humanitarian consequences of prolonged lockdowns and how these are to be countered.

For businesses too, this is an unfamiliar and unforeseen challenge. We too have multiple stakeholders whose interests need to be balanced. As the pandemic unfolded, we at Glenmark asked ourselves: how do we ensure that patients all over the world who rely on us for essential medicines continue to be served? How do we do this while safeguarding the well-being of our employees? While we strive to ensure business continuity, how do we, as responsible corporate citizens, step up our engagement with the communities around us to provide relief to the most vulnerable?

When posed with these questions, the organization spared no time in rising to the occasion. Glenmark responded swiftly across teams, functions and geographies to reopen laboratories and smoothen out logistics. By the end of April 2020, Glenmark's manufacturing units could stabilize production and logistics were in place for uninterrupted supply to all our markets. Our Corporate Social Responsibility (CSR) department, ably supported by other teams and its NGO partners, reached out to those most impacted by the lockdown such as migrants, children out of school, and expecting mothers, to provide food and health aid in a timely manner.

In a landmark development, we also developed and manufactured the anti-viral Favipiravir for the treatment of mild to moderate SARS-CoV-2 infection. In June 2020, Glenmark became the first in India to receive regulatory approval under an accelerated review process for the restricted and emergency use of FabiFlu® against mild to moderate COVID-19. We are also in the process of studying Favipiravir in combination with another anti-viral, Umifenovir, as a potentially more effective treatment for SARS-CoV-2 infection.

Coming to the year under review, in 2019-20, our revenues grew 7.86% to approx 1.5 billion USD. Our Indian business continued to perform strongly with 15% growth rate. Glenmark is one of the fastest growing companies in the Indian pharmaceuticals market. Among the highlights of the year was the rapid acceptance of Remogliflozin etabonate, our novel, globally-researched SGLT2 inhibitor for Type 2 diabetes, by the medical community.

With its clinical efficacy and economical pricing, Remogliflozin is transforming diabetes therapy in the country. SGLT2 inhibitors are the newest class of oral drugs for the management of Type 2 diabetes, combining effective glycemic control with weight loss and cardiovascular risk reduction. Glenmark's objective was to increase access to this cutting-edge, globally-accepted class of drug among patients with diabetes.
Our respiratory franchise gained market share to rank number three; it is expected to continue performing strongly with new launches in the current year. Our Consumer Care business clocked Rs 200 crore in revenues and grew in strong double digits led by the flagship anti-fungal brand Candid. The US market continued to witness significant price erosion during

GLENMARK CONTINUES TO INNOVATE FOR EFFECTIVE, VIABLE COVID-19 TREATMENT. WE ARE ALSO STUDYING FAVIPIRAVIR IN COMBINATION WITH ANOTHER ANTI-VIRAL, UMIFENOVIR, AS A POTENTIALLY MORE EFFECTIVE TREATMENT FOR SARS-COV-2 INFECTION

1 FIRST IN INDIA TO RECEIVE REGULATORY APPROVAL FOR FABIFLU®

2 REVENUES GREW 7.86% TO APPROX 1.5 BILLION USD

3 GLENMARK IS ONE OF THE FASTEST GROWING COMPANIES IN THE INDIAN PHARMACEUTICAL MARKET

the year. Three of our leading products were impacted substantially because of price erosion and the withdrawal of Ranitidine from the US market. Despite this, the US revenue was flat as compared to the previous year. Our manufacturing facility in Monroe was commissioned to manufacture oral solids with injectables expected to follow suit in the near future. The coming months and years will see Glenmark launch more niche generics and injectables in the US and accelerate filings for new products in the market.

Among Rest-of-World (RoW) markets, Africa and the Middle East have performed well and will continue to grow at a healthy rate. The Russian business continued to be subdued but it is expected to pick up with the launch of new products. These products, either the first generic or a new combination, are in the respiratory segment and are currently undergoing trials. Glenmark is already a strong player in this segment. It was a mixed year for the European business with the biggest positive being the settlement of intellectual property litigation on Salmex, an inhalation product containing Salmeterol xinafoate and Fluticasone propionate, in selected European markets, paving the way for its launch. Europe will continue to be a focus market for Glenmark with a number of respiratory products slated for launch over the next few years. In Latin America, our Brazilian subsidiary grew strongly on the back of respiratory products in-licensed from a multinational partner. In Brazil and other major markets such as Mexico, we will beef up our presence in the respiratory segment.

In 2018-19, Glenmark Pharmaceuticals initiated the process of reorganizing the business into three different entitites that together make up the Glenmark group of companies. This is designed to place us on an accelerated trajectory to attain our objectives in each of these verticals – Generics/Branded and Specialty Products, Active Pharmaceutical Ingredients (API) and breakthrough innovative drugs.

The year under review saw this realignment nearing completion. Ichnos Sciences Inc, the innovation company, has taken many steps in the process of becoming a separate and independent company. Ichnos is developing transformative treatments in its focus areas of Oncology and Autoimmune Disease. Headquartered in the US, it owns clinical and pre-clinical innovative molecules including those using the BEAT technology platform (Bispecific Engagement by Antibodies based on the T cell receptor). Spearheaded by experienced leadership, the company is staffed with

OUR CONSUMER CARE BUSINESS CLOCKED RS 200 CRORE IN REVENUE AND GREW IN STRONG DOUBLE DIGITS LED BY OUR FLAGSHIP ANTI-FUNGAL BRAND CANDID

GLENMARK LIFE SCIENCES, THE API COMPANY, IS ALSO ON A GROWTH TRAJECTORY EXPANDING ITS OFFERINGS AND TAPPING NEW MARKETS

skilled, passionate and creative people, committed to making a meaningful difference to the lives of patients.

Glenmark Life Sciences (GLS), the API company, is also on a growth trajectory expanding its offerings and tapping new markets. In light of the pandemic, as countries look for alternatives to China as a leading global supplier of API, GLS with its India-based manufacturing, stands poised to benefit from the opportunities opened up by this shift.

As a part of our move from vanilla generics to specialty products, Glenmark's first proprietary speciality product Ryaltris™ (olapatadine hydrochloride and mometasone furoate) Nasal Spray for seasonal allergic rhinitis is on course to being launched in global markets. During the year, Glenmark's partner Seqirus Pty. Ltd. received marketing approval for Ryaltris™ from the Therapeutic Goods Administration (TGA), Australia. The launch is planned for the second quarter of FY21 and we have dispatched launch quantities. Glenmark also entered into an exclusive licensing agreement with Hikma to commercialize Ryaltris™ in the US where our product is currently under review.

Glenmark has signed commercialization deals for Ryaltris™ in China, Australia, New Zealand and South Korea, and is working to close partnerships in various other markets, including the European Union where an application for approval is pending. Clinical trials in Russia have been concluded and Glenmark's Russian subsidiary will shortly seek regulatory approval. Ryaltris™ has also received marketing approval in Cambodia, Uzbekistan, Namibia and South Africa. During the year, the commissioning of Glenmark Pharmaceutical's manufacturing facilty in Monroe in the US once again underscores our commitment to quality manufacturing that complies with stringent regulatory standards.

While challenges of pricing and competition persists in the global generics market, we maintain our firm focus on quality and compliance, so that patients access high -quality medicines from Glenmark at all times.

At Glenmark, we believe in doing business sustainably. For the second consecutive year, Glenmark Pharmaceuticals was listed in the Dow Jones Sustainability Index (DJSI), one of the world's most respected and widely accepted sustainability benchmarks. Glenmark is one of the only two companies from the Indian pharmaceuticals sector to be featured in the DJSI, Emerging Markets Index 2019.

As the world lives through the consequences of the COVID-19 pandemic, Glenmark continues to strive in every possible way to pre-empt and/or mitigate its impact on our business, our workforce and the communities among whom we operate. We are wholly aware that for the world to stage a recovery from this major setback, it will require every constituent to play its part. I would like to thank our employees whose commitment and enthusiasm have helped us react swiftly to the altered environment. I also thank you, our shareholders, for your patience and guidance thus far, and look forward to your continued support.

Glenn Saldanha

Chairman & Managing Director

EMPOWERING OUR EMPLOYEES

Glenmark has always set high health and safety benchmarks for its employees around the world. At the onset of the pandemic, it became clear that we had to go over and above these standards, to provide a safe and hygienic working environment for our people and support them in the office, plant sites and at home, to help them ensure business continuity for the world.

EMPOWERING OUR EMPLOYEES

At Glenmark, we have always recognized that our people are our strength. Our policies are designed to support and nurture employees to deliver to their fullest potential. As the pandemic unfolded, this people-centric culture helped the organization adhere to the highest benchmarks of employee health and safety while continuing to supply essential medicines to millions of patients globally.

Our employees are spread over our offices, production sites, and Research and Development (R&D) centers across the world. As lockdown measures began to be enforced in various countries, many things changed. A majority of the office staff began to work from home. The lockdown made it difficult for plant personnel to commute to work and back even as they battled the fear of contracting the virus during travel or at the workplace. Research and Development (R&D) centers were initially not permitted in the states where three Glenmark centers were located as these operations were not deemed ‘essential.’

It was clear that each of these groups required customized solutions to ensure that they could continue to perform their duties in this drastically altered environment with adequate safeguards to protect their physical and mental well-being. In addition, the scale of our geographical footprint meant that we had to make renewed efforts to ensure that our employees felt integrated, connected and a part of the Glenmark family no matter where they were situated.

This called for an organization-wide, cross-functional approach to tackle every aspect of the herculean human resources challenge that the pandemic presented.

THEY IDENTIFIED 3 ACTIONABLE PRIORITIES: A SAFE AND HYGIENIC ENVIRONMENT ACROSS LOCATIONS; ADMINISTRATIVE AND LOGISTICAL SUPPORT TO ENSURE BUSINESS CONTINUITY; AND PSYCHOLOGICAL AND EMOTIONAL SUPPORT TO EMPLOYEES AND THEIR FAMILIES

The organization rose to this challenge. The leadership team supported by the Human Resources (HR), Information Technology (IT) and Administration (Admin) departments, ensured close monitoring of the evolving situation and put together a three-point plan to ensure business continuity while safeguarding the well-being of our employees.

They identified 3 actionable priorities: a safe and hygienic environment across locations; administrative and logistical support to ensure business continuity; and psychological and emotional support to employees and their families.

SUPPORT FOR OUR MANUFACTURING FACILITIES/ R&D CENTERS

Glenmark implemented a host of measures to facilitate and protect employees reporting to work. This included putting more buses on the road to ensure adequate social distancing during commutes, providing protective gear and hand sanitizers in buses and on site, sanitization of common areas thrice a day, among other things. In some locations, where travel was difficult, employees were housed in nearby hotels and lodges. The HR and Admin teams embraced informal communication technology facilitating real-time and open discussion via virtual employee groups to address day-to-day issues. At some locations, essential food rations were only sold during certain hours in the day making it difficult for employees on shift to purchase food for their families. To address this issue, employees in such locations were provided curated meal packets every 5 days, to support their family's basic needs. Glenmark Foundation in partnership with Tata Institute of Social Sciences (TISS) helped our India business employees and their families by giving them access to iCall, a psychosocial well-being helpline which is run by trained counsellors.

The temporary shutdown of our R&D centers posed a serious problem as it is their function to continuously feed the Glenmark product pipeline. It was vital that they be reopened. Here, our HR and Admin teams demonstrated a great deal of grit and superior communication skills to convince the administration of Maharashtra. The process was made tougher by meagre attendance in government offices. After multiple visits to different local authorities, the teams succeeded in securing permissions to reopen the center in Sinnar. Mindful of employee sentiments, work was only resumed on critical projects with 20% manpower on site. Safeguards similar to those at our production sites were put in place. An Emergency Response Team (ERT) drafted detailed COVID-19 protocols in the eventuality of any adverse events. This became the template for reopening our R&D centers in Taloja and Mahape too.

ESSENTIAL FOOD RATIONS WERE ONLY SOLD DURING CERTAIN HOURS IN THE DAY MAKING IT DIFFICULT FOR EMPLOYEES ON SHIFT TO PURCHASE FOOD FOR THEIR FAMILIES. TO ADDRESS THIS, EMPLOYEES IN SUCH LOCATIONS WERE PROVIDED CURATED MEAL PACKETS EVERY 5 DAYS, TO SUPPORT THEIR FAMILY'S BASIC NEEDS

SUPPORT FOR OUR REMOTE WORKING EMPLOYEES

As a significant part of the global workforce began to work from home, the organization faced some serious issues, such as a shortage of laptops, ensuring the smooth and safe travel of IT employees, and resolving network issues relating to internet bandwidth at our headquarters in Mumbai. Demonstrating foresight, our IT team was prepared with key procedures, such as Citrix App Hub, SOPs for IT continuity, SAP mobility for quicker approvals, Zoom/Skype for business calls, Webex for collaboration and Airwatch for emails on mobile phones. These solutions could mitigate critical business risks in remote working situations. Also, IT teams across global locations were connected 24x7 during this hour of crisis. These steps ensured that remote working could move ahead with minimal glitches and speed bumps.

PPE KITS & SANITIZERS

GLENMARK IMPLEMENTED A HOST OF MEASURES TO FACILITATE AND PROTECT EMPLOYEES REPORTING TO WORK

iCall ACCESS

OUR EMPLOYEES OF INDIA BUSINESS AND THEIR FAMILIES WERE ALSO GIVEN ACCESS TO iCall, A PSYCHOSOCIAL WELLBEING HELPLINE RUN BY TRAINED COUNSELLORS

THRICE A DAY SANITIZATION

OF COMMON AREAS AT OUR SITES

Glenmark's Quality team at Brazil

UNITED@GLENMARK

Amidst trying times brought on by COVID-19, the organization believed it was crucial to keep employees across the world informed, motivated and connected. The United@Glenmark microsite is a novel digital initiative introduced on a global scale to share information on Glenmark's business and CSR updates, while encouraging employees to connect through unique internal campaigns. Employees were prompted to send appreciation cards to their colleagues. Regular video messages from leaders recognizing employee commitment and dedication were posted. Regional teams also sent messages of gratitude from local patients taking Glenmark messages - these special messages were shared with employees in our facilities, whose efforts resulted in medicines exported to different corners of the world. All this served the dual purpose of recognizing their efforts while also motivating the workforce with proof of impact and providing them with a sense of purpose. In addition, United@Glenmark also addressed the overall well-being of the employees with tips on working effectively from home, healthy eating and fitness. It offered employees an outlet to beat stress through contests and other online activities, which saw enthusiastic participation across locations. It is rewarding to note that United@Glenmark has become a lively social platform for employees from diverse geographies, such as Asia, Russia, Europe and the US to share snippets of their daily life through photographs and videos with their colleagues, further reinforcing the feeling of togetherness.

GLENMARK SIKKIM TEAM

Glenmark Goa team showing solidarity during disruptive times

THE IMPACT

The timely and effective response of leaders and their teams across Glenmark have yielded rich dividends. In the initial stages of the lockdown, employee attendance rates across our plants were low, some as poor as 4%. However, as employees responded to our various initiatives and interventions, we witnessed a significant rise in attendance across locations – ranging from 75% to 92% in just a few weeks. Significantly, not only did our workforce meet targets but in some cases, even exceeded them. For instance, Glenmark's oral liquids and semi-solids manufacturing plant in Nalagarh achieved its highest ever dispatch value with final output being 7.3% more than committed. Our oral solid dosage facility in Goa averaged 90% production and smoothly delivered several pending orders. Our oral solid dosage facility in Sikkim achieved its highest output till date, clocking a new milestone in tough conditions.

The quick reopening of our R&D centers bore fruit with Glenmark becoming the first pharma company in India to receive regulatory approval to start clinical trials on the antiviral drug Favipiravir as a potential treatment for COVID-19.

On the international front, our sales and marketing team in Slovakia recorded the highest ever sales of painkiller Ataralgin. This was in spite of the distribution networks being affected owing to the pandemic, leading to poor stocks of the medicine in pharmacies and medical stores.

Having only two weeks to go before the close of the marketing year, the local team of Glenmark managers, logistics specialists and OTC medical representatives used their ingenuity, took quick operational decisions and managed to achieve a milestone. Our quality team in Brazil worked tirelessly to ensure that the medicine lots were released in a timely manner.

IT IS INSPIRING TO SEE THE SEAMLESS MANNER IN WHICH GLENMARK TEAMS HAVE BEEN WORKING WITH EACH OTHER ACROSS OUR END-TO-END SUPPLY CHAIN IN CLOSE PARTNERSHIP WITH OUR COMMERCIAL TEAMS – LIVING OUR PRINCIPLE OF ONE TEAM-ONE GOAL," SAID SRIRAM VENKATASUBRAMANIAM, PRESIDENT & HEAD – GLOBAL OPERATIONS AND SUPPLY CHAIN

GLENMARK TEAMS COMMITTED TO ENSURE BUSINESS CONTINUITY AND MEDICINES FOR ALL

ABOVE AND BEYOND

None of these achievements would have been possible without our teams and their leaders going beyond the call of duty. At our facility in Indore, site heads and teams from other departments stepped in to support the packaging unit that saw low attendance rates. This ensured that deliveries were on schedule. Our R&D and HR teams became employee champions and addressed the anxieties of employees working at sites that were reopened after being temporarily closed. At the Goa manufacturing facility, many team leaders offered their own vehicles to pick up and drop off employees every day.

IT IS NOTEWORTHY THAT ALL THROUGH THE LOCKDOWN PERIOD, GLENMARK DID NOT ENFORCE STRINGENCY ON EMPLOYEE ATTENDANCE

It is noteworthy that all through the lockdown period, Glenmark did not enforce stringency on employee attendance. Rather, messages from the leadership encouraged employees to recognize that their role was critical to the provision of essential services and that any contribution was noble and appreciated. Our workforce responded. As the pandemic unfolded, each day brought new stories of resilience, energy, inventiveness and teamwork demonstrated by employees at home and around the world.

UPHOLDING OUR PROMISE TO PATIENTS

Our unwavering commitment to patients became stronger than ever, as COVID-19 threatened to halt medical supply and availability. Rising to these urgent challenges, Glenmark embraced new avenues and means of operating, ensuring close connect with local authorities, law enforcement and the members of our supply chain. Business continuity notwithstanding, we were also instrumental in giving India its first approved oral antiviral (Favipiravir) treatment to fight the pandemic in the country.

UPHOLDING OUR PROMISE TO PATIENTS

I. BY ENSURING CONTINUOUS MEDICINE SUPPLY IN INDIA AND THE WORLD

As the world began shutting down for business, our ability to smoothly supply medicines to patients in need was met with several hurdles. In India, many of our factories were hamstrung by low attendance in the initial days of the lockdown; in global markets, airport shutdowns and travel restrictions had a direct impact on logistics and transport of goods.

At Glenmark, however, the patient continues to be at the center of everything that we do. This philosophy made the organization respond quickly to the developing crisis. Thanks to the cooperation and team work of our employees and partners, Glenmark ensured that supply disruptions were, wherever possible, avoided or mitigated so that customers and patients continued to be served.

In India, the pharmaceutical industry was deemed 'essential' by the government very early into the lockdown. This policy was, however, implemented unevenly at the local level, requiring proactive moves by our teams to ensure smooth functioning on the ground. In some instances, it required constant follow-ups with the local police to issue passes for the movement of goods and people, while in others, truck drivers were unable to access food and water en route. In both these cases, the active engagement of our administrative and human resource teams helped us to quickly resolve all hurdles.

AT GLENMARK, THE PATIENT CONTINUES TO BE AT THE CENTER OF EVERYTHING THAT WE DO. THIS PHILOSOPHY MADE THE ORGANIZATION RESPOND QUICKLY TO THE DEVELOPING CRISIS

The police were contacted, help was sought from a pharmaceutical industry association and passes were obtained. Truckers were provided with food and water by plants as they left the factory gate, and even by the families of employees on arrival. As courier services were suspended, our Quality teams used our trucks to send samples from the factory to the external laboratory. Thus, the active engagement of Glenmark teams made sure that product supply from our facilities was impacted only very briefly.

Similarly, in the US, the shutdown of the airport of choice for Glenmark freight led to our goods having to land at airports at multiple other locations, which became an unprecedented logistical challenge. This also created issues around the timely clearance of our goods through customs and their onward movement.

MEMBERS OF GLENMARK'S R&D AND MANUFACTURING TEAMS

Glenmark's teams monitored developments round the clock to ensure that all consignments moved as smoothly as possible. Our trucker partners were convinced to do several trips in order to ferry goods as they were cleared. Wherever possible, we also shared planes with other Indian companies delivering to the same markets and cooperated with them on the exchange of information that could help counter the effects of the lockdown. Once the lockdown was announced, a chartered plane carrying Glenmark freight was one of the last to take off from Mumbai airport, thanks to the intervention of our teams with the local police.

To reassure our customers and take their concerns on board, our US sales team remained in constant communication with them. At such a time, customers require a large amount of information to operate their businesses and care for their patients. Our sales team was a conduit for this. Apart from normal activity, the team provided information on customer orders, impact on service levels, information on the pandemic and the status of our global supply chain.

In Europe, we worked with the local authorities to identify our trucks as 'essential' by means of banners, in order to ensure they could clear highways without being stopped.

THE CHALLENGE IS TO ANTICIPATE WHAT COULD GO WRONG AND AS FAR AS POSSIBLE, TRY TO MITIGATE ITS IMPACT ON PATIENTS ALL OVER THE WORLD

Some challenges endure. For instance, our US team is currently grappling with the uncertainty of accurately determining the demand for our products. With doctor and pharmacy visits being postponed, patients have been filling prescriptions only for the most critical

GLENMARKS END-TO-END DEVELOPMENT CAPABILITIES FOR FABIFLU® IN INDIA:

SYNTHESIZED THE ACTIVE PHAMACEUTICAL INGREDIENT (API)

DEVELOPED THE FORMULATION

RECEIVED APPROVAL TO CONDUCT CLINICAL TRIALS WITH FAVIPIRAVIR

conditions. The demand for certain products has decreased greatly while others have increased owing to panic buying. In India, while we have overcome absenteeism with fewer but longer shifts, we are also in the process of shifting products to alternative manufacturing sites and exploring the use of contract manufacturers on a temporary basis to ensure uninterrupted supplies and business continuity. We are aware that as long as the pandemic endures, the challenge is to anticipate what could go wrong and as far as possible, try to mitigate its impact on patients all over the world and we continue to work in that direction.

II. BY GIVING PATIENTS A MUCH-NEEDED AND TIMELY TREATMENT FOR COVID-19

Another testament to our patient-centricity is our effort to develop an effective treatment in the fight against COVID-19. From the beginning of the pandemic, Glenmark mobilized its R&D, API and formulations teams towards developing an effective and timely therapy against the virus, and in June 2020, we became the first pharmaceutical company in India to receive regulatory approval for the oral antiviral Favipiravir (FabiFlu®). This manufacturing and marketing approval was

GLENMARK LAUNCHES FAVIPIRAVIR TREATMENT FOR COVID-19 PATIENTS

granted as a part of the accelerated approval process, for the treatment of mild to moderate COVID-19, considering the emergency situation of the outbreak in India.

The multiple benefits of FabiFlu® are being increasingly appreciated since its launch in the market: it is orally administered, serving as a more convenient treatment option over other intravenous medications; it is backed by clinical efficacy and a good safety profile; and it will allow for treatment even in out-of-hospital settings, considerably reducing the burden currently plaguing our health system. More recently, Glenmark also began another clinical trial to evaluate the efficacy of two antivirals Favipiravir and Umifenovir as a combination therapy in moderate hospitalized adult COVID-19 patients in India.

The launch of FabiFlu® has only been possible due to the relentless efforts, dedication and support of Glenmark's employees and their families, who have stood steadfast to our cause to serve patients at all times.

STRENGTHENING SUPPORT TO LOCAL AND GLOBAL COMMUNITIES

Glenmark has reached out to millions of vulnerable communities and frontline workers in India and the world, offering aid during the health crisis in the form of food and medical essentials, Personnel Protective Equipment (PPE), regular health check-ups for women, children and law enforcement personnel, and visits to orphanages and old age homes.

STRENGTHENING SUPPORT TO LOCAL AND GLOBAL COMMUNITIES

The pandemic has exposed swathes of the global population to hunger, sickness and deprivation that governments are struggling to alleviate. It is vital that non-governmental actors, including organizations such as ours, share the load and reach out to the deprived and vulnerable sections of society with aid and interventions. Glenmark has a history of supporting the underprivileged through the Glenmark Foundation. As the pandemic began to wreak havoc, Glenmark strengthened its Corporate Social Responsibility (CSR) efforts to offer timely support to disadvantaged groups across the world.

IN INDIA, WE PLEDGED OVER 5 MILLION MEALS WITH A FOCUS ON UNDERNOURISHED CHILDREN, DAILY WAGE EARNERS AND PREGNANT WOMEN WHO ARE AMONG THE MOST VULNERABLE TO THE EFFECTS OF THE PANDEMIC

In India, we pledged over 5 million meals with a focus on undernourished children, daily wage earners and pregnant women who are among the most vulnerable to the effects of the pandemic. In Madhya Pradesh, the Foundation with its NGO partner Spandan Seva Samiti distributed food baskets comprising rice, pulses, edible oil and soap sufficient for two months, to benefit 2500 undernourished children and 500 pregnant women in 70 tribal villages. Similarly, Glenmark ensured adequate monthly supply of food grains to 10 tribal hamlets in the area around Sanjay Gandhi National Park in Mumbai. Our team in Indore tied up with the local administration to arrange 10,000 meals for daily wage earners in the city. In Himachal Pradesh and Gujarat, the team pledged their support to migrant workers including their families, and provided them essential food grains through the local administration. In Goa and Sikkim, our teams extended support to old age homes and orphanages. In Goa and Mumbai, we also provided over 3500 migrant workers with food packets and water before they boarded special trains home.

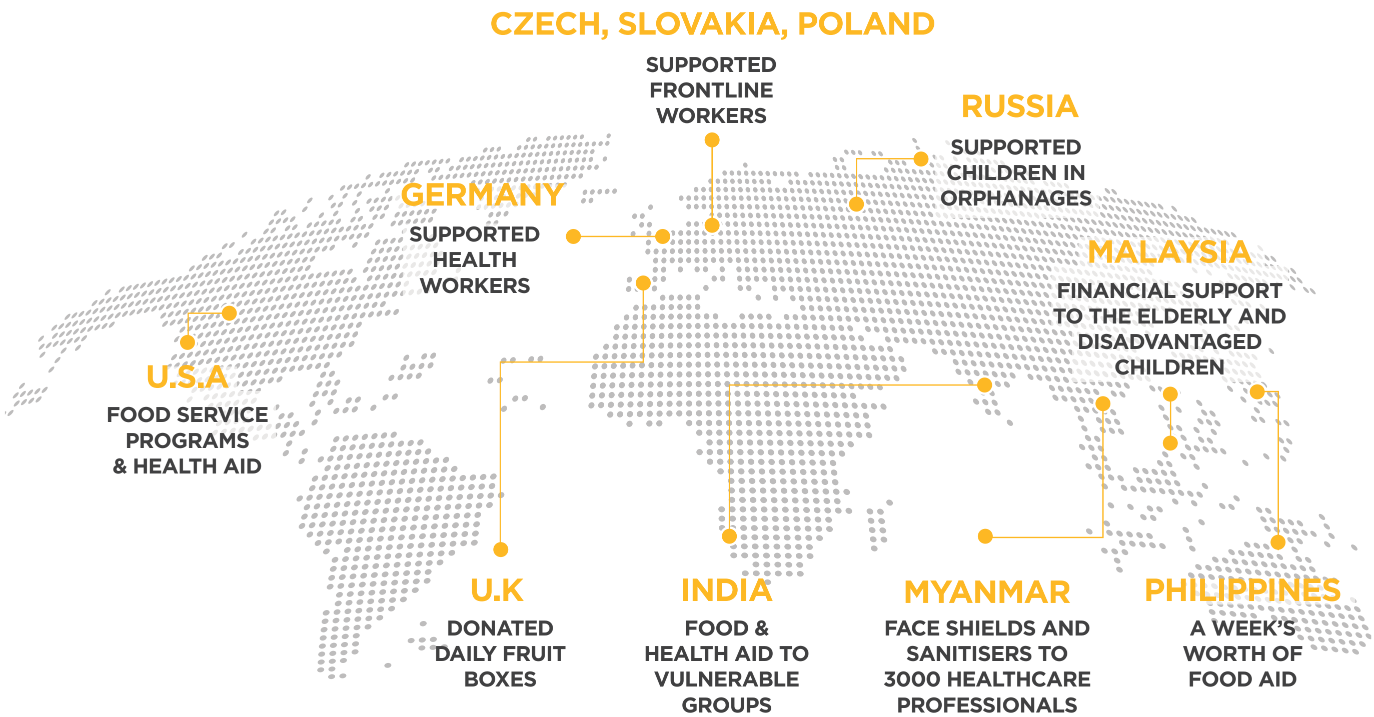
RISE Infinity Foundation, the Idobro team and Glenmark Foundation have been providing support across 32 cities in India to vulnerable groups and frontline workers with food and ration, travel arrangements, medicines, sanitary napkins and hygiene kits, personal and household items, PPE kits, protective gear and more. Till date, we have touched over 1,75,000 lives. Through this partnership, a helpline was set up for assistance related to food, travel, shelter, etc.

Glenmark Foundation is also a part of the The Jeevan Rath program. This relief-on-wheels initiative with UNICEF and over 25 development partners and donors, was conceived and executed within 48 hours to respond to and alleviate some of the challenges and difficulties of migrant labour. The first phase was focused on food for migrants who were walking home. In just two weeks, 100,000 migrants were served. Later, transportation to train and bus stations were also arranged.

GLENMARK'S TARGETED CSR INTERVENTIONS TO SUPPORT WOMEN, CHILDREN AND POLICE PERSONNEL

A key intervention is the launch of a tele-health solution by the Foundation and its NGO partner Institute for Global Development (IGD), which follows the guidelines framed by the governors of the Medical Council of India (MCI) and NITI Aayog. A battery of medical doctors with various specializations committed support for the on-call service and have been mobilized to expand access to quality patient care. The services are being rolled out for over 3,00,000 people across the states of Himachal Pradesh, Gujarat, Rajasthan and Madhya Pradesh. With our NGO partners, Glenmark Foundation provided psychological support to 10,000 lactating mothers and pregnant women through tele-counselling, all over the country. We arranged for personnel protective equipment, such as N95 masks and gowns, gloves, eye and head protection gear for healthcare professionals across India. In support of police authorities working on the frontlines, Glenmark Foundation in partnership with RISE Infinity Foundation distributed Candid Dusting Powder samples for common skin conditions to more than 50,000 law enforcement personnel across 12 cities. Medical check-ups for law enforcement personnel were

THE VIRUS DOES NOT RECOGNIZE BORDERS, AND NEITHER DOES OUR COMMUNITY OUTREACH



also organized in Gujarat. Further, Glenmark donated sanitizers to villages, housing societies, police stations and government offices in Madhya Pradesh, Goa, Maharashtra, Sikkim, Gujarat and Himachal Pradesh. Glenmark has also contributed to the PM CARES Fund and the Chief Minister's Fund in Goa, Gujarat, Himachal Pradesh, Maharashtra and Sikkim.

The virus does not recognize borders and neither do our community outreach efforts. In the US, we provided food and health aid to local communities. To help disadvantaged children whose access to school lunches was cut off due to school closures, we supported the food service programs of the Monroe Woodbury School in New York and the Passsaic School District in New Jersey, which were both in COVID-19-affected zones. We pledged financial aid to the Center for Food Action in the US that provides emergency services to vulnerable groups in New Jersey. Our teams in Russia and Asia extended support to children in orphanages and frontline workers active in the region. For instance, in Russia, our team successfully arranged the delivery of disinfectants and sanitizing items, such as rubber gloves, liquid disinfectants and toilet paper to the Lukhtonovo orphanage in the Vladmir region of the country, amid lockdown conditions.

In Germany, we supported health workers in the Czech Republic by purchasing face masks and shields in bulk for hospitals and pharmacies, and in the UK and Poland, we donated daily fruit boxes to local hospitals. In the Philippines, Glenmark pledged a week's worth of food aid to frontline workers in some leading hospitals in Manila.

GLENMARK IS MAKING EVERY EFFORT TO MITIGATE AND ADDRESS THE DISASTROUS EFFECTS OF THE PANDEMIC AMIDST THE MANY COMMUNITIES WHERE WE OPERATE

With these and other initiatives, Glenmark is making every effort to mitigate and address the disastrous effects of the pandemic amidst the many communities where we operate.

BOARD OF DIRECTORS

MR. GLENN SALDANHA,
CHAIRMAN & MANAGING DIRECTOR

Mr. Saldanha joined Glenmark in 1998 as Director and took over as Managing Director and CEO in 2000. He transformed Glenmark into a truly global organization with revenues of over $1.5 billion (US). Under his leadership, Glenmark has evolved from an Indian-branded generics business into a research-driven and innovation-led organization. Mr. Saldanha's vision is to discover, develop and introduce India's first innovative drug for the world.

MRS. CHERYLANN PINTO
EXEC. DIRECTOR-CORP SERVICES

Mrs. Pinto has been the Director of Corporate Affairs at Glenmark since October 1999 and is an executive member of the Board. With over 30 years of experience in the pharmaceutical field, she currently heads the company's Corporate services, Insurance, IT, Admin, HR and CSR functions. She had set up a pharmaceutical company where she served as the Managing Director from 1989 to 1999 before joining Glenmark.

MR. V. S. MANI
EXECUTIVE DIRECTOR & GLOBAL CFO

Mr. Mani leads the organization's worldwide finance operations and secretarial function, including global accounting, financial reporting, tax and treasury. He has over 29 years of rich industry experience across treasury, taxation, accounting, financial planning and analysis, secretarial, legal, audits, risk management and investor relations. Prior to joining Glenmark in 2017, he was the President, Finance at the Bhartiya Group. He has also held the position of the Chief Financial Officer at Cipla.

MR. RAJESH V. DESAI
NON-EXECUTIVE DIRECTOR

Mr. Desai is a Non-Executive Director at Glenmark Pharmaceuticals Ltd. He has over 35 years of work experience and was the Executive Director and Chief Financial Officer of Glenmark untill 2016. He led the Finance, Legal and IT functions and with his strong Finance background, he contributed significantly to the growth story of Glenmark.

DR. BRIAN W. TEMPEST
NON-EXECUTIVE DIRECTOR

Dr. Tempest has been working with the pharmaceutical industry for the last four decades. He has managed healthcare businesses in North America, South America, Europe, Africa, the Middle East, Australia, China, Japan and India. He is the editor of the Journal of Generic Medicines. He is also a Non-Executive Director on the Governance Board of the United Nations Patent Pool.

MR. BERNARD MUNOS
NON-EXECUTIVE DIRECTOR

Mr. Munos advises organizations on being better innovators. He serves on the advisory council of the National Center for Advancing Translational Sciences (NCATS), is a member of the National Academy of Medicine's Forum on Drug R&D and Translation, and is an advisor to the journal, Science Translational Medicine. His research on pharmaceutical innovation has been published in Nature and Science, and profiled by Forbes magazine.

MR. SRIDHAR GORTHI
NON-EXECUTIVE DIRECTOR

Mr. Gorthi is a partner in the Mumbai office of Trilegal. His areas of expertise include M&A, joint ventures, private equity and venture capital. Apart from representing several international clients on M&A in India, he has also advised Indian companies about outbound M&A transactions in jurisdictions, such as the UK, the US, South Africa, Argentina, Indonesia and Sri Lanka.

MRS. B. E. SALDANHA
NON-EXECUTIVE DIRECTOR

Mrs. Saldanha is a Non-Executive Director and a member of the promoter group of Glenmark. Prior to this, she was the Director for Exports and managed Glenmark's international operations from 1982 to 2005. During her 23-year tenure with the organization, she was responsible for developing and growing the company's export business.

MR. MILIND SARWATE
NON-EXECUTIVE DIRECTOR

Mr. Sarwate is the Founder and CEO of Increate Value Advisors LLP, a firm that facilitates organizations and individuals to discover, develop and deliver business and social value. He has over 33 years of experience in Finance, HR and Strategy in groups, such as Marico and Godrej.

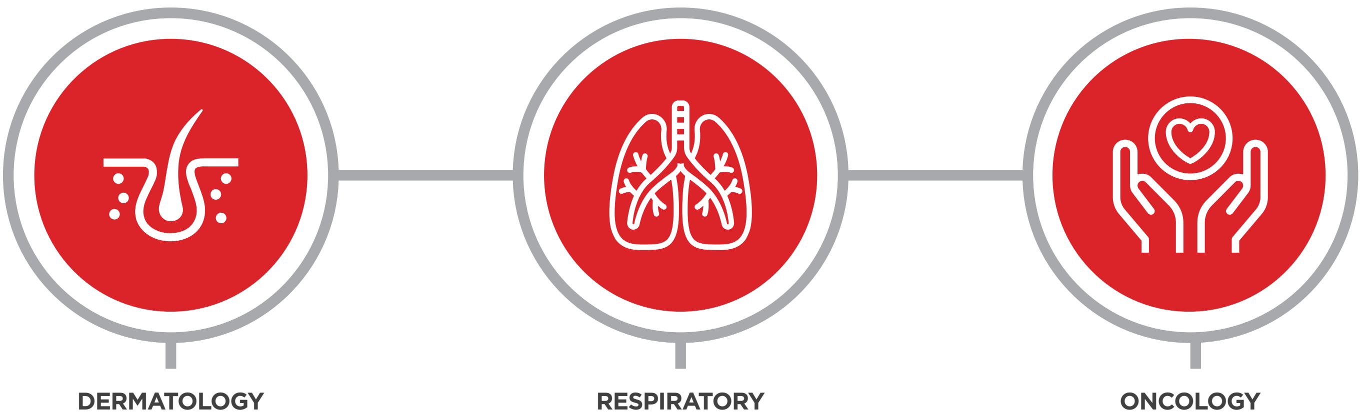
MR. D. R. MEHTA
NON-EXECUTIVE DIRECTOR

Mr. Mehta was a civil servant for almost four decades with experience in administration and management of public affairs. He joined the IAS in 1961 and has held positions in the Government of Rajasthan and in the Government of India. He has served as the Chairman of SEBI, the Deputy Governor of the RBI and the Director General of Foreign Trade, Ministry of Commerce, Government of India.

MS. SAIRA RAMASASTRY
NON-EXECUTIVE DIRECTOR

Ms. Ramasastry has over 20 years of experience in the Life Sciences industry, successfully building companies as an advisor, board member and operational executive. She is the Founder and Managing Partner of Life Sciences Advisory, LLC. Ms. Ramasastry's accomplishments include being named as 'Top Life Sciences Advisor' by Acquisition International and CorporateLiveWire.

GLENMARK PHARMACEUTICALS STEADY PROGRESS, NEW MILESTONES



Glenmark Pharmaceuticals (GPL) is a global, integrated, innovation-led pharmaceutical company with a strong presence in generics, speciality and consumer health in the world's major pharmaceutical markets. We are focused on the therapy areas of dermatology, respiratory and oncology with a strong country-specific/regional presence in diabetes, cardiovascular and oral contraceptives.

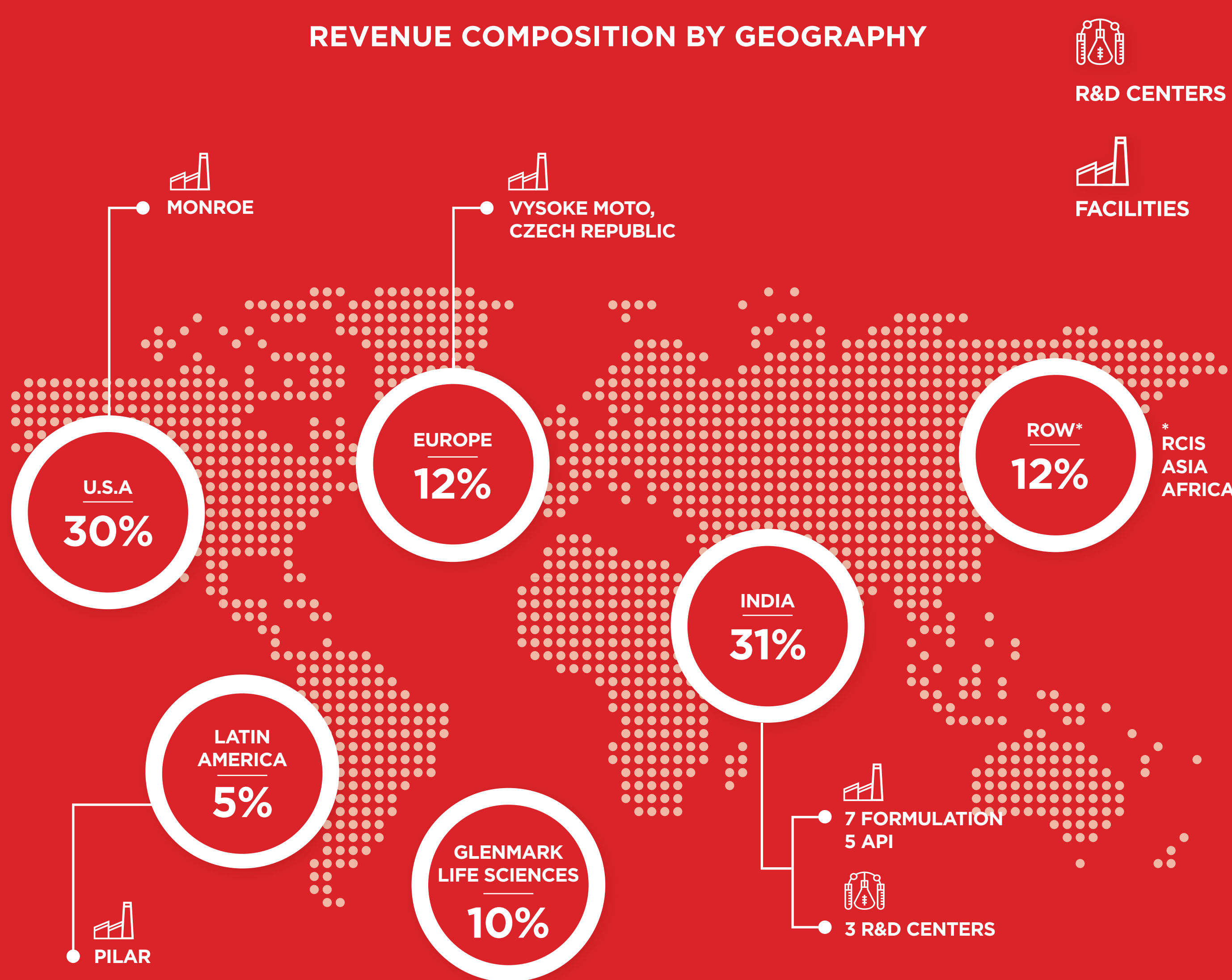
Our current status as a $1.5 bn-plus global organization has been led by the efforts in select therapy areas and our ability to build partnerships, brands and commercial infrastructure in important growth markets. In a challenging environment characterized by pricing pressures and stiff competition, our clear strategic vision is enabling us to overcome setbacks and achieve new milestones with key geographies marking their contribution to GPL's overall performance.

OUR GEOGRAPHICAL FOOTPRINT COVERS ALL MAJOR MARKETS IN WESTERN, CENTRAL AND EASTERN EUROPE. AS A RESULT, WE ARE STRONGLY POSITIONED TO SUCCESSFULLY COMMERCIALIZE GENERICS AS WELL AS SELECT SPECIALTY THERAPIES IN OUR FOCUS AREAS

GLENMARK AT A GLANCE

- CONSOLIDATED TURNOVER: USD 1.5 BN
- MAJOR PRESENCE IN MARKETS LIKE INDIA, US, RUSSIA, BRAZIL, UK AND GERMANY
- GLOBAL EMPLOYEE BASE OF OVER 14K
- 15 FACILITIES ACROSS FORMULATIONS AND API IN 4 COUNTRIES (9 USFDA APPROVED)
- 7 OUT-LICENSING DEALS SIGNED WITH ELI LILLY, MERCK, SANOFI AND FOREST LABS. USD 200 MN+ OF CASH THROUGH OUT-LICENSING

REVENUE COMPOSITION BY GEOGRAPHY



IN THE YEAR GONE BY, HERE ARE SOME OF THE KEY HIGHLIGHTS OF THE GPL BUSINESS:

First company to launch a novel, patented sodium glucose co-transporter-2 (SGLT2) inhibitor Remogliflozin in India. This strengthened our leadership position in the diabetes segment.

EU business is strongly positioned to commercialize generics and select specialty therapies. Continued expansion seen through increased penetration into Western Europe and new products in Central and Eastern Europe.

Consumer Care business in India continues to grow in strong double digits. Candid anti-fungal dusting powder and new launches, such as Scalpe PRO are active drivers of growth.

Long-term strategic goal to position Glenmark in Latin America as a leader in select therapy segments, such as respiratory medicine.

14th largest generics manufacturer by prescription in the US. Our products are used to fill about 83 mn prescriptions each year in the country.

OUR GPL TEAM COMMITTED TO THE GLENMARK MISSION

11th

Ranked 11 in Russia's dermatology market, with a strong combination portfolio offering added value to patients.

4th

Ranked fourth in the respiratory segment in Russia's retail market for expectorants.

165

Strong portfolio of 165 approved generics in the US market.

Glenmark Brazil continues to benefit from three products in the respiratory space that were licensed from Novartis.

3rd

Ranked third in respiratory and sixth in the cardiovascular segment in India.

TIRELESS EFFORTS OF THE GLENMARK TEAM

ICHNOS SCIENCES INC.
OUR INNOVATION FOOTPRINT

"WE WORK TIRELESSLY BECAUSE WE BELIEVE THAT CURE IS POSSIBLE, AND WE HOPE TO LEAVE AN IMPRINT ON THE LIVES OF OUR FUTURE PATIENTS."

—

Dr. Alessandro Riva

CEO, Ichnos Sciences Inc.

For over two decades, Glenmark has been committed to investing in new drug discovery and development for unmet medical needs. This has yielded a rich pipeline of biologics and small molecules in our focus areas of Oncology, Autoimmune Disease and Pain Management. In 2018-19, we began taking steps to spin off the innovation division of Glenmark into a separate company to sharpen its focus and help accelerate the development of pipeline assets towards commercialization. This company, Ichnos Sciences Inc., launched officially on October 15, 2019.

Ichnos is developing transformative treatments in its focus areas of Oncology and Autoimmune Disease. The name Ichnos, derived from the Greek word for 'footprint' or 'path,' serves as a reminder that the work being done today builds upon discoveries of those who came before – scientists, researchers, physicians, and patients, whose contributions have brought medicine this far. The Ichnos team comprises passionate, creative leaders who are committed to taking the fledgling company forward and making a meaningful difference in the lives of patients. To achieve this, Ichnos will forge its own path, viewing disease holistically and seeking to understand the underlying disease process with the hope of finding new answers to unsolved questions. "Ichnos has been structured to work faster, smarter and more collaboratively to accelerate development of our novel assets, and quickly bring new treatment options to patients," says Alessandro Riva, CEO, Ichnos. "We work tirelessly because we believe that cure is possible, and we hope to leave an imprint on the lives of our future patients."

Headquartered in the US, and with two R&D sites in Switzerland, Ichnos has over 200 highly skilled employees, the vast majority of whom focus on Discovery, Antibody Engineering and Process Sciences. Ichnos also has a service agreement in place with Glenmark for small molecule research efforts in Navi Mumbai. Ichnos owns all clinical and pre-clinical innovative molecules in the pipeline, including those using the BEAT® technology platform (Bispecific Engagement by Antibodies based on the T cell receptor). During FY20, Ichnos took numerous steps towards independence, including assuming employer status from Glenmark for all colleagues in Switzerland and the US. Glenmark continues to fund Ichnos, and securing additional investors will be a key focus for the new company in the upcoming year. Ichnos currently has four assets in clinical development, two in Oncology, one in Autoimmune Disease and one in Pain Management.

An update on the Ichnos pipeline appears below.

THE NAME ICHNOS, DERIVED FROM THE GREEK WORD FOR 'FOOTPRINT' OR 'PATH,' SERVES AS A REMINDER THAT THE WORK BEING DONE TODAY BUILDS UPON DISCOVERIES OF THOSE WHO CAME BEFORE – SCIENTISTS, RESEARCHERS, PHYSICIANS, AND PATIENTS, WHOSE CONTRIBUTIONS HAVE BROUGHT MEDICINE THIS FAR

AUTOIMMUNE DISEASE

ISB 830 (FORMERLY KNOWN AS GBR 830) - OX40 ANTAGONIST

This monoclonal antibody is being evaluated for the treatment of Atopic Dermatitis (AD) in an ongoing two-part Phase 2b randomized, double-blind, placebo-controlled study assessing four doses and dosing schedules of ISB 830. Part 1, which studied three ISB 830 arms versus placebo in 313 adult patients with moderate-to-severe AD across sites in Canada, the Czech Republic, Germany, Poland and the US, is complete.

In Part 1, the highest dose of ISB 830 tested, resulted in a statistically significant improvement in the percent change from baseline of the Eczema Area and Severity Index (EASI) score compared to placebo at week 16. Numerical improvement was seen in the secondary endpoints of EASI-75 and the Investigator Global Assessment (IGA), but the differences were not statistically significantly different from the placebo. No deaths, malignancies, or thromboembolic events were reported, and the most commonly reported serious adverse event was atopic dermatitis (1.3% vs 1.3% for placebo). The most commonly reported (>5%) treatment-emergent adverse events for ISB 830 were: atopic dermatitis (21.2% vs 22.5% for placebo); nasopharyngitis (8.2% vs 8.8% for placebo); upper respiratory tract infection (7.4% vs 5.0% for placebo); and headache (5.6% vs 10.0% for placebo). Part 2 of the AD study, which is assessing the effects of a higher dose of of ISB 830 versus placebo, is fully recruited. Top-line results are expected in the fourth quarter of calendar year 2020, pending any further impact of the pandemic on study progress. A US IND to conduct studies of ISB 830 in additional indications, including Rheumatoid Arthritis (RA), is now active. Planning for a Phase 2b study in RA is underway, with start date dependent on impact of the pandemic.

PAIN

ISC 17536 (FORMERLY KNOWN AS GRC 17536) - TRPA1 ANTAGONIST

This is an oral Transient Receptor Potential Ankyrin-1 (TRPA1) inhibitor being studied for patients with painful Diabetic Peripheral Neuropathy (DPN). A Phase 2a proof-of-concept study was previously completed in Europe and India in adult patients with painful DPN. While the primary endpoint of change from baseline to week 4 in average pain intensity was not met in the overall study population, a statistically significant reduction in pain was seen compared to placebo in the pre-specified subgroup of subjects with preserved small nerve fiber function.

At a Type C meeting with the US Food and Drug Administration (FDA) in March 2020, an agreement was reached regarding the non-clinical plan to enable a randomized, double-blind, placebo-controlled, Phase 2b, dose-range finding study for painful DPN. The non-clinical studies are ongoing/planned, and a formulation study in healthy volunteers is expected to start in India in the second half of calendar year 2020. Ichnos will complete this work and plans to out-license the compound to enable greater focus on oncology and autoimmune diseases.

ONCOLOGY

ISB 1302 (FORMERLY KNOWN AS GBR 1302) - HER2 X CD3 BEAT® BISPECIFIC ANTIBODY

This bispecific antibody is being studied for patients with metastatic HER2-positive breast cancer.

A Phase 1/2, first-in-human study of ISB 1302 to determine the Maximum Tolerated Dose (MTD) with bi-weekly dosing in patients with HER2-positive cancer completed enrollment in Germany and the US in May 2019. A Phase 1/2 study to evaluate a weekly dosing regimen is ongoing.

ISB 1342 (FORMERLY KNOWN AS GBR 1342)- CD38 X CD3 BEAT® BISPECIFIC ANTIBODY

This bispecific antibody is being studied in patients with refractory multiple myeloma.

A Phase 1 first-in-human study of ISB 1342 to determine the MTD with biweekly and weekly dosing regimens in patients with refractory multiple myeloma is ongoing. Enrollment of patients receiving biweekly dosing was closed in March 2020 following evaluation of safety/efficacy and PK/PD of 11 cohorts, and enrollment of patients who will receive a weekly dosing regimen, is ongoing.

Ichnos will continue to leverage its capabilities in New Biologic Entities (NBE), particularly through the BEAT® platform, and will continue to advance New Chemical Entities (NCE) in oncology through an agreement with Glenmark. The company is planning to advance to IND-enabling studies for a number of candidates in 2020 and beyond. ●

OUR PATH TOWARD DISEASE-CENTRIC THERAPIES:

ONCOLOGY

COMPOUND	MECHANISM	PRECLINICAL	IND-ENABLING	PHASE 1	PHASE 2	PHASE 3
ISB 1302	HER2 x CD3 BEAT® bispecific antibody	METASTATIC HER2 + BREAST CANCER				
ISB 1342	CD38 x CD3 BEAT® bispecific antibody	RELAPSED/REFRACTORY MULTIPLE MYELOMA				
ISB 1908	T-cell engager		2H 2020			
ISB 1909	T-cell engager		1H 2021			
ISB 1442	Innate immune engager		2H 2020			
ISC XXXXX	HPK1 inhibitor		2H 2020			

AUTOIMMUNE DISEASE

COMPOUND	MECHANISM	PRECLINICAL	IND-ENABLING	PHASE 1	PHASE 2	PHASE 3
ISB 830	OX40 antagonist monoclonal antibody	ATOPIC DERMATITIS (AD)				
ISB 880	Targeted anti-inflammatory therapy		2H 2020			

PAIN MANAGEMENT

COMPOUND	MECHANISM	PRECLINICAL	IND-ENABLING	PHASE 1	PHASE 2	PHASE 3
ISC 17536*	TRPA1 antagonist	DIABETIC PERIPHERAL NEUROPATHY (DPN)				

**Ichnos Sciences will complete preclinical and clinical work required to start a randomized Phase 2b study of ISC 17536 and plans to out-license the compound to enable greater focus on oncology and autoimmune disease.*

GLENMARK LIFE SCIENCES GEARED TO GROW

"IN THE LAST YEAR, WE FOCUSED ON DRIVING EFFICIENCY IN ALL AREAS OF GLS. THE STEPS WE TOOK WILL FACILITATE OUR FUTURE GROWTH THROUGH SUPERIOR PRODUCTS AND SERVICE TO OUR CUSTOMERS, DESPITE THE CHALLENGING ENVIRONMENT WE WILL FACE IN THE COMING YEAR."

—

Dr. Yasir Rawjee

CEO, Glenmark Life Sciences

In the last financial year, the Active Pharmaceuticals Ingredients (API) business of the Glenmark group was spun off into an independent, wholly-owned subsidiary as a part of the group's reorganization. The API business has always been a pillar of our strategic vision and has seen investments from Glenmark over the last two decades. With this realignment, we believe that the business has the focus, capability and leadership to achieve the next level of growth and unlock value.

Glenmark Life Sciences (GLS) supports the world's top 20 generic companies and supplies over 130 molecules to more than 700 customers in over 65 countries. Over the years, GLS has built a reputation among its customers as a reliable supplier of high-quality products. It is in compliance with the regulatory requirements of over 35 health authorities. Three of its four factories are approved by the US FDA. During the year, growth was fuelled by the US, India and other emerging markets, such as Latin America. The bulk drug aprepitant was a notable performer in the US, pushing growth in excess of 125% in the third quarter of the financial year over the corresponding period in the previous year. GLS continued to sustain its leadership position in products, such as lercanidipine, atovaquone, perindopril, olmesartan and aprepitant.

During FY 2019-20, the US FDA and Health Canada jointly inspected the manufacturing facility of GLS in Ankleshwar. After some observations were raised and addressed, the FDA has issued an EIR for the facility and Health Canada has rated the facility as "Compliant." During August 2019, the PMDA of Japan also conducted an audit of the Ankleshwar manufacturing site; no major/critical observations were reported. Responses to minor observations have been submitted and approval for the facility is awaited. GLS expanded its presence in Japan while also making a foray into hitherto unexplored territories. During the year, filings were made for milnacipran, adapalene and tadalafil APIs in China. GLS also strengthened its relationships with top formulation companies in the European

OVER **130** MOLECULES SUPPLIED

TOP **20** GENERIC COMPANIES SUPPORTED

OVER **700** CUSTOMERS

OVER **65** COUNTRIES HELPED

Union and continues to look at opportunities with partners globally, seeding multiple products across various regions. During the reorganization, GLS was priming for the opportunity that would open up with customers looking for alternatives to China as an API sourcing destination, owing to that country's tightening pollution control norms and their impact on bulk drug

GLS EXPANDED ITS PRESENCE IN JAPAN WHILE ALSO MAKING A FORAY INTO HITHERTO UNEXPLORED TERRITORIES

manufacturing. However, with the COVID-19 pandemic and the supply shocks resulting from the lockdown in Wuhan, a major API manufacturing region, dependence on China is being questioned globally on a far larger scale than before, including in the US, the world's large pharma market. In India too, the government is in the process of rolling out incentive programs, such as bulk drug parks to catalyse API manufacturing in the country and to achieve self-sufficiency in Key Starting Materials and API for essential drugs. For GLS, this provides a favourable environment to accelerate investments to achieve its growth objectives.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Glenmark, our corporate social responsibility program resonates the spirit of our corporate philosophy and values. It is our approach towards conducting business responsibly and demonstrating our commitment to societal well-being. To anchor the transformation of communities to become healthier and happier, we have implemented several initiatives in the areas of:

- CHILD HEALTH
- ACCESS TO HEALTHCARE & EDUCATION
- SUSTAINABLE LIVELIHOOD
- PROMOTION OF SPORTS- SWIMMING
- GLENMARK JOY OF GIVING

As the world is evolving, social and environmental issues are widening. To leave no one behind in our journey to enrich lives, our CSR activities actively support the nation's developmental vision, and contributes towards global Sustainable Development Goals (SDG).

CHILD HEALTH

Healthier children translate to a healthier world. Glenmark Foundation is the CSR arm of our company which extensively focuses and proactively undertakes efforts towards improving maternal and child health. Several initiatives have been deployed across India to increase awareness, door-to-door services, immunization, sanitation, family planning, etc. Our child health initiative Project Kavach in the district areas of Bharuch (Gujarat) and Solan (Himachal Pradesh) focuses on laying down a solid foundation for psychological, physical and social development with emphasis on improving the health and nutrition levels of the children between the age group of 0-6 years and pregnant and lactating women. Strengthening the social value proposition of the project, this year we established a Reproductive Child Health (RCH) Center at GIDC, Ankleshwar. The RCH supports the initiative by

SUSTAINABLE DEVELOPMENT GOALS (SDG)

- ZERO HUNGER
- GOOD HEALTH & WELL-BEING
- QUALITY EDUCATION
- GENDER EQUALITY
- CLEAN WATER & SANITISATION
- WORK & ECONOMIC GROWTH
- REDUCED INEQUALITY
- SUSTAINABLE CITIES
- LIFE ON LAND
- PARTNERSHIP FOR GOALS

17,34,300+

LIVES TOUCHED THROUGH CHILD HEALTH INTERVENTIONS

36,300+

MALNOURISHED CHILDREN REACHED

1,52,500+

PREGNANT & LACTATING WOMEN SERVED THROUGH VARIOUS INTERVENTIONS

2,69,000+

CHILDREN SUPPORTED THROUGH NUTRITION, IMMUNIZATION AND SANITATION INTERVENTIONS

providing an integrated approach towards basic healthcare services and focuses on improving health and nutrition levels of children between the age group of 0-6 years and pregnant and lactating women. Specialized workshops, awareness camps and mobile health check-up were also conducted to enhance the health status of our target population.

Further, in the district areas of Khandwa and Burhanpur (Madhya Pradesh), we implemented the 'Konku-Puchiku' project that supports community interventions, such as backyard nutrition gardens, backyard poultry farm and engaging community leaders to address issues related to malnutrition. We are pleased to note that the community leaders who were part of this program over the years have showcased enhanced scientific temper and emerged as positive social behavioural change agents in the community. Covering nine villages in East Sikkkim, our Health on Wheels (HoW) initiative focuses on mobile quality health services which successfully conducted over 300 health camps in FY 2019-20.

The technology-enabled mMitra initiative has been implemented at three hospitals across Mumbai and Aurangabad. This program employs a voice message delivery system to educate pregnant women on various

mMitra's precision model run at Sion hospital, Mumbai

Mother and Child doing well after our CSR intervention in Aurangabad

aspects of gestational and neonatal health. As part of this intervention this year, we rolled out a precision model at a Sion hospital to strengthen the follow-up processes with the pregnant women. We also inaugurated a breastfeeding cell (Hirkani Kaksha) at the Government Medical College and Hospital, Aurangabad.

The challenges linked to the use of primitive means of cooking that rely on solid fuels is multifaceted. The most prominent aspect of the challenge is Household Air Pollution (HAP) responsible for over 3.8 Million premature deaths every year as per WHO data. Multiple heath issues such as lung cancer, child pneumonia and chronic obstructive pulmonary disease are also attributed to exposure to toxic smoke produced as a result of burning solid fuels. This toxic exposure can be highly dangerous for women and children. In partnership with CSIR-National Environmental Engineering

Beneficiaries of our maternal health program in India

Research Institute (NEERI), an Institution of the Government of India, we undertook the task of tackling household air pollution through the development of cost effective & highly efficient mud stoves.

SUSTAINABLE LIVELIHOODS

This focus area aims at providing livelihood opportunities to underserved and disadvantaged communities. Our Learn and Earn initiative aligned to the National Employment Enhancement Mission (NEEM) of the Government of India has been implemented at 6 operational sites of our company. We have trained over 2,000 youth, thereby strengthening their skills and increasing their employment prospects. We have also empowered differently-abled individuals with livelihood opportunities by partnering with Bhagwan Mahaveer Viklang Sahayata Samiti. Through this initiative, we have provided rehabilitation and livelihood opportunities to 22000+ differently-abled individuals over the years by providing artificial limbs, fitments and callipers.

THROUGH THIS INITIATIVE WE HAVE PROVIDED REHABILITATION AND LIVELIHOOD OPPORTUNITIES TO 22000+ DIFFERENTLY-ABLED INDIVIDUALS OVER THE YEARS BY PROVIDING ARTIFICIAL LIMBS, FITMENTS AND CALLIPERS

TRAINED OVER 2,000 YOUTH, STRENGTHENING THEIR SKILLS AND INCREASING THEIR EMPLOYMENT PROSPECTS

GLENMARK SUPPORTING FAMILIES AFFECTED BY KERALA AND ASSAM FLOODS, THROUGH HEALTH AND HYGIENE KITS

ACCESS TO HEALTHCARE AND EDUCATION

We believe that knowledge is power, and education is empowerment. In our quest to make contributions towards SDG 4 (quality education), we have been supporting the rural tribal areas of Maharashtra with access to quality education.

Access to quality healthcare services in remote and disaster-impacted areas is a challenge for disadvantaged and marginalized communities. Glenmark along with Americares India conducted diagnostic health camps, and provided free nutrition and medicine kits to these vulnerable communities. This year we supported individuals and families affected by the Kerala and Assam floods by donating medical, health and hygiene kits. We also conducted numerous medicine donation drives in order to enhance accessibility for basic medicines.

THIS YEAR WE SUPPORTED INDIVIDUALS AND FAMILIES AFFECTED BY KERALA AND ASSAM FLOODS BY DONATING MEDICAL, HEALTH AND HYGIENE KITS

PROMOTION OF SPORTS- SWIMMING

Glenmark Aquatic Foundation strives to promote swimming as a sport in India. It aims to enable individuals achieve podium finishes in swimming and represent India at an international level. The Foundation provides infrastructure, coaching, and a platform that enables individuals to showcase their talent and efforts in the area of swimming. The Foundation has established three centers of excellence at Mumbai, Delhi and Bangalore.

JOY OF GIVING CONNECTING 28 COUNTRIES IN THE GLENMARK NETWORK

GLENMARK JOY OF GIVING

Understanding and supporting the emotions and feelings of underserved individuals in the surrounding communities could substantially lead to improved employee satisfaction. Our employee volunteer program "Glenmark Joy of Giving" enables our employees to provide monetary and non-monetary support to the underserved community. This program witnessed renewed participation from employees across the globe this year. Over the years, 46 Glenmark locations across 28 countries have been celebrating the annual festival of philanthropy. Further, we also launched a global internal campaign of #SharePostSavePlanet, where every post shared by employees led to a tree being planted by Glenmark. Through this campaign, we have pledged to plant 1188 trees. This year we launched an online platform "Initiative to Volunteer for Empowerment", which provides our employees a medium to actively participate in community programs, giving them the opportunity to positively impact more lives.

OUR EMPLOYEE VOLUNTEER PROGRAM "GLENMARK JOY OF GIVING" ENABLES OUR EMPLOYEES TO PROVIDE MONETARY AND NON-MONETARY SUPPORT TO THE UNDERSERVED COMMUNITY

AWARDS AND ACCOLADES:

1) Glenmark Pharmaceuticals Limited featured in the 5th Annual Inclusive Business List 2019.

2) Glenmark Foundation was conferred with the 'CSR Foundation of the Year Award' at the 6th India CSR Summit 2019, Delhi organized by CSR Box.

WORKING TOWARDS A SUSTAINABLE FUTURE

At Glenmark, we believe that success is measured not only in numbers but also in the positive difference we make to human lives and the environment. This is achievable through appropriate technologies and by creating a culture of respect for the environment, across the organization. Our GRI-aligned externally assured sustainability report is an important milestone in our journey of enriching lives sustainably.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

We conserve natural resources while maximizing productivity using technology. In FY19-20, we strived to increase the share of renewable energy, reduce our Greenhouse Gas (GHG) emissions, encourage energy efficiency, minimize the release of waste and make efforts to co-process waste.

CLIMATE STRATEGY

Our climate strategy is focused on preparing for and mitigating the impact of climate change on health. Our approach to managing carbon emissions encompasses:

1) Shifting to renewable energy: We use Hydropower from open access sources in our Taloja and Mahape operation. We have installed a 100 kWp roof top solar system at Mahape and solar LED lights in our Kurkumbh and Mohol operations, which successfully generated 47,91,603 kWh power in FY19-20.

2) Creating carbon sinks: We have planted more than 30,000 trees so far.

3) Enhancing energy efficiency: We have reduced specific energy consumption by 8.03% this year. We also rolled out several energy-efficient clean technology initiatives across our manufacturing facilities in India.

WATER MANAGEMENT

As part of our water conservation strategy, we abide by the 3R (Reduce, Reuse and Recycle) principle. We are working towards a planned reduction of 20% in our specific water consumption by 2020-21 (Baseline year 2012-13). During FY19-20, our factory at Kurkumbh joined those at Ankleshwar, Dahej, Aurangabad and Mohol in ensuring zero discharge of liquid effluents.

WASTE MANAGEMENT

Our waste management strategy encompasses at-source waste minimization, categorization, segregation, handling and safe disposal, through preprocessing/co-processing incineration and secured land fill. A part of the hazardous waste that we generate is co-processed in cement factories. In FY20, we co-processed more than 1300+ tonnes of hazardous waste and propose to increase this to 25% of the total hazardous waste disposed by 2020-21.

IN FY20, WE CO-PROCESSED MORE THAN 1300+ TONNES OF HAZARDOUS WASTE

ENVIRONMENT, HEALTH AND SAFETY (EHS)

We have adopted ISO 14001:2015 (Environmental Management System), ISO 45001:2018 and OHSAS 18001:2007 (Occupational Health and Safety Management Systems) standards and aligned our safety management system to that of the British Safety Council. We have implemented the Globally Harmonised System (GHS) of the International Labour Organisation. Our records show that no occupational illness cases have been reported during the year under review. We have also maintained our record of zero cases of fatalities for the last five financial years.

EHS CERTIFICATIONS

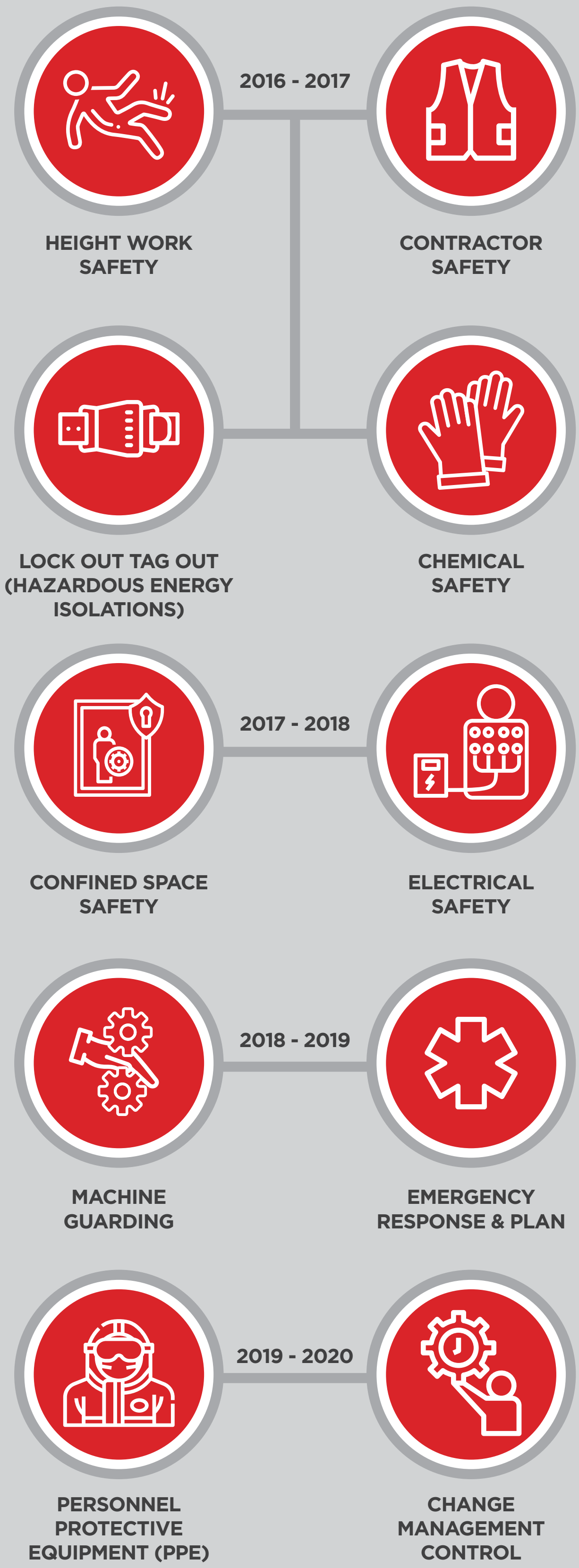
We have 13 ISO-certified plants that account for 76% of our facilities, while 13 plants or 71% of our facilities, are OHSAS & ISO 45001:2018 certified.

EHS TRAINING

Our EHS team conducts regular safety training so that employees can handle activities linked to health and safety from hazard identification and pre-emptive strategies, to preserving good health and administering first aid in the event of an accident.

GLOBAL SAFETY PROGRAMS

We have rolled out ten safety programs so far touching many identified risk avenues with a target of 16 safety programs by 2023.



ENGAGING EMPLOYEES WITH REGULAR SAFETY DIALOGUE

We use interactive and innovative means of communication - such as safety quizzes, activity-based and case study-based learning - to engage our employees in regular safety dialogue. 'Toolbox Talks' is an example of one such initiative that encourages employees to have formal and informal exchanges on workplace safety. Mock drills are conducted on-site to ensure emergency preparedness. We also introduced awareness workshops, such as 'Office Ergonomics' across Glenmark's corporate offices. Our India plants also underwent an internal auditor course to aid in smooth transition from OHSAS 18001:2007 to ISO 45001:2018 standard.

TRACKING AND MONITORING OF OUR SAFETY PROCEDURES

In FY20, we launched Glenmark's 'NEARly and Hazard Management' online portal so employees have a convenient platform to report Near Miss & Hazard incidents, and for managers to closely track reports and implement action.

We introduced an engaging 'Safety Induction Module' for all visitors, through videos played in all Glenmark Mumbai offices.

We also launched an 'Employees Safety Module' and assigned it to all employees at Glenmark Mumbai offices through our learning management platform - Aspire.

AWARDS & ACCOLADES

1) British Safety Council Award, Engineering Institute Award (Delhi) & Asian Leadership Award, Envirocare Green Award 2019: Goa.

2) Apex Safety Awards: Nalagarh.

3) Greentech Safety Award 2019: Ankleshwar, Dahej, Aurangabad, Nalagarh, Nashik & Sikkim.

4) Greentech Environment Award: Dahej.

GLS Dahej team at the Annual Sustainability Conference


Our Ankleshwar plant receives the Greentech Award for Occupational, Safety & Disaster Management


Glenmark Nalagarh becomes a proud recipient of the APEX India Award


Our Sikkim team receives the Greentech Award

KEY FINANCIAL OVERVIEW

CONSOLIDATED FINANCIAL HIGHLIGHTS (IND AS) (IN ₹ IN MILLION, UNLESS OTHERWISE STATED)	2019-20	2018-19	2017-18	2016-17	2015-16
Total Income	108,005.71	100,736.05	91,944.70	92,230.46	76,695.83
Earning before Depreciation,Finance Cost and Tax expenses (EBDIT)*	18,576.84	17,939.37	17,067.73	20,740.65	14,571.52
Depreciation and Amortisation	4,171.66	3,259.05	3,018.76	2,643.68	2,342.84
Profit for the year	7,759.70	9,249.93	8,038.70	11,087.53	7,430.45
Equity Dividend	2.50	2.00	2.00	2.00	2.00
Equity Share Capital	282.17	282.17	282.17	282.17	282.16
Reserves and Surplus	60,422.88	55,769.67	51,352.60	44,643.08	36,014.22
Net Worth#	60,701.13	56,048.07	51,631.07	44,921.02	36,293.37
Total Debt	48,686.34	44,486.68	46,393.85	47,236.58	39,881.06
Gross PPE & Intangible Assets	90,618.37	78,714.71	64,377.15	54,301.37	47,858.53
Net PPE & Intangible Assets	59,020.87	50,144.57	40,993.20	34,153.03	30,788.62
Total Assets	146,848.07	132,887.91	125,953.78	117,638.67	101,928.72
Key Indicators					
Basic Earnings Per Share(Rs.)	27.50	32.78	28.49	39.29	26.47
Debt: Equity ratio	0.80	0.79	0.90	1.05	1.10
Return on Capital employed (EBIT/ Net Worth)	23.73%	26.19%	27.21%	40.29%	33.69%

* EBIDTA = PBT + Depreciation + Interest

Networth = Equity + Reserves + NCI

CORPORATE INFORMATION

REGISTERED OFFICE

B/2, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai - 400026, Maharashtra, India

CORPORATE OFFICE

Glenmark House
B.D. Sawant Marg, Chakala,
Off Western Express Highway, Andheri (East),
Mumbai - 400099, Maharashtra, India
Tel. : +91 22 40189999
Site: www.glenmarkpharma.com
Email: complianceofficer@glenmarkpharma.com
CIN No: L24299MH1977PLC019982

AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants, Mumbai

COST AUDITORS

Sevekari, Khare and Associates,
Cost Accountants, Mumbai

SOLICITOR

Trilegal, Mumbai

REGISTRAR AND TRANSFER AGENTS

KFin Technologies Private Limited
Selenium Tower B, Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032

BANKER

Bank of India

COMPANY SECRETARY

Mr. Harish Kuber

GLENMARK PHARMACEUTICALS

MANUFACTURING FACILITIES

FORMULATIONS

- E 37, MIDC Industrial Area, D Road, Satpur, Nashik - 422007, Maharashtra
- Plot No. 7 and 9, Colvale Industrial Estate, Bardez - 403115, Goa
- Unit - I, Village Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan, HP – 174101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh, Dist.- Solan, HP – 174101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road, Dist. - Solan, HP – 174101
- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454775, Madhya Pradesh
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra
- Growth Centre, Samlik-Marchak, Dist. - East Sikkim, Sikkim
- Fibichova 143, 56617, Vysoke Myto, Czech Republic
- Calle 9 Ing Meyer Oks N 593, Parque Industrial Pilar, B1629MX Buenos Aires, Argentina
- 4147 Goldmine Road, Monroe, NC 28110, USA

R&D CENTRES

- Plot No. A 607, TTC Industrial Area, MIDC Mahape, Vashi, Navi Mumbai - 400705, Maharashtra
- Plot No. C 152, MIDC Sinnar Industrial Area, Malegaon, Dist. - Nashik - 422113, Maharashtra
- Plot No. M4, Taloja industrial area, MIDC Taloja, Taluka Panvel. 410208, Dist. - Raigad, Maharashtra

CLINICAL RESEARCH CENTRE

- Plot No. D 508, TTC Industrial Estate, MIDC, Turbhe, Navi Mumbai - 400705, Maharashtra

ICHNOS SCIENCES INC.

GLOBAL CLINICAL DEVELOPMENT CENTRE

- 461 From Road, Paramus, NJ 07652, USA

R&D CENTRES

- Biopole, Route de La Corniche SA 1066 Epalinges Switzerland
- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland

MANUFACTURING FACILITY

- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland

GLENMARK LIFE SCIENCES

- 3109 - C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch - 393002, Gujarat
- Plot No 163-165/170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413213, Maharashtra
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune - 413802, Maharashtra
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ENVIRONMENT

The global economy continues to witness slowdown with dips in GDP growth, amid prolonged trade disputes and wide-ranging policy uncertainties. Trade tensions between China and the United States re-escalated in the second half of 2019 and have further intensified following the outbreak of COVID-19. These developments have triggered sharp movements in the global equity markets, a decline in global oil prices and higher capital outflows from emerging economies. Alongside recent monetary policy shifts by major central banks, persistent uncertainty surrounding trade actions has induced heightened investor risk aversion and financial market volatility.

As the human and economic costs of the COVID-19 pandemic continue to unfold, the global financial system has been both a source of strength—with banks and fintechs extending support to small businesses and households in need—and an area of potential risk, with record levels of market volatility and growing concern around credit losses. Governments, central banks, regulators, and international organizations have moved rapidly to address the economic collapse and financial fallout, but it remains to be seen how policy should continue to evolve to preserve financial stability.

(Sources: UN World Economic Situation and Prospects, WEF Impact of COVID-19 on the Global Financial System)

GLOBAL PHARMA SCENARIO

The global pharmaceutical landscape is undergoing a major overhaul with the advent of new technologies and more efficient and cost-effective manufacturing processes. This is paving the way for a whole new world of drugs and treatments of the future. In 2019, the global pharmaceutical industry was worth approximately $1.2 trillion, a figure predicted to increase to around $1.5 trillion by 2023. And the global generic industry is expected to be worth $474 billion by 2023, a 6.8% increase from 2018.

API manufacturing quality is most often a key indicator for the performance of pharmaceutical markets – with many of the pharma's developed markets still perceived as ahead of the large volume producers. According to a 2019 CPhI report, Japan has pushed ahead of Germany with a respectable growth of 2.5%, to now holding the number one spot for API manufacturing quality. With regard to innovation, the USA continues to retain its top position. It also boasts the largest growth increase (2.5%) of all assessed markets, while Japan and Germany remain in second and third position respectively. The ever-increasing demand for pharmaceuticals and the push for more accessible and affordable drugs is fueling the biosimilar market to grow exponentially in the coming years. There is also growing interest from pharma companies to tap the rare and specialty disease markets. Innovations in advanced biologics, nucleic acid therapeutics, cell therapies, bioelectronics and implantables are attracting huge investments even from non-pharma companies like Facebook, Qualcomm etc.

More recently, and especially during the COVID-19 pandemic, telemedicine is being increasingly used to transform the way that patients receive primary healthcare, making it possible to consult with healthcare professionals virtually, through their personal computer and mobile devices. Telemedicine is predicted to become an increasingly integral part of healthcare systems in various markets around the world to help manage rising demand.

While most other industries and sectors suffered considerable losses as a result of the pandemic, the pharmaceutical industry faced increased demand and urgent business challenges, such as ensuring well-functioning supply chains for patients to get their prescriptions filled and remain on critical therapies.

The COVID-19 crisis is expected to have knock-on effects for the broader pharma environment, including reduced funding for early-stage biotech companies and diminished demand for contract research organizations. Pharmaceutical companies may have to delay certain product launches, and those that go ahead may fall short of expectations, given the impediments to commercialize drugs at the same speed and scale in the current environment. Once the public health crisis is over and business operations return to normal, the pharmaceutical world will most likely have to adjust its go-to-market strategies for the new way of normal ahead.

(Sources: Pharma Industry 2020: Key emerging trends to watch for in the New Year, Pharma and Medical Devices Opportunities and Challenges: 2020 and beyond, Global Pharmaceuticals Industry Analysis and Trends 2023, CPhI Insights: New modalities, new methods and new thinking to solve old problems)

FINANCIAL SUMMARY (IND AS)

MATERIAL CONSUMED AND PURCHASE OF TRADED GOODS

Cost of Material consumed including finished goods purchased were at ₹ 36,986.39 mn in FY 2019-20 as against ₹ 33,623.42 mn in FY 2018-19 and as a percentage to sale of products was at 35.57% in FY 2019-20 as against 34.66% in FY 2018-19.

EMPLOYEE COST

Employee cost was at ₹ 22,547.76 mn in FY 2019-20 as against ₹ 20,560.70 mn in FY 2018-19.

OTHER EXPENSES

Other expenses includes manufacturing overheads, selling and marketing expenses, administrative and general expenses and R&D expenses.

Other expenses increased to ₹ 29,894.72 mn in FY 2019-20 as against ₹ 28,612.56 mn in FY 2018-19.

FINANCE COSTS

Interest expenses increased to ₹ 3,773.18 mn in FY 2019-20 as against ₹ 3,345.85 mn in FY 2018-19.

PROFIT AFTER TAX

Profit after tax for FY 2019-20 was at ₹ 7,759.70 mn as against FY 2018-19 was at ₹ 9,249.93 mn.

DIVIDEND

The Board has recommended a final dividend of 250% (₹ 2.50 per equity share of ₹ 1 each) on the equity share capital as at 31 March 2020 subject to the approval of shareholders.

EQUITY CAPITAL

There is no movement in equity share capital during the FY 2019-20.

TRADE PAYABLES

Trade payables decreased to Rs.21,258.43 mn in FY 2019-20 from Rs.22,207.51 mn in FY 2018-19.

CURRENT TAX LIABILITIES

Current tax liabilities decreased to ₹ 407.13 mn in FY 2019-20 from ₹ 457.56 mn in FY 2018-19.

SHORT TERM BORROWINGS

Short term borrowings increased to ₹ 4,425.97 mn in FY 2019-20 from ₹ 3,030.24 mn in FY 2018-19.

OTHER CURRENT LIABILITIES

Other current liabilities increased to ₹ 1,432.65 mn in FY 2019-20 from ₹ 1,119.44 mn in FY 2018-19.

TRADE RECEIVABLES (NET)

Trade receivables increased to ₹ 24,089.62 mn in FY 2019-20 from ₹ 21,945.90 mn in FY 2018-19.

INVENTORY

Inventory decreased to ₹ 21,356.24 mn in FY 2019-20 from ₹ 22,520.74 mn in FY 2018-19.

OTHER CURRENT ASSETS

Other current assets decreased to ₹ 10,228.44 mn in FY 2019-20 from ₹ 10,321.30 mn in FY 2018-19.

PROPERTY, PLANT AND EQUIPMENT (EXCLUDING CWIP)

The Gross block of property, plant and equipment increased to ₹ 39,813.90 mn in FY 2019-20 from ₹ 31,961.29 mn in FY 2018-19.

OTHER INTANGIBLE ASSETS (EXCLUDING CWIP AND GOODWILL)

The gross block of other intangible assets increased to ₹ 38,585.61 mn in FY 2019-20 from ₹ 32,764.04 mn in FY 2018-19.

INDIA FORMULATIONS

During the year under review, the India Formulations (IF) business performed well, registering revenue of Rs. 32021.67 Mn (USD 452.41 Mn) as against Rs. 27,769.71 Mn (USD 398.07 Mn) in the previous year, recording growth of 15.31%. The India business continues to be a strong contributor to the company's overall growth, with the fourth quarter being an exceptional quarter in terms of growth.

As per IQVIA MAT Mar 2020, the IF business is ranked 14th in the Indian pharmaceutical market. The highlight for the India business has been the launch of Remogliflozin, a novel anti-diabetic drug in the SGLT2 inhibitor class of molecules. Glenmark was the first company to launch this product in India. Since its launch, Remogliflozin continues to do exceedingly well in the market and is well received in the medical community. It has achieved impressive market penetration of 34% in the SGLT2 segment, a figure that is progressing month on month. Glenmark now ranks third in the respiratory segment in the Indian pharmaceutical market. In the cardiology space, the most notable brand remains Telma, which is the first Glenmark brand to feature in the top 20 IPM Brands. It has jumped 11 ranks in the last 12 months (IQVIA Mar'20). Overall, notable changes in market share of the IF business core therapy areas (from MAT Mar'19 to MAT Mar'20) are as follows:

- The Dermatology business from 9.07% to 8.89%
- The Cardiology business from 4.52% to 4.72%
- The Diabetology business from 1.61% to 1.78%
- The Respiratory business from 4.76% to 5.10%

IF TOP BRANDS IN IPM 300 BRANDS LEAGUE AS PER IQVIA: (MAT MAR 2020)

Glenmark has the following nine brands among the Top 300 Brands in the Indian Pharmaceutical Market:

Brands	Val (Crores)	Val Growth %
TELMA	236.60	20.64
TELMA-H	185.35	15.06
TELMA-AM	119.54	17.54
CANDID	117.08	13.23
ASCORIL+	113.29	17.55
ASCORIL-LS	112.85	20.92
CANDID-B	100.67	11.54
ALEX	76.52	17.83
ZITA-MET PLUS	66.05	8.47

GLENMARK'S CONSUMER CARE BUSINESS

Glenmark's consumer care business continued its strong growth trajectory in FY 2019-20, with the business setting a new milestone of sales of Rs. 2038 Mn. in this financial year. This strong growth was led by Candid dusting powder. The new launch of Scalpe PRO also helped drive the business with a growth of 42% in the last quarter. Modern trade channel led the growth agenda for the Consumer Care portfolio, with 34% growth for the year.

The company also announced that it has entered into

IN THE CARDIOLOGY SPACE, THE MOST NOTABLE BRAND REMAINS TELMA, WHICH IS THE FIRST GLENMARK BRAND TO FEATURE IN THE TOP 20 IPM BRANDS. IT HAS JUMPED 11 RANKS IN THE LAST 12 MONTHS

an agreement with Hindustan Unilever Limited (HUL) for the divestment of its VWash brand and other extensions. Under this agreement, the brand and other trademarks, copyrights, know-how associated with Glenmark's VWash business will be transferred to HUL. Glenmark will receive an upfront payment and a certain percentage of sales for three years. No employees will be transferred as a part of this agreement. The transaction was completed on June 25, 2020.

US FORMULATIONS

For the financial year 2019-20, the US business registered revenue from the sale of finished dosage formulations of Rs. 31,404.49 Mn (USD 443.69 Mn) as against revenue of Rs. 31,392.70 Mn (USD 450.01 Mn) for the previous corresponding year.

In the fiscal year 2019-20, Glenmark was granted approval for 14 Abbreviated New Drug Applications (ANDA), comprising 12 final approvals and 2 tentative approvals. Additionally, Glenmark received approval on a Prior Approval Supplement (PAS) to make an over-the-counter version of their Adapalene Gel, 0.1% available. Notable approvals include: Fulvestrant Injection, 250 mg/5 mL (the company's first injectable product), Pimecrolimus Cream, 1%, and Deferasirox Tablets for Oral Suspension, 125 mg, 250 mg and 500

Fulvestrant Injection with syringes in the US

Isradipine Capsules in the US

mg. The company filed a total of 8 ANDA applications with the US FDA throughout the fiscal year.

As part of a distribution agreement with Elite Laboratories, Glenmark also launched Isradipine Capsules. During this financial year, the US business was significantly impacted in terms of sales on account of three products viz. Mupirocin Cream, Atomoxetine hydrochloride & Calcipotriene cream. Sales were also impacted due to the Ranitidine issue in the US market. Glenmark's marketing portfolio through March 31, 2020 consists of 165 generic products authorized for distribution in the U.S. market. The company currently has 44 applications pending in various stages of the approval process with the US FDA, of which 24 are Paragraph IV applications.

IN THE FISCAL YEAR 2019-20, GLENMARK WAS GRANTED APPROVAL FOR 14 ABBREVIATED NEW DRUG APPLICATIONS (ANDA), COMPRISING 12 FINAL APPROVALS AND 2 TENTATIVE APPROVALS

REST OF THE WORLD

For the year under review, revenue from Africa, Asia and CIS region was Rs.12,854.45 Mn (USD 181.61 Mn) as against Rs. 12,759.35 Mn (USD 182.90 Mn) for the previous corresponding year, recording growth of 0.75%.

RUSSIA/CIS REGION

According to IQVIA MAT March'20 data, Glenmark Russia recorded faster than market growth of +10.7% in value v/s overall retail market growth of +8.9%. In the dermatology segment, Glenmark ranks 11 amongst dermatology companies present in the retail market on MAT March'20 basis. The introductions under the Oflo umbrella i.e. Oflomil nail lacquer and Oflomycol cream & solution will further strengthen the company's position in this segment. In the respiratory space, Glenmark continues to secure a strong position and ranks 4th, as per MAT March'20 data amongst the companies present on the expectorants market (retail segment) of the local pharmaceutical market. Launch of Momate Rhino OTC helped to further strengthen Glenmark's respiratory franchise in the Russian market.

During the year under review, Glenmark's Ukraine business showed growth of 25.5% in units.

FOR THE YEAR UNDER REVIEW, REVENUE FROM AFRICA, ASIA AND CIS REGION WAS RS.12,854.45 MN (USD 181.61 MN)

ASIA & AFRICA

During the year under review, sales in the Asia region continued to remain subdued across all markets. The Africa region recorded strong secondary sales growth during the year. All the major subsidiaries viz. South Africa and Kenya recorded good growth. The company has also made good progress in expanding its presence in the GCC region.

EUROPE FORMULATIONS

Glenmark Europe's operations for the year under review recorded revenue at Rs. 12,484.48 Mn (USD 176.38 Mn) as against Rs. 11,207.09 Mn (USD 160.65 Mn), recording growth of 11.40%.

During the year under review, the Western European business continued expanding through increased penetration in the UK, Germany, Spain and the Netherlands while Nordic countries witnessed some de-growth. During the year under review, the Central Eastern European region also managed to grow well in constant currency with major markets witnessing sales growth. During the year under review, GSK concluded a settlement agreement concerning the existing litigation against Glenmark and Celon regarding the shape of their inhalation product containing salmeterol xinafoate

IN-LICENSING PRODUCTS FOR EUROPE IN FY 2019-20:

Molecule (INN)	Form	Country
Hydromorphone	Modified-release	DE
Sunitinib	Capsules	PL, RO, SK, CZ, SE, DE
Sitagliptin	Tablets	DE, CZ, DK, FI, UK, NO, SK, ES, SE
Tiotropium pMDI	pMDI	All major markets in Europe
Omeprazole OLS	Capsules	UK
Sitagliptin/Metformin	Tablets	DE, CZ, DK, FI, UK, NO, SK, ES, SE
Lenalidomide Polymorph RO	Capsules	RO
Lenalidomide Polymorph SPC	Capsules	PL, CZ, UK, DE, RO, ES, DK, SE
Dabigatran	Capsules, hard	UK, DE, SE, NO, DK, FI, CZ, SK
Ibuprofen + Paracetamol	Tablets	CZ, SK

DE = Germany **PL = Poland** **RO = Romania** **SK = Slovakia** **CZ = The Czech Republic** **SE = South East Asia** **DK = Denmark** **FI = Finland** **NO = Norway** **ES = Spain**

and fluticasone propionate, named Salmex (aka Stalpex, Salflutin and Asthmex) in selected European markets.

Under the settlement agreement concluded between the parties, Celon and Glenmark are permitted to sell Salmex in certain European markets in an agreed shape of inhaler device, free from intellectual property challenges. Also Glenmark Poland partnered its CNS portfolio to Neuraxpharm, a leading European pharma company. Following the transaction, the Glenmark CNS commercial team in Poland joins Neuraxpharm Polska's existing sales and marketing organization to create a strong player in the Polish CNS market, with excellent access to psychiatrists, neurologists and pharmacies. The transaction was closed in April 2020.

IN JUNE 2019, GLENMARK'S BRAZILIAN SUBSIDIARY ENTERED INTO AN EXCLUSIVE PARTNERSHIP WITH NOVARTIS AG, FOR THREE RESPIRATORY PRODUCTS INDICATED FOR TREATMENT OF CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD)

LATIN AMERICA

For the year under review, Glenmark's revenue from its Latin American and Caribbean operations was at Rs. 5355.57 (USD 75.66 Mn) for FY 2019-20, as against Rs. 4179.53 Mn (USD 59.91 Mn) for the previous corresponding year, recording growth of 28.14%. In June 2019, Glenmark announced that its Brazilian subsidiary has entered into an exclusive partnership agreement with Novartis AG, for three respiratory products indicated for treatment of Chronic Obstructive Pulmonary Disease (COPD) in Brazil. The products involved in the agreement are Seebri® (Glycopyrronium bromide), Onbrize® (Indacaterol) and Ultibro® (combination of Indacaterol and Glycopyrronium).

Under the terms of the agreement, Novartis remains the holder of the registration of these medicines and and will be responsible for their manufacture and supply. Glenmark will be responsible for exclusively promoting, commercializing and distributing these products in Brazil. This deal strengthened Glenmark's respiratory franchise and helped consolidate the company's position in this segment in Brazil. The strong growth rate recorded by the region was on account of the in-licensed products. The Mexico subsidiary also performed well in the year under review in constant currency. Also the Brazilian subsidiary partnered a set of brands to a leading pharmaceutical company, Hypera. The transaction was signed in the fourth quarter of the financial year but was closed in the month of April 2020.

GPL SPECIALTY/ INNOVATIVE R&D PIPELINE

RYALTRIS™

Ryaltris™ (olopatadine hydrochloride and mometasone furoate) Nasal Spray is the company's respiratory pipeline asset, and is currently under review with the U.S. Food and Drug Administration (FDA) as a treatment for seasonal allergic rhinitis in the USA. During the year under review, Glenmark and Hikma entered into an Exclusive Licensing Agreement for commercializing Ryaltris™ Seasonal Allergic Rhinitis Nasal Spray in the US, wherein Glenmark will be responsible for the continued development and regulatory approval of Ryaltris™, while Hikma will be responsible for the commercialization of Ryaltris™ in the US.

Besides the US deal, Glenmark has already signed licensing deals for commercializing Ryaltris™ in China, Australia, New Zealand and South Korea. Glenmark is also working to close a partnership deal for Ryaltris™ in various other markets including the EU. The company has already filed an application for Ryaltris™ approval in the European Union. Further in the last few months, Ryaltris™ has been approved in Cambodia, Uzbekistan, Namibia and South Africa. Also Ryaltris™ clinical trials in Russia have been completed and the subsidiary will shortly seek regulatory approval from the regulator. During the first quarter of FY 2019-20, the US FDA issued a Complete Response Letter (CRL) pertaining to the New Drug Application (NDA) for Ryaltris™. We continue to work with the agency to resolve the issues raised in the CRL. The CRL response is currently on track for submission shortly. We are in communication with the FDA and all deficiencies, except the facility clearance, are minor in nature and have been already addressed.

GBR 310

Glenmark announced positive results from a Phase 1 study that suggested similarity in pharmacokinetic, pharmacodynamic, safety and immunogenicity profiles between GBR 310, and the reference product, omalizumab, marketed in the US under the brand name Xolair®. The company is in discussions with potential partners and is targeting to conclude a deal before initiating Phase 3 studies.

GRC 39815 (RORγT INHIBITOR)

GRC 39815 is a NCE currently being evaluated as an inhaled compound for the possible treatment of Chronic Obstructive Pulmonary Disorder (COPD). It is an inhibitor of the Retinoid-related Orphan Receptor gamma t (RORγt). The compound is currently in pre-clinical development and the company plans to initiate a Phase 1 study shortly.

GLENMARK LIFE SCIENCES

Glenmark Life Sciences primarily includes manufacturing and marketing of Active Pharmaceutical Ingredient (API) products across all major markets globally. It also includes captive sales (i.e. use of API by GPL for its own formulations).

For the year under review, external sales for Glenmark Life Sciences was at Rs. 10,239.17 Mn (USD 144.66 Mn) as against Rs. 9,493.11 Mn (USD 136.08 Mn), recording growth of 7.86% over the corresponding period last year.

GLS HAS THREE US FDA APPROVED API MANUFACTURING FACILITIES (ANKLESHWAR, DAHEJ AND MOHOL). IN JULY 2019, THE US FDA AND HEALTH CANADA JOINTLY INSPECTED THE ANKLESHWAR MANUFACTURING FACILITY OF GLS AND RATED IT 'COMPLIANT'

Glenmark Life Sciences Dahej


Glenmark Life Sciences Ankleshwar

GLS has three US FDA approved API manufacturing facilities (Ankleshwar, Dahej and Mohol). In July 2019, the US FDA and Health Canada jointly inspected the Ankleshwar manufacturing facility of GLS. Subsequently the U.S. FDA issued the EIR for the facility and Health Canada has rated the facility as "Compliant."

Domestic and ROW regions led the growth for GLS, with both regions recording good growth over the corresponding period last year. The US business also revived in the year under review. The company also expanded its presence in the Japanese market. GLS continued to sustain its leadership position in products like Lercanidipine, Atovaquone, Perindopril, Olmesartan, and Aprepitant.

GLENMARK IS STRONGLY POSITIONED TO CONTINUE BEING A MARKET LEADER IN RESPIRATORY, DERMATOLOGY AND ONCOLOGY, WHILE ALSO BRINGING UNIQUE SPECIALTY PRODUCTS TO MARKETS AROUND THE WORLD

The organization continues to look at opportunities in emerging markets and has begun seeding multiple products across the region. It has begun filing products in China viz. Milnacipran, Adapalene and Tadalafil. GLS has been working on strengthening the business with top formulation companies specifically in the EU region and continues to work with them on new launches.

OUTLOOK

Glenmark's overall business growth in the last year has been close to 7.8%, with most businesses and regions performing well. Despite the last quarter Q4 seeing some challenges on account of COVID-19, Glenmark still succeeded in growing overall at about 8%. The India business continues to be a strong contributor to the company's growth and continues to outperform in India. A major business highlight of the last year was the launch of Remogliflozin, a novel anti-diabetic molecule in the SGLT2 class, which continues to perform exceedingly well in the market. Glenmark's consumer care business is also recording growth in terms of sales every year, through the launch of various products particularly in the area of dermatology. Going forward, the Europe business will continue to be a big contributor to the Glenmark business. Last year proved to be a challenging year for the US, largely due to pricing pressure. Some of Glenmark's key products were impacted by significant price erosion. However despite these hurdles, the US did well in terms of cash flow management and EBITDA margins. In the future, the Monroe plant is expected to be one of our biggest contributors to growing the US business.

GLENMARK'S TIMELY SUCCESS IN INTRODUCING THE ORAL ANTIVIRAL FAVIPIRAVIR FOR COVID-19 PATIENTS IN INDIA IS PARTLY DUE TO THE API BUSINESS

As for the Rest of the World (ROW) markets, the company recorded moderate performance, though certain challenges may continue, particularly operating in the COVID-19 environment and given the currency impact. In the long term however, we expect to see Russia, Asia, Africa and the Middle East demonstrate strong growth for the company. The key highlight for the Latin America business has been the Novartis deal last year, which significantly transformed the Brazilian business. The API business has also performed well and continues to grow from strength to strength despite industry challenges.

Glenmark's timely success in introducing the oral antiviral Favipiravir for COVID-19 patients in India is in large part due to the API business. Looking ahead, Glenmark is strongly positioned to continue being a market leader in respiratory, dermatology and oncology, while also bringing unique specialty products to markets around the world.

RISK MANAGEMENT

PRINCIPAL RISK FACTORS AND UNCERTAINTIES

Company's business, financial condition and results of operations are subject to certain risks and liabilities that may affect the Company's performance and ability to achieve its objectives. The factors that the Company believes could cause its actual results to differ materially from expected and historical results have been discussed hereunder. However, there are other risks and uncertainties that may affect the Company's performance and ability to achieve its objectives that are not currently known to the Company, or which are deemed immaterial.

The Company has implemented an ERM programme through which it reviews and assesses significant risks on a regular basis to help ensure that there is a system of internal controls in place. This system includes policies and procedures, communication and training programmes, supervision and monitoring and processes for escalating issues to the appropriate level of senior management. Such a system helps facilitate the Company's ability to respond appropriately to risks and to achieve the Company's objectives and helps ensure compliance with applicable laws, regulations and internal policies.

The principal risks and uncertainties that might affect the Company's business are identified below. The listing agreement with the stock exchanges mandates the identification, minimization and periodical review of these risks and uncertainties. However, it is not possible for the Company to implement controls to adequately respond to all the risks that it may face and there can be no complete assurance provided that the steps that the Company undertakes to address certain risks, including those listed below under "Mitigating activities include," will manage these risks effectively or at all. The principal risk factors and uncertainties mentioned herein have not been listed in order of their importance.

DELIVERING COMMERCIALLY SUCCESSFUL NEW PRODUCTS

RISK DESCRIPTION: RISK THAT R&D WILL NOT DELIVER COMMERCIALLY SUCCESSFUL NEW PRODUCTS

The Company operates in highly competitive markets globally and faces competition from local manufacturers. Significant product innovations, technological advancements or the intensification of price competition by competitors may materially and adversely affect the Company's revenues. The Company cannot always predict the timing or impact of competitive products or their potential impact on sales of the Company's products.

Continuous development of commercially viable new products as well as the development of additional uses for existing products is critical to the Company's ability to increase overall sales.

Developing new pharmaceutical products is investment intensive, having a longer gestation period with uncertain outcome. A new product candidate can fail at any stage of the development process and one or more late stage product candidates could fail to receive regulatory approval. New product candidates may appear promising in development but after significant investment of Company's economic and human resources, may fail to reach the market or may have only limited commercial success. This could be, for example, as a result of efficacy or safety concerns, an inability to obtain necessary regulatory approvals, difficulty in manufacturing or excessive manufacturing costs, erosion of patent coverage as a result of a lengthy development period, infringement of patents or other intellectual property rights of others or an inability to differentiate the product adequately from those with which it competes.

Furthermore, health authorities have increased their focus on safety and product differentiation when assessing the benefit/ risk balance of drugs, which has made it more difficult for pharmaceutical products to gain regulatory approval. There is also increasing pressure on healthcare budgets as a result of the increase in the average age and absolute population in developed and developing markets. A failure to develop commercially successful products or to develop additional uses for existing products for any of these reasons could materially and adversely affect the Company's revenues.

MITIGATING ACTIVITIES INCLUDE

The Company instead of following the traditional hierarchical R&D business model has its R&D business model based on smaller units in an attempt to encourage greater entrepreneurialism and accountability for our scientists,which the Company believes creates an environment that is more conducive to the development of commercially viable new products and the development of additional uses for existing products.

In addition, the Company plans to continue collaborating with other pharmaceutical companies, which the Company believes enables sharing the risk, availability of technical expertise and decrease the amount of time it takes to develop products.

The Company reviews both product development and external collaborations and targets are selected after exhaustive screening and research across various parameters. The Company progressively evaluates both the scientific and financial considerations for a product as well as the potential benefits/risks associated with the continued development of the assets.

ENSURING PRODUCT QUALITY

Risk description: Risk to the patient or consumer as a result of the failure by the Company, its contractors or suppliers to comply with good manufacturing practice regulations in commercial manufacturing or through inadequate governance of quality through product development Patients, consumers and healthcare professionals trust the quality of our products at the point of use. A failure to ensure product quality is an enterprise risk which is applicable across all of the Company 's global operations.

A failure to ensure product quality could have far reaching implications in terms of the health of our patients and customers, reputation, regulatory, legal, and financial consequences for the Company.

The quality of the product may be influenced by many factors including product and process understanding, consistency of manufacturing components, compliance with current Good Manufacturing Practice (cGMP), accuracy of labelling, reliability and security of the supply chain, and the embodiment of an overarching quality culture.

The internal and external environment continues to evolve as new products, new markets and new legislation are introduced. Particular attention is currently being focused on security of supply, product standards and sound distribution practices.

New cGMP legislation is being introduced in many emerging markets including China and Brazil. On the inspection front, pharmaceutical inspectors are increasingly looking for global application of corrective actions beyond the original site of inspection.

MITIGATING ACTIVITIES INCLUDE

The Company has adopted a single Quality Management System (QMS) that defines Corporate quality standards and systems for the business units associated with Pharmaceuticals products and R&D investigational materials. The QMS has a broad scope, covering the end to end supply chain from starting materials to distributed product, and is applicable throughout the complete life cycle of products from R&D to mature commercial supply.

The OMS is periodically updated based on experience, new regulation and improved scientific understanding to seek to ensure operations comply with cGMP requirements globally, and supports the delivery of consistent and reliable products.

A team of Quality and Compliance professionals are aligned with each business unit to provide oversight and assist the delivery of quality performance and operational compliance. Management oversight of those activities is accomplished through a hierarchy of Quality Council Meetings. Staff are trained to seek to assure that standards, as well as expected behaviours based on the Company's values, are followed.

The Company's Head -Corporate Quality Assurance oversees the activities of the Company Quality Council which serves as a forum to escalate emerging risks, share experiences of handling quality issues from all business units and ensure that the learnings are assessed and deployed across the Company.

The Company has implemented a risk-based approach to assessing and managing its third-party suppliers that provide materials used in finished products. Contract manufacturers making Company products are audited to help assure expected standards are met.

SUPPLY CHAIN CONTINUITY

RISK DESCRIPTION: RISK OF INTERRUPTION OF PRODUCT SUPPLY

Supply chain operations are subject to review and approval of various regulatory agencies that effectively provide our license to operate. The manufacture of pharmaceutical products and their constituent materials requires compliance with good manufacturing practice regulations. The Company's manufacturing sites are subject to review and approval by the FDA and other regulatory agencies.

Compliance failure by the Company's manufacturing facilities or by suppliers of key services and materials could lead to product recalls and seizures, interruption of production, delays in the approval of new products, and revoking of license to operate pending resolution of manufacturing issues. For example, non-compliance with cGMP requirements for US supply could ultimately result, in the most severe circumstances, in fines and disgorgement of profits. Any interruption of supply or the incurring of fines or disgorgement impacting significant products or markets could materially and adversely affect the Company's revenues.

Materials and services provided by third-party suppliers are necessary for the commercial production of our products, including specialty chemicals, commodities and components necessary for the manufacture and packaging of many of the Company's pharmaceutical products.

Some of the third party services procured, for example, services provided by clinical research organisations to support development of key products, are very important to the operation of the Company's businesses. The clinical trial processes should strictly adhere to GCP standards in terms of quality, safety, procedures and other standards. Clinical trial service provider may lack in adhering to GCP standards.

Although the Company undertakes business continuity planning, single sourcing for certain components, bulk active materials, finished products, and services creates a risk of failure of supply in the event of regulatory non-compliance or physical disruption at the manufacturing sites.

The failure of a small number of single-source, third-party suppliers or service providers to fulfill their contractual obligations in a timely manner or as a result of regulatory non-compliance or physical disruption at the manufacturing sites may result in delays or service interruptions, which may materially and adversely affect the Company's revenues.

MITIGATING ACTIVITIES INCLUDE

The Supply Chain model of the Company is designed to help ensure the supply, quality and security of the Company's products and the Company closely monitors the delivery of our products with the intent of ensuring that our customers have the medicines and products they need.

Safety stocks and backup supply arrangements for high revenue and critical products are in place to help mitigate this risk. In addition, the standing of manufacturing external suppliers is also routinely monitored in order to identify and manage supply base risks.

The Company selects Clinical Trial agencies which are of repute and follows a process of regular monitoring and auditing of the clinical trial sites.

Where practical, dependencies on single sources of critical items are removed by developing alternative sources. In cases where dual sourcing is not possible, an inventory strategy has been developed to protect the supply chain from unanticipated disruptions. The Company has set up new manufacturing facilities/ upgraded the existing facilities which can continue the manufacturing operations in case of interruption of operations of a certain facility. The Company while filing for product approvals with various regulatory authorities registers multiple manufacturing sites.

PRODUCT PRICING

RISK DESCRIPTION: RISK THAT THE COMPANY MAY FAIL TO SECURE ADEQUATE PRICING FOR ITS PRODUCTS OR EXISTING REGIMES OF PRICING LAWS AND REGULATIONS BECOME MORE UNFAVOURABLE

Pharmaceutical products are subject to price controls or pressures and other restrictions in many markets, around the world. Some governments intervene directly in setting prices. For example, in India, the government enforces price control through bringing the products under DPCO. In addition, in some markets, major purchasers of pharmaceutical products have the economic power to exert substantial pressure on prices or the terms of access to formularies. Difficult economic conditions, particularly in the major markets in Europe, could increase the pricing pressures on the Company's pharmaceutical products.

Some markets follow the reference pricing for fixation of the price of the products. The price depends on the home market price or the price where the product was launched. The Company cannot accurately predict whether existing controls, pressures or restrictions will increase or whether new controls, pressures or restrictions will be introduced. Such measures may materially and adversely affect the Company's ability to introduce new products profitably and its financial results.

MITIGATING ACTIVITIES INCLUDE

The Company plans to initiate measures to reduce costs, improve efficiencies and reallocate resources to support identified growth opportunities in these markets. The Company is also continuously evaluating further strategic options to ensure the development of new capabilities and the ability to maximise the value of the Company's current and future portfolio.

The Company makes conscious efforts to launch new value added products with some differentiation i.e. improvised products which can fetch better pricing.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

RISK DESCRIPTION: RISKS ARISING FROM NON- COMPLIANCE WITH LAWS AND REGULATIONS AFFECTING THE COMPANY

The Company's global operations subjects it to compliance with a broad range of laws and regulatory controls on the development, manufacturing, testing, approval, distribution and marketing of its pharmaceutical products that affect not only the cost of product development but also the time required to reach the market and the uncertainty of successfully doing so. The Company operates globally in complex legal and regulatory environments that often vary among jurisdictions.

As those rules and regulations change or as governmental interpretation of those rules and regulations evolve, the potential exists for conduct of the Company to be called into question.

Historically, there have been more stringent regulatory requirements in developed markets. However, in recent years, emerging markets have been increasing their regulatory expectations based on their own national interpretations of US and EU standards. Stricter regulatory controls heighten the risk of changes in product profile or withdrawal by regulators on the basis of post-approval concerns over product safety, which could reduce revenues and result in product recalls and product liability lawsuits.

There is also greater regulatory scrutiny, on advertising and promotion and in particular on direct-to-consumer advertising.

MITIGATING ACTIVITIES INCLUDE

The Company's internal control framework is designed to help ensure we adhere to legal and regulatory requirements through continuous evaluation. We are in the process of further strengthening the framework in order to meet the evolving regulations.

The Company has implemented numerous mechanisms to monitor and support our compliance with legal and regulatory requirements. The following represent some examples of these mechanisms.

The Company's head of Regulatory oversees the activities of the Regulatory Team which includes promoting compliance with regulatory requirements and company wide standards, making regulatory services more efficient and agile, and further aligning regulatory capabilities with business needs at global and local levels.

The Company's senior management oversees the system of principles, policies and accountabilities to help ensure the Company applies the generally recognized principles of good medical science, integrity and ethics to the discovery, development and marketing of products. This includes reinforcing the Company's commitment to respecting a clear distinction between scientific engagement on the one hand, and product promotion on the other.

CHANGING GLOBAL POLITICAL AND ECONOMIC CONDITIONS

RISK DESCRIPTION: RISK OF EXPOSURE TO VARIOUS EXTERNAL POLITICAL AND ECONOMIC CONDITIONS, AS WELL AS NATURAL DISASTER THAT MAY IMPACT THE COMPANY'S PERFORMANCE AND ABILITY TO ACHIEVE ITS OBJECTIVES

Many of the world's largest economies, including the major markets in which the Company operates and financial institutions have recently faced extreme financial difficulty, including a decline in asset prices, liquidity problems and limited availability of credit. Due to the economic uncertainty in emerging markets there has been a huge devaluation of the currency in certain geographies in which the Company operates. Certain geographies have imposed restrictions on the imports as well as the remittances outside the country. In addition, the Company operates across a wide range of markets and these markets have the potential to encounter natural disasters that could impact business operations.

The economic conditions may also adversely affect the ability of our distributors, customers, suppliers and service providers to pay for our products, or otherwise to buy necessary inventory or raw materials, and to perform their obligations under agreements with the Company, which could disrupt our operations and negatively impact our business and cash flow. Some of our distributors, customers, suppliers and service providers may be unable to pay their bills in a timely manner, or may even become insolvent, which could also negatively impact our business and results of operations. These risks may be elevated with respect to our interactions with third parties with substantial operations in countries where current economic conditions are the most severe, particularly where such third parties are themselves exposed to risk from business interactions directly with fiscally-challenged government payers.

Such continued economic weakness and uncertainty could materially and adversely affect the Company's revenues, results of operations and financial condition. The Company's businesses may be particularly sensitive to declines in consumer or government spending. In addition, further or renewed declines in asset prices may result in a lower return on the Company's financial investments.

The Company has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes or nationalisation in jurisdictions in which the Company operates.

MITIGATING ACTIVITIES INCLUDE

The extent of the Company's portfolio and geographic footprint assist in mitigating our exposure to any specific localised risk to a certain degree. External uncertainties are carefully considered when developing strategy and reviewing performance. The Company effectively manages its currency risk exposure.

COMPLIANCE WITH FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

RISK DESCRIPTION: RISK ASSOCIATED WITH FINANCIAL REPORTING AND DISCLOSURE AND CHANGES TO ACCOUNTING STANDARDS

New or revised accounting standards, rules and interpretations issued from time to time under the Indian Accounting Standards and IFRS could result in changes to the recognition of income and expense that may materially and adversely affect the Company's financial results.

Stock exchanges review the financial statements of listed companies for compliance with accounting and regulatory requirements. The Company believes that it complies with the appropriate regulatory requirements concerning its financial statements and disclosures.

MITIGATING ACTIVITIES INCLUDE

The Company keeps up to date with the latest developments for financial reporting requirements by working with the external auditor and other advisors to ensure adherence to relevant reporting requirements.

COMPLIANCE WITH TAX LAW

RISK DESCRIPTION: RISK THAT AS THE COMPANY'S BUSINESS MODELS AND TAX LAW AND PRACTICE CHANGE OVER TIME, THE COMPANY'S EXISTING TAX POLICIES AND OPERATING MODELS ARE NO LONGER APPROPRIATE

The Company's effective tax rate is driven by rates of tax in jurisdictions that are both higher and lower than that applied in India. In India, weighted deduction is applicable for R & D and tax concessions are available for setting up manufacturing units in specified zones.

Furthermore, given the scale and international nature of the Company's operations, intra-Company transfer pricing is an inherent tax risk as it is for other international businesses. Changes in tax laws or in their application with respect to matters such as transfer pricing, foreign dividends, controlled companies, R&D tax credits, taxation of intellectual property or a restriction in tax relief allowed on the interest on intra-Company debt, could impact the Company's effective tax rate and materially and adversely affect its financial results.

The tax charge included in the financial statements is the Company's best estimate of its tax liability, but until such time as audits by tax authorities are concluded, there is a degree of uncertainty regarding the final tax liability for the period. The Company's policy is to submit tax returns within the statutory time limits and engage with tax authorities to ensure that the Company's tax affairs are as current as possible, and that any differences in the interpretation of tax legislation and regulation are resolved as quickly as possible. In exceptional cases where matters cannot be settled by agreement with tax authorities, the Company may have to resolve disputes through formal appeals or other proceedings.

MITIGATING ACTIVITIES INCLUDE

The Company continuously monitors the changes in the tax policies in the key jurisdictions to deal proactively with any potential future changes in tax law.

Tax risk is managed by a set of policies and procedures to ensure consistency and compliance with tax legislation. The Company engages advisors and legal counsel to review tax legislation and applicability to the Company. The Company has attempted to mitigate the risk of more aggressive audits by being as up to date as possible with our tax affairs and working in real time with tax authorities where possible.

COMPLIANCE WITH ANTI-BRIBERY AND CORRUPTION LEGISLATION

RISK DESCRIPTION: RISK OF FAILING TO CREATE A CORPORATE ENVIRONMENT OPPOSED TO CORRUPTION OR FAILING TO INSTILL BUSINESS PRACTICES THAT PREVENT CORRUPTION AND COMPLY WITH ANTI- CORRUPTION LEGISLATION

The Company's international operations may give rise to possible claims of bribery and corruption. The Company operates in a number of markets where the corruption risk has been identified as high. Failure to comply with applicable legislation such as the US Foreign Corrupt Practices Act and the UK Bribery Act, or similar legislation in other countries, could lead to action against the Company.

This could potentially include fines, prosecution, debarment from public procurement and reputational damage, all of which could materially and adversely affect the Company's revenues.

MITIGATING ACTIVITIES INCLUDE

The Company has taken steps to develop a policy on Anti Bribery/Anti- Corruption (ABAC). The policy would prescribe ongoing training, and detailed requirements in respect to third party due diligence, contracting and oversight.

POTENTIAL LITIGATION

RISK DESCRIPTION: RISK OF SUBSTANTIAL ADVERSE OUTCOME OF LITIGATION AND GOVERNMENT INVESTIGATIONS

The Company operates globally in complex legal and regulatory environments that often vary among

jurisdictions. The failure to comply with applicable laws, rules and regulations in these jurisdictions may result in legal proceedings. As those rules and regulations change or as governmental interpretation of those rules and regulations evolve, prior conduct may be called into question. Also, notwithstanding the efforts the Company makes to determine the safety of its products through regulated clinical trials, unanticipated side effects may become evident only when the drugs are introduced into the marketplace.

PRODUCT LIABILITY LITIGATION

Pre-clinical and clinical trials are conducted during the development of potential pharmaceutical to determine the safety and efficacy of the products for use by humans following approval by regulatory authorities. Notwithstanding the efforts the Company makes to determine the safety of its products through regulated dinical trials, unanticipated side effects may become evident only when drugs are widely introduced into the marketplace.

In other instances, third-parties may perform analyses of published clinical trial results which, although not necessarily accurate or meaningful, may raise questions regarding the safety of pharmaceutical products which may be publicised by the media and may result in product liability claims. Claims for pain and suffering and punitive damages are frequently asserted in product liability actions and, if allowed, can represent potentially open ended exposure and thus could materially and adversely affect the Company's financial results.

In some cases, the Company may voluntarily cease marketing a product or face declining sales based on concerns about efficacy or safety, even in the absence of regulatory action.

SALES AND MARKETING LITIGATION

The Company operates globally in complex legal and regulatory environments that often vary among jurisdictions. The failure to comply with applicable laws, rules and regulations in these jurisdictions may result in civil and criminal legal proceedings brought against the Company.

MITIGATING ACTIVITIES INCLUDE

The Company attempt s to mitigate the risks inherent in drug development through conscientious approaches to product development and distribution that focus on patient safety as an overriding priority, and that includes accurate documentation of the exercise of careful medical governance.

The Company has constructed a system of medical governance to help ensure the safety and efficacy of the drugs it produces. The Company's Chief Medical Officer (CMO) is responsible for medical governance for the Company. Safeguarding human subjects in Company clinical trials and patients who take Company products is of paramount importance, and the CMO has the authoritative role for evaluating and addressing matters of human safety. Senior physicians and representatives of supportive functions, as well as the lawyer who leads legal support for Pharmaceuticals R&D, is an integral component of the system.

In addition to the medical governance framework within the Company as described above, the Company uses several mechanisms to foster the early resolution of new disputes as they arise and reduce the number of such disputes that actually proceed to litigation.

The Company formalised processes for proactive risk/ dispute management. The programme aims to drive a more standardised practice to the early resolution of disputes and consistent use across the organisation, and establishes a specific vocabulary and identity for the concept of early analysis and resolution, thereby accelerating the desired culture shift. The Legal team also routinely trains the Company's employees on strategies to attempt to minimize the Company's litigation exposure.

MANAGING ENVIRONMENTAL, HEALTH, SAFETY AND SUSTAINABILITY COMPLIANCE

RISK DESCRIPTION: RISK OF INEFFECTIVELY MANAGING ENVIRONMENT, HEALTH, SAFETY, AND SUSTAINABILITY ('EHSS') OBJECTIVES AND REQUIREMENTS

The environmental laws of various jurisdictions impose actual and potential obligations on the Company to remediate contaminated sites.

Failure to manage properly the environmental risks could result in additional remedial costs that may materially and adversely affect the Company's financial results.

The impact of this risk, should the risk occur, could lead to significant harm to people, the environment and communities in which the Company operates and the failure to meet stakeholder expectations and regulatory requirements.

MITIGATING ACTIVITIES INCLUDE

Management of EHSS risk is fundamental to the Company's performance and reputation. The Company is committed to appropriately managing EHSS risk and has embedded its importance into its operations.

The Company operates rigorous procedures to seek to eliminate hazards where practicable and protect employees' health and well-being,but the right culture is our essential starting point. Our employment practices are designed to create a work place culture in which all Company employees feel valued, respected, empowered and inspired to achieve our goals.

The Company's continuing efforts to improve environmental sustainability have reduced the Company's water consumption, hazardous waste, and energy consumption. The Company actively manages our environmental remediation obligations to ensure practices are environmentally sustainable and compliant.

INFORMATION TECHNOLOGY

RISK DESCRIPTION: CYBER SECURITY AND DATA PRIVACY REGULATIONS

A failure of Information Technology (IT) systems due to malicious attacks and/or non-compliance with data privacy laws can potentially lead to financial loss, business disruption and/or damage to our reputation.

MITIGATING ACTIVITIES INCLUDE

- Foster a risk-aware culture that can anticipate and prevent attacks, and where necessary, effectively respond to security breaches
- Maintain strong cyber security infrastructure
- Compliance with data privacy law requirements through:
    - o Performing gap analysis to identify existing weaknesses o Policy and procedure roll-outs
    - o Creating awareness amongst employees on applicable privacy requirements
- Securing suitable insurance cover

REVENUE CONCENTRATION

RISK DESCRIPTION: RISK OF PRODUCT/ REVENUE CONCENTRATION

A few products may account for nearly 2/3rd of the revenue of particular regions. This may lead to decline in the revenue on account of declining phase in the product life cycle. In some geographical regions, the substantial revenue may be generated from a particular region. Failure to have adequate market penetration or early movers advantage may affect long term growth and market share. The regional needs for products of a particular therapeutic segment/ category varies across geographies. The product development strategy may not be in synergy with the regional needs or may not be able to deliver the desired product in timely manner so as to replace the products at the end of the life cycle or enable the company to penetrate new markets. The risk of not having a long term product pipeline will lead to not being able to replace/ introduce new products to counter the risk of fall in the market share of ageing products as a result of the introduction of generic versions after the expiry of patents.

MITIGATING ACTIVITIES INCLUDE

The Company has a project management team which continuously monitors the short-term and long-terms needs of various geographies. Based on the research and interactions with the regional markets, the product development strategy is formulated. The product pipeline is built up based on a long-term vision of 3-5 years. The business plans are drawn up with an in-built mechanism to de-risk the concentration of revenues from a few customers and regions.

RISK DESCRIPTION: COVID-19

The world has been witnessing an unprecedented crisis as a result of COVID-19. In today's challenging times for the world in general and our nation in particular, the Company focuses on ensuring the safety of its employees and all other stakeholders. The saving of lives and protecting livelihood both are of utmost importance to the Company.

The Company has created a group of senior management team to monitor the events happening in the external environment and take suitable preventive and corrective measures to ensure continued safety of employees. The Company has taken several steps aimed at ensuring the safety, which include work from home, social distancing in the office premises, sanitization of our office premises; plant locations and Company vehicles, thermal screening for employees working at sites, providing sanitizers, masks, gloves etc. to employees.

BOARD'S REPORT 2019 - 2020

Your Directors have pleasure in presenting the 42nd Annual Report on business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year (F.Y.) ended 31 March 2020.

FINANCIAL RESULTS

(₹ in Million)

Year ended 31 March 2019		Particulars	Year ended 31 March 2020	
Standalone*	Consolidated		Standalone*	Consolidated
63,048.67	98,654.68	Gross Total revenue	67,126.31	106,409.69
14,729.99	11,334.47	Profit before tax and exceptional item	15,160.90	10,632.00
16,221.12	9,249.93	Profit for the year (after tax and attributable to shareholders)	13,545.48	7,759.70
(35.38)	(213.59)	Other Comprehensive Income for the year (not to be reclassified to P&L)	(54.22)	67.60
-	3,940.07	Other Comprehensive Income for the year (to be reclassified to P&L)	-	(2,524.75)
85,088.38	47,793.59	Surplus brought forward from last balance sheet	100,593.79	56,149.67
101,274.12	56,829.93	Profit available for appropriation	114,085.05	63,976.97
		Appropriations:		
680.33	680.33	Dividend	680.34	680.34

* Standalone Revenue and Profit before tax and exceptional item amounts represent revenue from continuing operations.

The Company has not transferred any amount out of the profit of the year to the General Reserves.

DIVIDEND

The Board of the Company had approved the Dividend Distribution Policy on 27 October 2016 in line with Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The policy is uploaded on the Company's website at the link: https:// glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/Dividend-Distribution Policy.pdf

In line with the said Policy, the Board has recommended a Dividend of 250% (₹ 2.5/- per equity share of ₹ 1 each) to be appropriated from the profits of the year 2019-20 subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend will be paid in compliance with applicable Section of the Companies Act, 2013 ('Act') & Listing Regulations. The dividend, if approved, will result in an outflow of ₹ 705.42 million.

RESULTS OF OPERATIONS

INDIAN ACCOUNTING STANDARDS (IND AS)

Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

On Standalone basis the Company achieved gross revenue of ₹ 67,126.31 million as compared to ₹ 63,048.67 million in the previous year and the Standalone operating profit before tax and exceptional item was ₹ 15,160.90 million as compared to ₹ 14,729.99 million in the previous year.

On Consolidated basis the Company achieved a gross revenue of ₹ 106,409.69 million and the Consolidated operating profit before tax and exceptional item was ₹ 10,632 million as compared to ₹ 11,334.47 million in the previous year.

CORPORATE GOVERNANCE

The Company believes Corporate Governance is at the core of stakeholder satisfaction. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance with the aforesaid Regulations forms an integral part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. V S Mani (DIN 01082878) retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board has recommended his re-appointment for consideration of the Shareholders.

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of Listing Regulations.

CHANGE IN DESIGNATION OF MR. RAJESH DESAI FROM NON EXECUTIVE DIRECTOR TO INDEPENDENT DIRECTOR:

Mr. Rajesh Desai was an employee of the Company for more than 30 years. Out of those years he was Executive Director and Chief Financial Officer of the Company for more than 15 years. He was also a Key Managerial Person under the Act. He retired from the services of the Company on 31 March 2017 and continued as Non-Executive Director of the Company from 1 April 2017. He was also appointed as Member of some of the Board Committees of the Company.

As per Clause 6 (e) of Section 149 of the Act and Listing Regulations, ex-employee of the Company can be considered for appointment as an Independent Director after completion of 3 financial years, if he is not having pecuniary relationship with the Company.

On the recommendation of Nomination and Remuneration Committee, and approved by the Board at its meeting held on 26 June 2020, Mr. Rajesh Desai has been appointed as an Independent Director pursuant to Section 149 and Section 152 of the Act for a period of 5 (Five) years subject to the approval of Shareholders by passing ordinary resolution at ensuing Annual General Meeting.

Brief profile of Mr. Rajesh Desai is given in the Notice convening the 42nd Annual General Meeting of the Company for the reference of the Shareholders.

RESIGNATION OF MR. JULIO F. RIBEIRO:

Mr. Julio F. Ribeiro (DIN: 00047630), Independent Director has resigned from the Board of the Company vide his resignation letter dated 26 June 2020 due to his old age (91 years). He also ceased to be a chairman of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Board. He has confirmed that there is no other material reason for him to resign from the Board other than old age.

The Board deeply appreciated his valuable contribution and support during his term as a Non-Executive Independent Director of the Company.

KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Act following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Glenn Saldanha - Chairman & Managing Director
- Mrs. Cherylann Pinto – Executive Director - Corporate Services
- Mr. V. S. Mani – Executive Director & Global Chief Financial Officer
- Mr. Harish Kuber - Company Secretary & Compliance Officer

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As per Section 129(3) of the Act and Listing Regulations, the Consolidated Financial Statements of the Company and all its subsidiaries for the F.Y. ended 31 March 2020 prepared in accordance with the Indian Accounting Standards (Ind AS) forms part of the Annual Report. Further, in terms of the first proviso of Section 129(3) of the Act and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014 a statement containing the salient features, performance and financial position of the subsidiaries in the prescribed Form AOC-1 is appended herewith as Annexure I to the Report.

The Audited Accounts of the subsidiaries together with its Board's Report and Auditors' Report are available for inspection of Members on any working day at the Corporate Office of the Company between 11:00 a.m. to 1:00 p.m. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The policy for determining material subsidiaries may be accessed on the Company's website at the link: https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy_on_material_subsidiary.pdf

TRANSFER OF COMPANY'S GYNAECOLOGY BUSINESS:
During the year, the Company had entered into Business Transfer Agreement with Integrace Private Limited for transfer Company's Gynaecology business, valued at ₹ 115 crore (subject to various transaction costs and other adjustments).

DIVESTMENT OF COMPANY'S VWASH FRANCHISE:
During the year, the Company entered into definitive agreement with Hindustan Unilever Limited for divestment of VWash franchise comprising VWash Plus Intimate Hygiene Wash, VWash WOW, VWash Plus Bikini Line, VWash Plus wipes and other such assets globally including the associated trademarks, brand names and certain business contracts.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under Schedule V of Listing Regulations is provided in a separate section and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in the prescribed Form AOC-2 is appended as Annexure II to this report.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company avails professional advisory services from the following Companies/firms in which the Director is interested:

Trilegal, a firm in which one of the Directors of the Company is a partner and the Company has paid to it ₹ 11.30 million as sitting fees/professional fees.

The policy on materiality of related party transactions and dealing with related party transactions may be accessed on the Company's website at the link: https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy_on_related_party_transactions_and_its_materiality.pdf

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS:
The Auditors, M/s. Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), were appointed as Auditors at the 37th Annual General Meeting held on 22 September 2015 for a term of five years i.e., till the conclusion of the 42nd Annual General Meeting of the Company, which was subject to ratification at every Annual General Meeting till 41st Annual General Meeting. M/s. Walker Chandiok & Co LLP's tenure of 5 years as Statutory Auditors concludes at this ensuing AGM. The Auditors Report does not contain any qualification, reservation or adverse remark.

The Board is in the process of appointing a new Audit firm as a Statutory Auditor. The Board will consider and recommend the appointment of new auditor for the approval of the members at the ensuing Annual General Meeting.

COST AUDITORS:
The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Sevekari, Khare & Associates (Registration No. 000084) as Cost Auditors to audit the cost records of the Company for the F.Y. 2020-21 at a remuneration of ₹ 1.76 million.

The Company has received consent from M/s. Sevekari, Khare & Associates to act as Cost Auditor for conducting the cost audit of the Company for F.Y. ending 31 March 2021.

Pursuant to Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited. In terms of the provisions of the Act the remuneration payable to Cost Auditors is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included in the Notice convening the Annual General Meeting.

INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, the Board of the Company has appointed M/s. R.G.N. Price & Co., to conduct internal audit for the Company.

SECRETARIAL AUDITORS:

In terms of Section 204 of the Act, the Board of the Company at its meeting held on 26 June 2020 has appointed Mr. Surjan Singh Rauthan, proprieter of M/s. S. S. Rauthan & Associates, Company Secretaries, to conduct an audit of the secretarial records for the F.Y. 2020-21.

The Company has received consent from Mr. Surjan Singh Rauthan, proprieter of M/s. S. S. Rauthan & Associates, Company Secretaries to act as the auditor for conducting audit of the Secretarial records for the F.Y. ending 31 March 2021.

The Secretarial Audit Report for the F.Y. ended 31 March 2020 is appended herewith as Annexure III to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

CHANGES IN CAPITAL STRUCTURE

There was no change in paid-up share capital in the F.Y. 2019-20.

EMPLOYEE STOCK OPTIONS SCHEME 2016

At the Annual General Meeting of the Company held on 12 August 2016, the Shareholders had approved a Scheme 'Glenmark Pharmaceuticals Limited - Employee Stock Options Scheme 2016' ("ESOS 2016") under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, Regulations, etc. for the purpose of granting options to the permanent employees of the Company and its subsidiaries, as applicable.

At the Annual General Meeting of the Company held on 29 September 2017 the Shareholders approved the amendment to the Scheme in relation to re-pricing of the options granted from ₹ 800 to ₹ 600 and maximum number of options that would be granted would be upto 1% of the paid up share capital of the Company as at 31 March 2017 i.e. ₹ 282,168,156/- (282,168,156 Equity Shares of ₹ 1/- each) i.e. 2,821,682 options which upon exercise would result in the issue of 2,821,682 shares of ₹ 1/- each.

20,000 options were issued under ESOS 2016; 33,501 options were cancelled and no options were exercised. As of 31 March 2020, 445,913 options were outstanding.

On exercising the convertible options so granted, the paid-up equity share capital of the Company will increase by a like number of shares.

The information in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended is appended herewith as Annexure IV to this Report.

FINANCE

The Company had issued U.S. $ 200,000,000, 2.00% Resettable Onward Starting Equity-linked Securities (Bonds), U.S. $ 200,000,000, 4.5% Senior Notes (Notes) and U.S. $ 90,825,000, ECB Facility (Notes), the brief description of the same is provided herein below:

U.S. $ 200,000,000, 2.00 % RESETTABLE ONWARD STARTING EQUITY-LINKED SECURITIES (BONDS):

The Company had issued Bonds on 28 June 2016. The Bonds become convertible at the option of the holders' of the Bonds (the "Bondholders") after 1 December 2017 and upto the close of business on 18 June 2022 into equity shares. Each Bond will be convertible at the option of the holder thereof into fully paid equity shares at the initial conversion price determined on 30 November 2017.

On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2020, none of the Bondholders have opted for the conversion option.

On 30 November 2017, the Company confirmed the fixed exchange rate as INR 64.5238 in accordance with the condition 6.1.1 (b) of the Trust Deed dated 28 June 2016 which provides that the fixed exchange rate shall be the FX rate (INR per US$ 1) based on Bloomberg's "BFIX" USD/INR spot mid price rate 12.00 (Hongkong time) on 30 November 2017.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 28 June 2022 (Maturity Date) at 126.42% of their principal amount, together with accrued interest (if any), calculated upto but excluding the Maturity Date. The Company may, at its own discretion, redeem the Bonds in whole, but not in part, subject to satisfaction of certain conditions.

Each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021, at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021.

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially bought back in October 2018 (see note below on buyback).

BUY BACK OF THE COMPANY'S U.S.$200,000,000 2.00% RESETTABLE ONWARD STARTING EQUITY-LINKED SECURITIES DUE 2022:
In September 2018, the Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders") and MUFG Securities Asia Limited and J. P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to buyback FCC Bonds at a buyback price of 105% of the principal amount outstanding (being U.S.$ 262,500 for each U.S$ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S.$ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, the Company agreed to buyback U.S.$ 86.5 million in aggregate principal amount (representing 346 FCC Bonds in number of U.S$ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S.$ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, U.S.$ 113.5 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook buyback to monetize the opportunity available to reduce the external debt. Buyback FCCBs bought back by the Company got cancelled by the Company. The remaining FCC Bonds that have not been bought back by the Company remained outstanding. The Company utilised proceeds from an unsecured External Commercial Borrowing facility of up to U.S.$100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance such FCC Bonds. The Company has obtained a Loan Registration Number ("LRN") from the Reserve Bank of India in this respect.

U.S. $ 200,000,000, 4.5% SENIOR NOTES (NOTES):
The Company issued Notes on 1 August 2016. The Notes will mature on 2 August 2021.

The interest on Notes will be payable semi-annually in arrears on 1 February and 1 August each year. The final interest payment and the payment of principal will occur on 2 August 2021.

The Notes are redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company, at its discretion, may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount, plus the applicable redemption premium and accrued and unpaid interest and additional amounts, if any.

The Notes are listed on the Singapore stock exchange.

U.S. $ 90,825,000, ECB FACILITY (NOTES):
The Company has obtained LRN from RBI to raise an ECB Facility to the extent of US$ 100 million. In October 2018, the ECB Facility for US$ 90,825,000 was raised and the proceeds were utilized for the purpose of repurchasing the FCC Bonds. The ECB Facility was raised from MUFG Bank ,Singapore with a maturity of 5 years. The interest rate for the first 3 years is 4.956% p.a and the interest for the subsequent 2 years is 5.25% p.a.

LISTING AT STOCK EXCHANGES

The Equity shares of the Company continue to be listed on BSE Limited and The National Stock Exchange of India Limited.

Bonds and 4.5% Senior Notes are listed on Singapore Exchange Limited.

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

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is appended herewith as Annexure V to this Report.

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 197(12) of the Act read together with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure VI to this report.

The information required pursuant to Section 197(12) of the Act read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is appended herewith and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on the CSR activities undertaken by the Company in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 including the composition of the CSR Committee is appended herewith as Annexure VII to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Act an extract of the Annual Return in Form MGT-9 is appended herewith as Annexure VIII to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sections 134(3)(c) and 134(5) of the Act the Directors confirm that –

i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

ii. appropriate accounting policies have been selected and applied consistently and have 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 as at 31 March 2020 and of the profit of the Company for the year ended 31 March 2020;

iii. proper and sufficient care has been taken for 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;

iv. the annual accounts have been prepared on a going concern basis;

v. have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BOARD PERFORMANCE EVALUATION

The Company has devised a Performance Evaluation Framework and Policy, which sets out a mechanism for the evaluation of the Board and the Directors.

Performance evaluation of the Board and the Directors was carried out through an evaluation mechanism in terms of the aforesaid Performance Evaluation Framework and Policy.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, changes in the regulatory environment, etc.

The familiarization programme may be accessed on the Company's website at the link: https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/familiarisation_programme_for_independent_ directors.pdf

BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings to be held during the year was circulated well in advance to the Directors. Five Board Meetings were convened and held during the year. The Board has constituted an Audit Committee with Mr. Julio F. Ribeiro* as the Chairman and Mr. Sridhar Gorthi, Mr. Milind Sarwate and

* Mr. Julio F. Ribeiro resigned on 26 June 2020 and Mr. Rajesh Desai was appointed as an Independent Director and the Chairman of Audit Committee.

Mr. Rajesh Desai as Members. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178(4) of the Act and Regulation 19(4) of Listing Regulations the policy on the appointment of Directors including Independent Directors, Key Managerial Personnel (KMP) and Senior Management and the policy on remuneration of the Directors, KMP and other employees provides a referendum based on which the Human Resource Management Team plans and strategizes their recruitment plans for the strategic growth of the Company. The Nomination & Remuneration Policy may be accessed on the Company's website at the link: https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/nomination_and_remuneration_policy.pdf

GREEN INITIATIVE

The Ministry of Corporate Affairs had undertaken the Green Initiative in Corporate Governance by allowing paperless compliances by companies through electronic mode.

The Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

The Company appeals to you, its Shareholders, who are yet to register the E-mail addresses that they take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a Greener environment.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has put in place an Enterprise Risk Management Policy. The Risk register is updated at regular intervals. The details of risk management have been included in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

HUMAN RESOURCES

Company's industrial relations continued to be harmonious during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments covered under Section 186 of the Act forms part of the notes to the standalone financial statements forming a part of this Annual Report.

SUSTAINABILITY

BUSINESS RESPONSIBILITY REPORT (BRR):

In accordance with Regulation 34(2) of the Listing Regulations, the inclusion of BRR as a part of the Annual Report is mandated for top 1000 listed entities based on the market capitalization. BRR for the F.Y. 2019-20 has been prepared in accordance with the format prescribed by SEBI. The summary of the BRR is appended herewith as Annexure IX to this Report. The full Report on sustainability will be available on Company's website www.glenmarkpharma.com. Any Shareholder interested in obtaining a physical copy of the same may write to the Company Secretary & Compliance Officer at the Corporate Office of the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed thereunder and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

The Company has ensured wide dissemination of the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act by constituting Internal Complaint Committee and conducting sessions throughout the Company.

One (1) complaint was received and addressed during the F.Y. 2019-20 under Prevention of Sexual Harassment of Women at Workplace Act. No complaint was pending as on 31 March 2020.

The Company is committed to providing safe and conducive work environment to all of its employees and associates.

APPRECIATION AND ACKNOWLEDGEMENTS

The Directors express their gratitude to the Company's customers, shareholders, business partners' viz. distributors and suppliers, medical profession, Company's bankers, financial institutions including investors for their valuable sustainable support and co-operation.

The Directors commend the continuing commitment and dedication of employees at all levels.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

ANNEXURE I

FORM NO. AOC 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCOIATES / JOINT VENTURES

₹ in Million

Sr. No.	Name of Company	Glenmark Pharmaceuticals Nordic AB	Glenmark Distributors SP.Z.O.O.	Glenmark Pharmaceuticals SK s.r.o	Glenmark Pharmaceuticals S.R.O.	Glenmark Pharmaceuticals Colombia SAS	Glenmark Pharma. (Thailand) Co.Ltd.	Glenmark Dominicana SRL	Glenmark Pharmaceuticals Inc.	Glenmark Pharmaceuticals Europe Ltd.	Glenmark Pharmaceuticals B.V.	Glenmark Arzneimittel Gmbh.	Glenmark Generics SA.	Glenmark Pharmaceuticals Distribution S.r.o	Glenmark Speciality SA	Glenmark Ukraine LLC	Glenmark-Pharmaceuticals Ecuador S.A.	Glenmark Pharmaceuticals Singapore Pte. Ltd.	Glenmark Life Sciences Ltd.	Ichnos Sciences Biotherapeutics SA	Ichnos Sciences Inc.#	Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda.##	Glenmark Pharmaceuticals Canada Inc.
1	Share Capital	0.36	83.87	0.43	143.00	431.72	7.99	0.19	0.00*	518.09	1.15	3.19	5,822.17	27.55	2,031.94	46.11	189.46	32.66	19.60	17.67	0.00*	86.68	107.21
2	Reserves	87.80	(75.79)	77.32	3,447.58	(342.44)	(15.68)	(0.35)	27,237.98	626.31	77.74	616.87	(4,700.37)	1,906.64	(482.11)	195.40	(116.83)	12.80	3,997.32	120.00	53.71	(14.42)	(18.35)
3	Total Assets	598.09	1,690.58	322.51	6,370.41	164.16	25.71	-	32,052.32	7,247.35	821.97	6,963.60	1,306.33	2,579.60	9,208.34	551.56	227.84	78.27	17,256.04	940.74	221.63	72.26	271.05
4	Total Liabilities	509.91	1,682.50	244.76	2,779.81	74.88	33.40	0.16	4,814.34	6,102.92	743.09	6,343.52	184.53	645.41	7,658.51	310.06	155.21	32.80	13,239.11	803.07	167.92	-	182.19
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.77	-	-	-	-
6	Turnover	594.01	1,799.88	926.63	5,054.93	49.92	15.88	0.00	30,348.77	6,212.32	882.03	3,224.13	760.73	1,806.20	167.98	819.56	278.90	165.74	15,493.03	953.76	-	-	281.70
7	Profit/(Loss) before tax	9.75	138.73	31.71	219.62	(102.83)	0.74	(0.02)	880.01	118.45	34.13	348.58	(760.02)	97.80	(292.23)	131.94	(9.01)	7.76	4,210.67	80.66	(310.40)	-	7.05
8	Provision for Tax	2.71	99.70	2.70	195.29	(43.60)	0.68	-	330.72	5.99	5.03	85.99	62.25	9.01	(63.57)	26.18	10.20	0.52	1079.69	1.15	-	-	1.78
9	Profit/(Loss) After Tax	7.04	39.03	29.01	24.33	(59.24)	0.06	(0.02)	549.29	112.46	29.11	262.59	(822.28)	88.79	(228.66)	105.77	(19.21)	7.25	3,130.98	79.51	(310.40)	-	5.27
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	% of Shareholding	100	100	100	100	100	49	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
12	Currency	SEK	PLN	EURO	CZK	COP	THB	DOP	USD	GBP	EURO	EURO	ARS	CZK	USD	UAH	USD	SGD	INR	USD	USD	BRL	CAD
13	Exchange Rate (₹)																						
	Closing Rate	7.46	18.04	82.21	3.00	0.02	2.28	1.37	74.74	92.48	82.21	82.21	1.16	3.00	74.74	2.64	74.74	52.48	-	74.74	74.74	14.38	52.74
	Average Rate	7.39	18.27	78.65	3.06	0.02	2.28	1.35	70.78	89.98	78.65	78.65	1.34	3.06	70.78	2.78	70.78	51.59	-	70.78	70.78	17.25	53.21

Contd...

₹ in Million

Sr. No.	Name of Company	Glenmark Pharmaceuticals (Kenya) Limited	Glenmark Pharmaceuticals (Australia) Pty.Ltd.	Glenmark Impex LLC	Glenmark Pharmaceuticals (Malaysia) Sdn. Bhd.	Glenmark Pharmaceuticals Nigeria Ltd.	Glenmark South Africa (Pty) Ltd	Glenmark Philippines Inc.	Glenmark Pharmaceuticals FZE	Glenmark Pharmaceuticals EGYPT S.A.E.	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Glenmark Pharmaceuticals S.R.L
1	Share Capital	97.18	72.48	1,435.61	97.72	208.97	0.77	116.70	12.92	421.73	0.00*	29.22
2	Reserves	59.43	(72.47)	1,204.84	75.22	(366.26)	466.83	218.14	311.48	(445.19)	(290.10)	5.66
3	Total Assets	1,222.94	0.60	3,459.97	734.32	232.00	467.63	498.16	374.07	143.53	523.97	230.06
4	Total Liabilities	1,066.33	0.59	819.51	561.38	389.29	0.03	163.33	49.65	166.99	814.07	195.18
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	951.03	-	4,668.96	1,098.36	-	0.01	734.12	337.98	205.77	736.74	290.29
7	Profit/(Loss) before tax	(18.86)	(0.51)	256.69	23.99	(36.73)	(0.19)	149.22	37.99	(9.49)	(11.11)	(20.73)
8	Provision for Tax	(1.78)	-	58.18	6.74	(10.97)	-	41.42	-	-	(0.37)	13.94
9	Profit/(Loss) After Tax	(17.08)	(0.51)	198.51	17.25	(25.76)	(0.19)	107.80	37.99	(9.49)	(10.74)	(34.67)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
11	% of Shareholding	100	100	100	100	100	100	100	100	100	100	100
12	Currency	KES	AUD	RUB	MYR	NGN	ZAR	PHP	AED	EGP	ZAR	RON
13	Exchange Rate (₹)											
	Closing Rate	0.71	45.89	0.95	17.32	0.20	4.17	1.47	20.34	4.74	4.17	17.00
	Average Rate	0.68	48.23	1.09	16.99	0.19	4.79	1.38	19.27	4.32	4.79	16.50

Sr. No.	Name of Company	Viso Farmaceutica S.L.U	Glenmark Therapeutics Inc, USA	Glenmark Pharmaceuticals Europe (R&D) Ltd.	Glenmark Uruguay S.A.	Glenmark Pharmaceuticals Mexico, SA DE CV	Glenmark Pharmaceuticals Venezuela, CA	Glenmark Pharmaceuticals Peru SAC	Glenmark Farmaceutica Ltda	Ichnos Sciences S.A.	Glenmark Holding S.A.	Glenmark Therapeutics AG###
1	Share Capital	0.22	0.00*	88.09	517.30	1,695.29	715.13	658.31	11,619.56	11,115.38	29,734.20	-
2	Reserves	84.14	517.01	219.09	228.46	(1,184.62)	(2,368.62)	(600.44)	(8,962.18)	523.11	(29,921.13)	-
3	Total Assets	1,155.31	1,365.99	506.81	747.22	898.93	0.00	251.36	3,900.84	19,465.40	83,599.38	-
4	Total Liabilities	1,070.95	848.98	199.63	1.46	388.26	1,653.49	193.49	1,243.46	7,826.90	83,786.31	-
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	540.63	109.40	360.91	-	956.66	-	153.14	3,330.40	3,761.34	810.97	-
7	Profit/(Loss) before tax	30.84	(1,023.89)	18.31	(1.20)	18.43	-	(61.67)	(612.79)	(3,418.60)	(7,600.49)	-
8	Provision for Tax	6.03	(271.62)	-	0.03	40.80	-	14.15	(130.63)	(1.13)	0.13	-
9	Profit/(Loss) After Tax	24.81	(752.27)	18.31	(1.23)	(22.37)	-	(75.82)	(482.17)	(3,417.47)	(7,600.62)	-
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
11	% of Shareholding	100	100	100	100	100	100	100	100	100	100	-
12	Currency	EURO	USD	GBP	USD	MXN	VEF	PEN	BRL	USD	USD	-
13	Exchange Rate (₹)											
	Closing Rate	82.21	74.74	92.48	74.74	3.14	0	21.54	14.38	74.74	74.74	-
	Average Rate	78.65	70.78	89.98	70.78	3.64	0	20.96	17.25	70.78	70.78	-

Notes

1. Reporting period of the above subsidaries is the same as that of the Company.
2. *Amount denotes less than Rupees ten thousand.
3. Part B of the Annexure is not applicable as there are no associate companies/ joint Ventures of the Company as on 31 March 2020.
4. # with effect from 31 May 2019
5. ## with effect from 20 March 2020
6. ### liquidated with effect from 2 December 2019

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman &
Managing Director
(DIN 00050607)

Cherylann Pinto
Executive Director -
Corporate Services
(DIN 00111844)

V S Mani
Executive Director &
Global Chief Financial Officer
(DIN 1082878)

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date: 26 June 2020

ANNEXURE II

FORM NO. AOC-2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2020, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

   a) Name of the related party and nature of relationship:

      i. Glenmark Pharmaceuticals Inc., USA; Subsidiary

   b) Nature of contracts/ arrangements/ transactions: Sale-Materials & Services

   c) Duration of the contracts/ arrangements/ transactions: Ongoing

   d) Salient terms of the contracts or arrangements or transactions including the value, if any: Based on Transfer Pricing Guidelines;

      i. Glenmark Pharmaceuticals Inc., USA; Subsidiary - ₹ 15,515.10 Million

   e) Date(s) of approval by the Audit Committee/ Board: Not applicable; Since the contract was entered in the ordinary course of business and is on arm's length basis.

   f) Amount paid as advances: Nil

Transactions having value of more than 10% of the Consolidated turnover have been identified as material.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Cherylann Pinto
Executive Director - Corporate Services
(DIN 00111844)

V S Mani
Executive Director &
Global Chief Finance Officer
(DIN 01082878)

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date: 26 June 2020

ANNEXURE III

SECRETARIAL AUDIT REPORT

[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
Glenmark Pharmaceuticals Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Glenmark Pharmaceuticals Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2020 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the audit period ended on 31 March 2020 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the Rules made thereunder and amendments from time to time;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder and amendments from time to time;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and amendments from time to time;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder and amendments from time to time to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments from time to time;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments from time to time;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments from time to time, regarding the Companies Act and dealing with client;

g) During the Audit Period the Company has not delisted any Securities, hence, provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable;

h) During the Audit Period the Company has not bought back any Securities, hence provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are not applicable;

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

iii) The Listing Agreements entered into by the Company with BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc., mentioned above.

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

a) Drugs and Cosmetics Act, 1940

b) Drugs and Magic remedies (Objectionable Advertisement) Act, 1954

c) Narcotic Drugs and Psychotropic Substances Act, 1985

d) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974

e) The Medicinal and Toilet Preparations (Excise Duties) Act, 1955

f) The Ozone Depleting Substances(Regulation and Control) Rules, 2001

g) Poisons Act, 1919

h) Petroleum Act, 1934

i) Drugs (Control) Act, 1950

j) Drugs (Price Control) Order, 2013

k) Food Safety and Standards Act, 2006

l) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.

m) Acts prescribed under Environmental Protection

n) Acts as prescribed under Direct Tax and Indirect Tax

o) Labour Welfare Act of respective State

p) Laws prescribed under Trademarks, Copyrights and Patent Acts

q) Local Laws as applicable to various offices and plants

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the Board of Directors or Committee (s) of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, there were no event/ action have taken place which is having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **S. S. Rauthan & Associates**
Company Secretaries
Firm Registration No.:S1999MH026900

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807B000386683

Place: Mumbai
Date: 26 June 2020

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members
Glenmark Pharmaceuticals Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. We have obtained the management's representation about the compliances of laws, rules, regulations and happenings of events, wherever required.

5. Compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. S. Rauthan & Associates**
Company Secretaries
Firm Registration No.:S1999MH026900

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807B000386683

Place: Mumbai
Date: 26 June 2020

ANNEXURE IV

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

EMPLOYEE STOCK OPTION SCHEME 2016

The Board, at its Meeting held on 12 May 2016 had approved the Glenmark Pharmaceuticals Limited – Employee Stock Option Scheme 2016 (ESOS). Further, the Shareholders' of the Company also approved the ESOS at the Annual General Meeting held on 12 August 2016.

The said ESOS has been formulated under SEBI (Share Based Employee Benefits) Regulations, 2014, or any statutory modification or re-enactment thereof, for the purpose of granting options to the permanent employees (including employees of the subsidiaries whether Indian or foreign), Directors of the Company whether whole-time or not (excluding Independent Directors) and its subsidiaries, as applicable to participate in the future growth and financial success of the Company. The ESOS aims at achieving the twin objectives of (i) aligning employee interest to that of the Shareholders; and (ii) retention of talent. The Scheme contemplates fresh/ new issue of shares by the Company.

The ESOS are administered by the Nomination and Remuneration Committee of the Board constituted by the Company pursuant to the provisions of Section 178 of the Act. The Nomination and Remuneration Committee decisions, determinations and interpretations will be final and binding on all eligible employees and participants under ESOS. The ESOS, as amended from time to time, shall be in force for a period of 15 years from the date of inception of the ESOS scheme i.e. 12 August 2016.

At the Annual General Meeting held on 12 August 2016, the ESOS was approved for issue of stock options upto 5% of the paid-up share capital of the Company as on 31 March 2016. The paid-up capital of the Company as on 31 March 2016 was 282,158,156 shares of ₹ 1/- each. The total number of options that could be granted under the scheme were 14,107,900 which upon exercise will result in the issue of 14,107,900 shares of ₹ 1/- each. The maximum number of options that can be granted to any individual employee/ Director will not exceed an entitlement of 125,000 shares of ₹ 1/- each. The options were granted at price of ₹ 800 per option.

At the Annual General Meeting of the Company held on 29 September 2017 the Shareholders approved the amendment to the Scheme in relation to re-pricing of the options granted from ₹ 800 to ₹ 600 per option and maximum number of options that would be granted would be upto 1% of the paid up share capital of the Company as at 31 March 2017 i.e. ₹ 282,168,156/- (282,168,156 Equity Shares of ₹ 1/- each) i.e. 2,821,682 options which upon exercise would result in the issue of 2,821,682 shares of ₹ 1/- each.

The vesting of options will commence after a minimum period of one year from the date of the grant, and may extend upto a maximum period of six years from the date of the grant, with such lock in period as may be decided by the Board/ Nomination and Remuneration Committee. Further, the Nomination and Remuneration Committee may on merits of the case relax/ extend the vesting period.

Exercise Price shall be any one of the following as may be determined by the Nomination and Remuneration Committee:

- Market price of the equity shares (market price shall be as defined in SEBI (Share Based Employee Benefits) Regulations, 2014, from time to time or;
- At a price as may be determined by the Nomination and Remuneration Committee from time to time or;
- At par value of the equity share i.e. ₹ 1.

The number of stock options and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value bears to the revised face value of the equity shares of the Company after any split/ consolidation/ bonus issue without affecting any other rights or obligations of the said grantees.

Further details/ disclosures in respect of Employee Stock Options forms a part of the Notes to accounts of financial statements in this Annual Report and also available at Company's website viz: www.glenmarkpharma.com

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

ANNEXURE-V

Information under section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 as amended from time to time and forming part of the Directors' Report.

(A) CONSERVATION OF ENERGY :

(I) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

Following steps have been taken in the areas of lighting, pumps & motors, power factor, automation, refrigeration system and fuel.

LIGHTING

Replaced Compact Fluorescent Light (CFL) with Light Emitting Diode (LED) at several plants.

PUMPS- MOTORS & BLOWERS

Installed energy saving fans for Utility cooling towers.

Installed Variable Frequency Drives (VFD)

Optimized the power consumption by trimming of impeller of primary chilled water pump.

POWER FACTOR

Maintained power factor > 0.99 using auto power factor controller.

AUTOMATION

Installed VFD on air compressor.

Replaced timer based drain valve with float based auto drain valve.

Temperature controller fitted on all dryer for energy saving.

Installed occupancy sensors and automated switches for lights and fans.

REFRIGERATION, HEATING & COMPRESS AIR SYSTEM

Provided air dryer for Air Compressor.

Replaced 4 blade metal CT fan with 6 blade FRP fan.

Converted reactivation air heating system from electrical to steam dehumidifier.

FUEL

Installed steam purging system with feed water tank in Boiler house to raise boiler feed water temperature.

Installed steam condensate recovery system at Injectable block and used recovered hot water to heat boiler feed water.

(II) THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY

Installed day-Light transparent sheets in utility section & replaced LED Street lights with Solar Lights.

Use of Bio-fuel instead of LDO/ HSD in boiler.

(III) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT'S

Total capital invested in FY 2019-20 on energy conservation ₹ 20.87 million.

(B) TECHNOLOGY ABSORPTION :

I. EFFORTS MADE TOWARDS TECHNOLOGY ADOPTION:

Our efforts in the area of technology absorption, adoption and innovation are based on our own efforts in R & D. They include improvement in yield and quality, efficacy, improvement of processes and development of new processes with validation studies.

Specific areas in which R&D is carried out by the Company & its subsidiaries and benefits derived as a result of new platform technologies and products to create competitive advantage, better safety, efficacy and sustained performance during life cycle of products.

1.0 PHARMACEUTICAL DEVELOPMENT:

Design a quality product and its manufacturing process to consistently deliver the intended performance of the product. Control specifications and manufacturing process to achieve sustained performance and quality. Dosage form selection based on suitability and intended use. Determination of aspects of drug substances, excipients, container closure system and manufacturing process those are critical to product quality and evaluation of drug substance physicochemical and biological properties. Manufacturing process improvements and product lifecycle management.

Development of immediate release, delayed release, sustained release, metered dose inhalers, dry powder inhalers, nasal sprays, topical, liquid orals, injectable formulations and various platform technologies. Formulation development includes literature survey, compatibility studies, pre-formulation studies, formulation development of dosage forms for selected drug molecules on laboratory scale.

R&D has developed the formulations for new molecules, existing molecules and fixed dose combinations which include its standardization and technology transfer and execution at production site, evaluation of these batches against reference samples for safety, efficacy and bio-equivalence.

1.1 PRODUCTS HAVE BEEN DEVELOPED DURING THE FINANCIAL YEAR 2019-20:

ONCOLOGY PROJECTS

i. Arformoterol inhalation solution 15 mcg/vial
ii. Paclitaxel injection 30 mg, 100 mg, 150 mg, 3000 mg/vial
iii. Docetaxel injection 20 mg/vial, 80 mg/vial
iv. Bendamustine injection 25 mg/vial, 100 mg/vial
v. Irinotecan injection 40 mg/vial, 100 mg/vial
vi. Oxaliplatin injection 50 mg/vial, 100 mg/vial
vii. Doxorubicin for injection 50 mg/vial

GENERAL CATEGORY PROJECTS

i. Remogliflozin Etabonate Tablets 50 mg
ii. Remogliflozin Etabonate + Metformin HCl Tablets. 50mg+500mg/50mg+ 1000mg
iii. SB-Itraconazole Capsules 50mg
iv. Ticagrelor Tablets 60mg and 90mg
v. Carvedilol (12.5 mg & 6.25 mg) & Ivabradine (5 mg) Tablets
vi. Vildagliptin Tablets 50 mg
vii. Ticagrelor Film Coated Tablets 60/90 mg.
viii. Metformin HCL Extended Release Tablets 500/1000 mg
ix. Etoricoxib Tablets 30/60/90/120 mg

RESPIRATORY PRODUCTS

i. Glycopyronium Nebuliser 25 mcg/2 ml
ii. Glycopyronium + Formoterol DPI (25+12 mcg)
iii. Glycopyronium + Formoteorl + Fluticasone DPI 12.5 mcg+12 mcg+250 mcg
iv. Formoteorl Fumarate+ Fluticasone propionate DPI 12+ 250 mcg
v. Arfomoterol + Glycopyronium Nebuliser
vi. Formoterol inhalation solution 20 mcg/vial
vii. Fluticasone Nasal spray
viii. Mometasone + Azelastine Nasal Spray
ix. Tiotropium Nebuliser
x. Mometasone and Olopatadine Nasal Spray
xi. Mometasone Nasal Spray
xii. Salmeterol and Fluticasone PMDI
xiii. Fenoterol and Ipratropium pMDI
xiv. Salbutamol MDI
xv. Dimetindene and Phenylephrine Nasal Spray
xvi. Ambroxol Nebulizer
xvii. Formoterol pMDI
xviii. Fenoterol and Ipratropium nebulizer

DERMA PROJECTS

i. Dimetindene Maleate Gel
ii. Candid B Cream (Other geographical region)
iii. Amorolfine Nail Lacquer
iv. Mupirocin Gel 2%

2.0 ANALYTICAL METHOD DEVELOPMENT:

Development of new analytical test procedures for various dosage forms to establish the quality and setting up specification for the release, stability testing of dosage forms and Active Pharmaceutical Ingredient. These methods are validated as per International Regulatory Standards.

The role of this department also includes the evaluation of the stability of the products developed at R&D under various Climatic Conditions as per ICH Guidelines of Stability. This data is used as a basis to predict the shelf life of the products and also to prepare the stability study protocols for the commercial products manufactured as drug products/drug substance.

2.1 New analytical test procedures were developed for various dosage forms to establish the quality and setting up specification for the release, stability testing of dosage forms and Active Pharmaceutical ingredient. These methods were validated as per International Regulatory Standards.

Evaluation of the stability under various climatic conditions for the indigenously developed drug product was also done as per ICH Guidelines. This data is used as a basis to predict the shelf life as well as to prepare the stability study protocols of the products for the commercial manufacturing.

2.2 ANALYTICAL RESEARCH ACTIVITIES FOR NEW CHEMICAL ENTITIES (NCE) RESEARCH:

New analytical test procedures were developed to establish the structure and evaluate the quality of NCE prior to initial biological screening. During pre-clinical studies, generated analytical data for establishing the quality and setting up specification for the release testing of drug substances. The methods used to release the drug substances which are used in clinical trials, are validated as per International Regulatory Guidelines/Standards.

Physicochemical properties of new chemical entities in respiratory indication were established and characterization studies were conducted.

CMC related Dossiers, study protocols and study reports were prepared to support various pre-clinical studies and clinical trial applications with Regulatory Agencies.

Reference standards of NCE were generated and supplied to CROs and manufacturing sites.

2.3 PROCESS DEVELOPMENT AND SYNTHESIS:

Process research department supports the pre-clinical and clinical development programs by providing expertise in the areas of process chemistry. With best-in-class infrastructure, we do synthesis from milligram to kilogram and multi-kilogram scale with consistent quality. Competence in process research enables development of economically efficient, plant and environmental friendly processes that can lead to speedy development of drug candidates. Team is committed to make successful transformation of technology developed on small scale synthesis to large scale.

Key attributes of Process Chemistry are to establish synthetic process of NCEs, Lab scale synthesis, Kilo scale synthesis with consistent quality, minimise number of process steps with maximum yield followed by scale-up, to prepare complete process package including impurity profiling and working standards, Technology development and transfer services along with the process dossier, execution of manufacturing campaign at cGMP site and deliver drug substance for clinical trials.

Process research team also have expertise in screening of pharmaceutical salts, synthesis of polymorphs, synthesis and characterization of metabolites, stereo selective synthesis, resolution techniques of chiral compounds and rapid scale-up of discovery leads.

The key responsibility of department is development and optimization of synthetic routes for NCE and to ensure consistent delivery of the intended quantities of these NCEs required for different clinical studies.

1. Process research team has developed robust technologies to manufacture various NCE in record time. The sequential pathway of development start with synthetic route scouting, selection of best route, process development, validation, technology transfer and manufacture of the NCE at GMP production sites.

2. The targets explored in NCEs space during the year were TRPA1, mPGES-1, RORyt, PDE4, HPK1 having chemically different scaffolds in the domain of pain, inhalation, derma and immuno-oncology.

3. Specific target hits i.e. ISC 17536 (TRPA1), ISC 27864 (mPGES-1), ISC 53766 (HPK1), GRC 39815 (ROR't) and GRC 4039 (PDE4) were developed including metabolites. All molecules have diverse and complex chemistry.

4. First gram to kilo gram batch (of GRC 39815) manufactured at GMP site for first in human trial of drug candidate with desired chiral purity and chemical purity. Although micronization was a challenge during first GMP batch of GRC 39815, the desired particle size was achieved in one shot instead-of multiple micronization.

3.0 BENEFITS DERIVED AS A RESULT OF THE R&D:

Glenmark has always made continuous investment in R&D.

In India markets following Formulations were commercialized/ or made ready for commercialization:

1. Remogliflozin Etabonate Tablets. 100mg
2. Remogliflozin Etabonate + Metformin HCl Tablets. 100mg+500mg /100mg+1000mg
3. Remogliflozin Etabonate + Vildagliptin Tablets. 100mg+50mg/50mg+50mg
4. Remogliflozin Etabonate + Teneligliptin HBr Tablets. 100mg + 10mg
5. Teneligliptin 10mg Tablets
6. Candicalm Lotion
7. MaxRich Lotion (Improved)
8. Powerdew Cream
9. Powerdew Lotion
10. Glycopyronium Nebuliser
11. Glycopyronium + Formoterol DPI
12. Arfomoterol + Glycopyronium Nebuliser
13. Glycopyronium + Formoteorl + Fluticasone DPI 12.5 mcg+12 mcg+250 mcg
14. Fluticasone Nasal spray
15. Glycopyrrolate and Formoterol pMDI

Future Plan of Action

Commercialization of new products for which the products are under trials at development stage. R&D is working on various new molecules identified after a thorough study of the market. These include Antifungals, Antibacterials, Antiasthmatic molecules, Antidiabetic products, Antiaging, Antiinflammatory, Antihyperlipidemic, Antiosteoporosis and Antiemetic products, Antihypertensive molecules, Nutraceuticals, Sunscreens Products, Skin Care Products, development of formulations for various markets, specialized NDDS products and Technology – such as micro spheres & aerosols foam Mousse.

R & D is working in the following segments.

- Antifungal molecules
- Antidiabetic products
- Antiaging products
- Anti-inflammatory products
- Atihyperlipidemic products
- Antiosteoporosis products
- Antihypertensive molecules
- Sunscreens Products
- Skin Care Products
- Development of the products for the treatment in respiratory segment.
- Development of the products for the treatment of rheumatoid arthritis.
- Technology – such as micro spheres & aerosols foam Mousse.
- Development of formulations for Semi regulatory market.
- Development of formulations for Latin American market.
- Development of formulations for US market.
- Metered dose inhaler products for India Brazil / US market.
- Development of specialized NDDS products for Indian/ SRM.
- Nasal sprays for Semi regulatory market and US market
- New chemical entity for Global market

INFORMATION REGARDING TECHNOLOGY IMPORTED DURING THE LAST FIVE YEARS – NIL.

EXPENDITURE ON R&D

(Standalone) (₹ in Million)

S. No	Particulars	2019-20	2018-19
1.	Capital Expenditure	163.71	135.62
2.	Revenue Expenditure	3,882.27	4,401.25
3.	Total	4,045.98	4,536.87
4.	R&D Expenditure as a percentage of total turnover	5.53%	6.06%

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Total foreign exchange earned was ₹ 47,736.71 million and outflow was ₹ 18,881.20 million.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

ANNEXURE-VI

DISCLOSURES REQUIRED WITH RESPECT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The ratio of the remuneration of each Director to the Median Employee's Remuneration (MRE) and such other details in terms of Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration of Whole-time Directors

Name	Title	% increase in the remuneration in the year ended 31 March 2020	Ratio to MRE of the employees
Mr. Glenn Saldanha	Chairman & Managing Director	-22.10%	280.35
Mrs. Cherylann Pinto	Executive Director	5.35%	103.59
Mr. V S Mani	Executive Director	12.94%	118.00

Remuneration to Non-Executive Directors

Name	Title	Ratio to MRE of the employees
Mrs. B. E. Saldanha	Non-Executive Director	0.92
Mr. Rajesh Desai	Non-Executive Director	3.67
Mr. J. F. Ribeiro	Non-Executive Independent Director	4.12
Mr. D. R. Mehta	Non-Executive Independent Director	3.67
Mr. Sridhar Gorthi	Non-Executive Independent Director	0.92
Mr. Bernard Munos	Non-Executive Independent Director	0.92
Dr. Brian W. Tempest	Non-Executive Independent Director	0.92
Mr. Milind Sarwate	Non-Executive Independent Director	4.12
Ms. Sona Saira Ramasastry*	Non-Executive Independent Director	0.92

*Appointed with effect from 1 April 2019

Remuneration to other Key Managerial Personnel (KMP)

Name	Title	% increase in the remuneration in the year ended 31 March 2020
Mr. Harish Kuber	Company Secretary & Compliance Officer	21.20%

(i) The ratio of remuneration of each director to the median remuneration (MRE) of the employees of the Company for the financial year:

The MRE of the employees of the Company during the year ended 31 March 2020 was ₹ 0.44 million. The details are laid out in the tables above.

The remuneration of the Non-Executive Directors comprises only sitting fees paid to them for attending the meetings of the Board and other Committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

(ii) The percentage increase in remuneration of each director and KMP in the financial year:

The percentage increase is mentioned in the tables above.

(iii) The percentage increase in median remuneration of the employees in the financial year:

The percentage increase in the median remuneration of the employees was 9.10%.

(iv) Number of Permanent employees on the rolls of the Company:

As on 31 March 2020, the Company had 10,667 permanent employees on the rolls of the Company.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the remuneration for all employees other than managerial personnel was 11.30%, while the average increase in the managerial remuneration was 2%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

We affirm that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

ANNEXURE VII

ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS

Glenmark's underlying belief is to make a positive contribution to the society and ensuring environment sustainability. We strive to create a healthier world and enrich lives of all our stakeholders and community at large through our CSR initiatives.

Glenmark Foundation is the CSR arm of Glenmark Pharmaceuticals Limited. The foundation focuses on two core areas which are child health and sustainable livelihoods. The Foundation currently implements its projects through various Non-Governmental Organisations (NGO) partners, government bodies and other social institutions.

Our Vision is "enriching lives to create a healthier and happier world" and we have identified the following focus areas for our interventions:

Child Health: Our commitment towards Child Heath is to reduce infant mortality and child mortality in children between 0 to 5 years by focusing on:

- Reducing malnutrition
- Implementing immunization, sanitation and hygiene programs
- Promoting preventive healthcare for mothers and care givers

Sustainable Livelihood: Our commitment is in the area of skill development through vocational training for the youth and helping the physically disabled regain mobility and leading a productive life by providing artificial limbs.

Access to Healthcare: We are committed to donating medicines to the less privileged people who are suffering from life threatening and other diseases.

Employee Volunteering: Our CSR initiatives are further supplemented through our employee volunteering programs where employees are encouraged to contribute financially or non-financially for a social cause.

Promotion of Sports: Our endeavour to see India on the global map in the field of sport is through our effort in the Glenmark Aquatic Foundation.

The Board had approved the CSR policy of the Company. It can be viewed at http://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy-on-corporate-social-responsibility.pdf

2. THE COMPOSITION OF THE CSR COMMITTEE

Sr. No.	Name	Designation/ Category
1	Mrs. Cherylann Pinto	Chairperson – Executive Director
2	Mr. Sridhar Gorthi	Member – Independent Director
3	Mr. Rajesh Desai*	Member – Non-Executive Director

* Appointed as Independent Director with effect from 26 June 2020.

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

₹ 19,437.25 million

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE)

₹ 388.75 million

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

(a) Total amount to be spent for the F.Y.: ₹ 388.75 million

(b) Amount unspent : ₹ 133.17 million

(c) Manner in which the amount spent during the F.Y. is detailed below:

The foundation partners with NGOs and government bodies for implementing the projects in our focus areas:

Sr. No.	CSR project or activity identified	Sector	Location of the Project/Program	Amount outlay (₹ in million) (budget) projects or programs wise	Amount spent on the projects or programs (₹ in million)	Amount spent: Direct or through implementing agency
I.	**Expenditure on projects and programs**					
1.	Providing aids and appliances to the differently-able persons	Promoting health care including preventive health care	Jaipur, Rajasthan	6.00	6.00	Bhagwan Mahaveer Viklang Sahayata Samti
2.	Social and Ecomomic development	Promoting Education, Promoting Healthcare, Promoting health care including preventive health care, Reducing child mortality and improving maternal health, Vocational skill livelihood enhancement projects and Eradicating hunger and poverty	Bharuch, Gujarat, East Sikkim, Sikkim, Baddi & Nalagarh, Himachal Pradesh, Aurangabad, Maharashtra, Mumbai, Maharashtra, Nashik, Maharashtra, Sinnar, Maharashtra, Mohol, Maharashtra, Kurkumbh, Maharashtra, Burhanpur, Madhya Pradesh, Indore Madhya Pradesh, Betul, Madhya Pradesh, Khandawa, Madhya Pradesh, Bardez, Goa	134.95	134.95	Glenmark Foundation
3.	Social and Ecomomic development	Rural development projects	Sikkim	1.80	1.80	Through Glenmark Pharma (Direct)
4.	Transform the ecosystem of swimming in India	Training to promote Olympic Sports	Mumbai, Delhi	73.02	73.02	Through Glenmark Aquatic Foundation
5.	Rural Education program	Promoting Education	Dhule, Maharashtra	32.41	32.41	Through Shirpur Education Society
6.	Rural Education program	Promoting Education	Dhule, Maharashtra	5.50	5.50	Through Vardhaman Education & welfare
II.	**Overheads administrative expenses**	Office	Mumbai	1.90	1.90	
			Total	**255.58**	**255.58**	

6. In case the company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

   The Company has been voluntarily carrying out CSR from F.Y. 2011 onwards. The actual spend of the Company on the CSR for this F.Y. was less than 2% of the average net profit for the last three years. The Company endeavors to increase the expenses in the coming years as more of its CSR projects are implemented.

7. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Glenn Saldanha	**Cherylann Pinto**
Chairman & Managing Director	Chairperson-CSR Committee
(DIN 00050607)	(DIN 00111844)

Place: Mumbai
Date: 26 June 2020

ANNEXURE VIII

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31 March 2020

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

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

i) **CIN:** L24299MH1977PLC019982

ii) **Registration Date:** 18 November 1977

iii) **Name of the Company:** Glenmark Pharmaceuticals Limited

iv) **Category / Sub-Category of the Company:** Company having Share Capital

v) **Address of the Registered Office and contact details:**
B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400 026.
Tel No.: 91 22 4018 9999, Fax No.: 91 22 4018 9986

vi) **Whether listed Company:** Yes

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**
KFin Technologies Private Limited, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032
Tel No.: +91 40 67161500, Fax No.: +91 40 23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Pharmaceuticals	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited)	Plot No 170-172 Chandramouli Industrial Estate, Mohol, Bazarpeth Solapur, MH -413213	U74900PN2011PLC139963	Subsidiary	100	2(87)
2	Glenmark Holding S.A.	Chemin de la Combeta 5, CH - 2300 La Chaux-de-Fonds, Switzerland	NA	Subsidiary	100	2(87)
3	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	Chemin de la Combeta 5, CH - 2300 La Chaux-de-Fonds, Switzerland	NA	Subsidiary	100	2(87)
4	Glenmark Farmaceutica Ltda.	Rua Gomes de Carvalho, 1.195, CJ 31 – Vila Olímpia, CEP: 04547-004, Sao Paulo	NA	Subsidiary	100	2(87)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Glenmark Pharmaceuticals SRO	City Towers, Hvezdova 1716/2b, 140 78 Praha 4, Czech Republic	NA	Subsidiary	100	2(87)
6	Glenmark Pharmaceuticals SK SRO	Tomasikova 64, 83104, Bratislava, Slovak Republic	NA	Subsidiary	100	2(87)
7	Glenmark Pharmaceuticals S.R.L	18 Elefterie Street, 5th District, Bucharest, Romania	NA	Subsidiary	100	2(87)
8	Glenmark Pharmaceuticals (Europe) R&D Ltd.	Laxmi House, 2B Draycott Avenue, Kenton, Middlesex HA3 0BU, England, U.K.	NA	Subsidiary	100	2(87)
9	Glenmark Therapeutics Inc., USA	750 Corporate Drive, Mahawa, NJ 07430	NA	Subsidiary	100	2(87)
10	Glenmark Pharmaceuticals SP Z.O.O.	ul. Osmańska 14, 02-823 Warszawa, Poland	NA	Subsidiary	100	2(87)
11	Glenmark South Africa (Pty) Ltd.	Erasmus Forum A, 434 Rigel Avenue South, Erasmusrand, 0181	NA	Subsidiary	100	2(87)
12	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Erasmus Forum A, 434 Rigel Avenue South, Erasmusrand, 0181	NA	Subsidiary	100	2(87)
13	Glenmark Impex L.L.C.	Letnikovskaya st., building 3(2) Moscow 115114 Russia	NA	Subsidiary	100	2(87)
14	Glenmark Pharmaceuticals (Nigeria) Ltd.	No. 2B, Olabode Close, Ilupeju, Lagos.	NA	Subsidiary	100	2(87)
15	Glenmark Dominicana SRL	Av. San Vicente de Paul, Esquina Puerto Rico, Suite 13, Alma Rosa 1ra, Provincia Santo Domingo, Municipio Este, República Dominicana	NA	Subsidiary	100	2(87)
16	Glenmark Pharmaceuticals (Australia) Pty Ltd.	Suite 1503, Level 15, 14 Martin Place, Sydney NSW 2000 Australia	NA	Subsidiary	100	2(87)
17	Glenmark Pharmaceuticals (Malaysia) SDN. BHD	Suite 12B-23, Level 12B, Wisma Zelan, No.1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000, Kuala Lumpur, Malaysia	NA	Subsidiary	100	2(87)
18	Glenmark Philippines Inc.	Units 901/902, 9th Floor, 11th Corporate center building, 11th Avenue Corner Triangle drive, north Bonifacio, Bonifacio,Global City, Taguig City, 1634	NA	Subsidiary	100	2(87)
19	Glenmark Pharmaceuticals Egypt S.A.E.	22, Soliman Azmy street, from AbdelHamid Badawy street, in front of ALShams Squash building, Heliopolis	NA	Subsidiary	100	2(87)
20	Glenmark Pharmaceuticals F.Z.E.	Office No. LB12009, Jabel Ali, Dubai, United Arab Emirates	NA	Subsidiary	100	2(87)
21	Glenmark Uruguay SA	Avenida 18 de Julio, 117, 5th Floor, city of Montevideo, Rep. of Uruguay	NA	Subsidiary	100	2(87)
22	Glenmark Pharmaceuticals Mexico, SA DE CV	Av. Insurgentes Sur No. 1685, Piso 9 Despacho 903, Col Guadalupe Inn. Mexico D.F. 01020	NA	Subsidiary	100	2(87)
23	Glenmark Pharmaceuticals Peru S.A.C.	Calle la Habana 192 Oficina 501 San Isidro – Lima – Perú	NA	Subsidiary	100	2(87)
24	Glenmark Pharmaceuticals Venezuela, CA	Av. Tamanaco con calle Mohedano, Torre Atlantic, piso 7, oficina 07-C, Urb. El Rosal, Caracas, ZP-1060	NA	Subsidiary	100	2(87)
25	Glenmark Pharmaceuticals Colombia SAS	Calle 98 No. 8 Of. 503, Bogotá D.C.	NA	Subsidiary	100	2(87)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
26	Glenmark Pharmaceuticals Europe Ltd.	Laxmi House, 2B Draycott Avenue, Kenton, Middlesex HA3 0BU, England, U.K.	NA	Subsidiary	100	2(87)
27	Glenmark Pharmaceuticals Inc., USA	750 Corporate Drive, Mahawa, NJ 07430	NA	Subsidiary	100	2(87)
28	Glenmark Generics S.A. Argentina	Suipacha 1111 - 18° - C1008AAW – Buenos Aires	NA	Subsidiary	100	2(87)
29	Glenmark Pharmaceuticals B.V.	Joop Geesinkweg 901, 1114 AB Amsterdam-Duivendrecht	NA	Subsidiary	100	2(87)
30	Glenmark Arzneimittel GmbH	Sitz Grodenzell, Industriestrabe 31, 18194, Grobenzell, Germany	NA	Subsidiary	100	2(87)
31	Glenmark Pharmaceuticals Canada INC.	371, Queen Street, Suit 400, Fredericton, New Brunswick, E3B 1B1	NA	Subsidiary	100	2(87)
32	Glenmark Pharmaceuticals (Kenya) Limited	05th Floor, Nine West Building, Westland, Nairobi	NA	Subsidiary	100	2(87)
33	Glenmark Therapeutics AG (liquidated with effect from 2 December 2019)	Wellenruti 581, 9053 Teufena AR Switzerland	NA	Subsidiary	100	2(87)
34	Glenmark Pharmaceuticals Distribution SRO	City Towers, Hvězdova 1716/2b, Nusle, 140 78 Praha 4, ID No. 047 27 339, Czech Republic	NA	Subsidiary	100	2(87)
35	Glenmark Specialty S.A.	CH-2300 La Chaux-de-Fonds, Avenue Leopold-Robert 37, Switzerland	NA	Subsidiary	100	2(87)
36	Viso Farmaceutica SL	Ribera del Loira 46, Campo de las Naciones, 28042 Madrid, Spain	NA	Subsidiary	100	2(87)
37	Glenmark Pharmaceuticals (Thailand) Co. Ltd.	1350/84 Thaironk Tower Building, 8th Floor, Phatthanakarn Road, Suanluang, Bangkok, Thailand	NA	Subsidiary	49	2(87)
38	Glenmark Pharmaceuticals Nordic AB	9 Skeppsbron 5, 211 20 Malmö	NA	Subsidiary	100	2(87)
39	Glenmark Ukraine LLC	8, Illiska street, "Illisky" Business Center, 2nd block, 4th Floor, Podilskyi district, Kyiv, 04070, Ukraine	NA	Subsidiary	100	2(87)
40	Glenmark-Pharmaceuticals Ecuador S.A.	AV. Simon Bolivar & Nayon, Ekopark Building, Tower 2, 7th Floor, Office No. 703	NA	Subsidiary	100	2(87)
41	Glenmark Pharmaceuticals Singapore Pte. Ltd.	6 Shenton Way, #38-01 OUE Downtown, Singapore 068809	NA	Subsidiary	100	2(87)
42	Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA)	Route de la Corniche 5, CH-1066 Epalinges, Switzerland	NA	Subsidiary	100	2(87)
43	Ichnos Sciences Inc., USA (with effect from 31 May, 2019)	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801	NA	Subsidiary	100	2(87)
44	Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda. (with effect from 20 March 2020)	Rua Gomes De Carvalho 1195 Andar 3 Conj 31 Sala 1	NA	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(I) CATEGORY-WISE SHARE HOLDING

CATEGORY OF SHAREHOLDER	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) PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
Individual /HUF	3091925	-	3091925	1.09	3312831	-	3312831	1.17	0.08
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	128241936	-	128241936	45.45	128241936	-	128241936	45.45	0.00
Sub-Total A(1) :	**131333861**	**-**	**131333861**	**46.54**	**131554767**	**-**	**131554767**	**46.62**	**0.08**
(2) FOREIGN									
Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
Total A=A(1)+A(2)	**131333861**	**-**	**131333861**	**46.54**	**131554767**	**-**	**131554767**	**46.62**	**0.08**
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
Mutual Funds /UTI	12317828	-	12317828	4.37	10604284	-	10604284	3.76	-0.61
Financial Institutions / Banks	7250687	-	7250687	2.57	8432826	-	8432826	2.99	0.42
Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors/FPI	92034745	-	92034745	32.62	80451509	-	80451509	28.51	-4.11
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	**111603260**	**-**	**111603260**	**39.55**	**99488619**	**-**	**99488619**	**35.26**	**-4.29**
2. NON-INSTITUTIONS									
Bodies Corporate	7591771	-	7591771	2.69	2483050	-	2483050	0.88	-1.81
Individuals									
(i) Individuals holding nominal share capital upto ₹1 lakh	17815932	544804	18360736	6.51	24177972	447444	24625416	8.73	2.22
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	6256299	600000	6856299	2.43	10662849	600000	11262849	3.99	1.56
Others									
Clearing Members	249913	-	249913	0.09	575301	-	575301	0.20	0.12
Directors	156126	-	156126	0.06	156126	-	156126	0.06	0.00
H U F	561548	-	561548	0.20	840829	-	840829	0.30	0.10
I E P F	812567	-	812567	0.29	212869	-	212869	0.08	-0.21
Non Resident Indians	1350999	6600	1357599	0.48	1743423	6600	1750023	0.62	0.14

CATEGORY OF SHAREHOLDER	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	
NRI Non- Repatriation	361542	-	361542	0.13	853258	-	853258	0.30	0.17
Trust	2922934	-	2922934	1.04	994844	-	994844	0.35	-0.68
Qualified Institutional Buyer	-	-	-	-	7370205	-	7370205	2.61	2.61
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :	**38079631**	**1151404**	**39231035**	**13.90**	**50070726**	**1054044**	**51124770**	**18.12**	**4.22**
Total B=B(1)+B(2) :	**149682891**	**1151404**	**150834295**	**53.46**	**149559345**	**1054044**	**150613389**	**53.38**	**-0.08**
C. Shares held by custodians for GDRs and ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C) :	**281016752**	**1151404**	**282168156**	**100.00**	**281016752**	**1054044**	**282168156**	**100.00**	**-**

(II) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share-holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Saldanha Family Trust	128241936	45.45	-	128241936	45.45	-	-
2	B. E. Saldanha	1035122	0.37	-	1110327	0.39	-	0.02
3	Glenn Saldanha	846498	0.29	-	944969	0.33	-	0.04
4	Cherylann Pinto	722305	0.26	-	756535	0.27	-	0.01
5	Robin Pinto	482000	0.17	-	495000	0.18	-	0.01
6	Neha Saldanha	6000	-	-	6000	-	-	-
	TOTAL	**131333861**	**46.54**	**-**	**131554767**	**46.62**	**-**	**0.08**

(III) CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during 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
1	Saldanha Family Trust					
	At the beginning of the year	128241936	45.45			
	At the end of the year				128241936	45.45
2	Glenn Saldanha					
	At the beginning of the year	846498	0.29			
	Purchase of shares from the open market on:					
	24 June 2019			21540		
	27 June 2019			11080		
	18 February 2020			12021		
	19 February 2020			3780		
	20 February 2020			9141		
	24 February 2020			6359		
	25 February 2020			16900		
	28 February 2020			17650		
	At the end of the year				944969	0.33

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during 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
3	Cherylann Pinto					
	At the beginning of the year	722305	0.26			
	Purchase of shares from the open market on:					
	24 June 2019			5240		
	25 June 2019			2200		
	27 June 2019			3300		
	28 June 2019			1000		
	25 September 2019			5000		
	27 September 2019			3000		
	24 February 2020			4900		
	25 February 2020			2370		
	26 February 2020			1670		
	02 March 2020			3550		
	16 March 2020			2000		
	At the end of the year				756535	0.27
4	B. E. Saldanha					
	At the beginning of the year	1035122	0.37			
	Purchase of shares from the open market on:					
	10 June 2019			3755		
	11 June 2019			1880		
	12 June 2019			20870		
	24 June 2019			15600		
	25 June 2019			13100		
	02 March 2020			10000		
	04 March 2020			10000		
	At the end of the year				1110327	0.39
5	Robin Pinto					
	At the beginning of the year	482000	0.17			
	Purchase of shares from the open market on:					
	24 June 2019			2000		
	20 August 2019			2000		
	20 September 2019			1000		
	26 September 2019			2000		
	27 September 2019			2000		
	20 November 2019			2500		
	02 March 2020			1000		
	13 March 2020			500		
	At the end of the year				495000	0.18
6	Neha Saldanha					
	At the beginning of the year	6000	0.00			
	At the end of the year				6000	0.00
	TOTAL				**131554767**	**46.62**

(IV) SHAREHOLDING PATTERN OF TOP SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sl. No.	Name of the Shareholders	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
1	HSBC POOLED INVESTMENT FUND - HSBC POOLED ASIA PAC				
	At the beginning of the year	9221822	3.27	9221822	3.27
	Bought during the year	361497	0.13	9583319	3.40
	Sold during the year	313446	0.11	9269873	3.29
	At the end of the year	9269873	3.29	9269873	3.29
2	HDFC TRUSTEE COMPANY LTD- HDFC EQUITY SAVING FUND				
	At the beginning of the year	8165500	2.89	8165500	2.89
	Bought during the year	1704121	0.60	9869621	3.50
	Sold during the year	868000	0.31	9001621	3.19
	At the end of the year	9001621	3.19	9001621	3.19
3	ARANDA INVESTMENTS (MAURITIUS) PTE LTD				
	At the beginning of the year	8124796	2.88	8124796	2.88
	Bought during the year	NIL	NIL	8124796	2.88
	Sold during the year	6644180	2.35	1480616	0.52
	At the end of the year	1480616	0.52	1480616	0.52
4	FRANKLIN TEMPLETON INVESTMENT FUNDS				
	At the beginning of the year	4833231	1.71	4833231	1.71
	Bought during the year	451972	0.16	5285203	1.87
	Sold during the year	977526	0.35	4307677	1.53
	At the end of the year	4307677	1.53	4307677	1.53
5	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.				
	At the beginning of the year	4154114	1.47	4154114	1.47
	Bought during the year	717844	0.25	4871958	1.73
	Sold during the year	1461419	0.52	3410539	1.21
	At the end of the year	3410539	1.21	3410539	1.21
6	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	3616513	1.28	3616513	1.28
	Bought during the year	1500000	0.53	5116513	1.81
	Sold during the year	NIL	NIL	5116513	1.81
	At the end of the year	5116513	1.81	5116513	1.81
7	HDFC LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	300333	0.11	300333	0.11
	Bought during the year	3376300	1.20	3676633	1.30
	Sold during the year	71513	0.03	3605120	1.28
	At the end of the year	3605120	1.28	3605120	1.28
8	ASHISH DHAWAN				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Bought during the year	3500000	1.24	3500000	1.24
	Sold during the year	NIL	NIL	3500000	1.24
	At the end of the year	3500000	1.24	3500000	1.24

Sl. No.	Name of the Shareholders	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
9	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUIT				
	At the beginning of the year	1671146	0.59	1671146	0.59
	Bought during the year	1321462	0.47	2992608	1.06
	Sold during the year	NIL	NIL	2992608	1.06
	At the end of the year	2992608	1.06	5985216	2.12
10	NPS TRUST A/C - SBI PENSION FUNDS PVT. LTD. -NPSL				
	At the beginning of the year	2918921	1.03	2918921	1.03
	Bought during the year	100000	0.04	3018921	1.07
	Sold during the year	2028051	0.72	990870	0.35
	At the end of the year	990870	0.35	990870	0.35
11	NTASIAN EMERGING LEADERS MASTER FUND				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Bought during the year	2862622	1.01	2862622	1.01
	Sold during the year	NIL	NIL	2862622	1.01
	At the end of the year	2862622	1.01	2862622	1.01
12	NEW HORIZON OPPORTUNITIES MASTER FUND				
	At the beginning of the year	2800000	0.99	2800000	0.99
	Bought during the year	NIL	NIL	2800000	0.99
	Sold during the year	1219175	0.43	1580825	0.56
	At the end of the year	1580825	0.56	1580825	0.56
13	TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC				
	At the beginning of the year	2623009	0.93	2623009	0.93
	Bought during the year	109387	0.04	2732396	0.97
	Sold during the year	NIL	NIL	2732396	0.97
	At the end of the year	2732396	0.97	2732396	0.97
14	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI				
	At the beginning of the year	2341288	0.83	2341288	0.83
	Bought during the year	11750	0.00	2353038	0.83
	Sold during the year	281082	0.10	2071956	0.73
	At the end of the year	2071956	0.73	2071956	0.73

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.		Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	**DIRECTORS**							
1	Glenn Saldanha Chairman & Managing Director	846498	0.29	01 April 2019				
				24 June 2019	21540	Purchase from Open Market		

Sl. No.		Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				27 June 2019	11080	Purchase from Open Market		
				18 February 2020	12021	Purchase from Open Market		
				19 February 2020	3780	Purchase from Open Market		
				20 February 2020	9141	Purchase from Open Market		
				24 February 2020	6359	Purchase from Open Market		
				25 February 2020	16900	Purchase from Open Market		
				28 February 2020	17650	Purchase from Open Market		
				31 March 2020			944969	0.33
2	Cherylann Pinto Executive Director-Corporate Services	722305	0.25	01 April 2019				
				24 June 2019	5240	Purchase from Open Market		
				25 June 2019	2200	Purchase from Open Market		
				27 June 2019	3300	Purchase from Open Market		
				28 June 2019	1000	Purchase from Open Market		
				25 September 2019	5000	Purchase from Open Market		
				27 September 2019	3000	Purchase from Open Market		
				24 February 2020	4900	Purchase from Open Market		
				25 February 2020	2370	Purchase from Open Market		
				26 February 2020	1670	Purchase from Open Market		
				02 March 2020	3550	Purchase from Open Market		
				16 March 2020	2000	Purchase from Open Market		
				31 March 2020			756535	0.27
3	Rajesh V Desai Non Executive Director	109167	0.04	-	-		109167	0.04
4	Blanche Saldanha Non Executive Director	1035122	0.37	01 April 2019				
				10 June 2019	3755	Purchase from Open Market		
				11 June 2019	1880	Purchase from Open Market		
				12 June 2019	20870	Purchase from Open Market		
				24 June 2019	15600	Purchase from Open Market		
				25 June 2019	13100	Purchase from Open Market		
				02 March 2020	10000	Purchase from Open Market		

Sl. No.		Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				04 March 2020	10000	Purchase from Open Market		
				31 March 2020			1110327	0.39
5	Julio F Ribeiro Non Executive Independent Director	45800	0.02	-	-		45800	0.02
6	Sridhar Gorthi Non Executive Independent Director	559	0.00	-	-		559	0.00
7	D R Mehta Non Executive Independent Director	-	-	-	-		-	-
8	Milind Sarwate Non Executive Independent Director	-	-	-	-		-	-
9	Brian Tempest Non Executive Independent Director	-	-	-	-		-	-
10	Bernard Munos Non Executive Independent Director	-	-	-	-		-	-
11	V.S Mani Executive Director and Global Chief Financial officer	600	0	-	-		600	0
12	Ms. Sona Saira Ramasastry Non Executive Independent Director	-	-	-	-		-	-
B	**KEY MANAGERIAL PERSONNEL**							
1	Harish Kuber Company Secretary & Compliance Officer	-	-		-		-	-

V. INDEBTEDNESS:

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

(₹ in Millions)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1 Principal Amount	61.12	31,283.70	-	31,344.82
2 Interest Due but not Paid	-	-	-	-
3 Interest Accrued but not due	-	116.36	-	116.36
Total (1 + 2 + 3)	**61.12**	**31,400.06**	**-**	**31,461.18**
Change in Indebtedness during the financial year				
Addition	-	4,498.32	-	4,498.32
Reduction	(61.12)	-	-	(61.12)
Net Change	**(61.12)**	**4,498.32**	**-**	**4,437.20**
Indebtedness at the end of the Financial Year				
1 Principal Amount	-	35,737.63	-	35,737.63
2 Interest Due but not Paid	-	-	-	
3 Interest Accrued but not due	-	160.74	-	160.74
Total (1 + 2 + 3)	**-**	**35,898.37**	**-**	**35,898.37**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(₹ in Millions)

SI No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MR. GLENN SALDANHA	MRS. CHERYLANN PINTO	MR. V S MANI	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	91.33	34.67	42.19	168.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.27	5.92	9.31	30.50
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission- as % of profit- others, specify....	15.75	4.62	NIL	20.37
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**122.35**	**45.21**	**51.50**	**219.06**
	Ceiling as per the Act				**1548.80**

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in Million)

SI No.	Particulars of Remuneration	Name of Directors									Total Amount
		MRS. B. E. SALDA-NHA	MR. RAJESH V DESAI	MR. J. F. RIBEIRO	MR. SRIDHAR GORTHI	MR. D.R. MEHTA	DR. BRIAN W. TEMPEST	MR. BERNARD H. MUNOS	MR. MILIND SARWATE	MS. SONA SAIRA RAMA-SATRY	
1	Independent Directors										
	• Fee for attending board committee meetings	-	-	1.80	0.40	1.60	0.40	0.40	1.80	0.40	6.80
	• Commission	-	-	-	-	-	-	-	-		-
	• Others, please specify	-	-	-	-	-	-	-	-		-
	Total (1)	**-**	**-**	**1.80**	**0.40**	**1.60**	**0.40**	**0.40**	**1.80**	**0.40**	**6.80**
2	Other Non-Executive Directors										
	• Fee for attending board /committee meetings	0.40	1.60	-	-	-	-	-	-	-	2.00
	• Commission										
	• Others, please specify										
	Total (2)	**0.40**	**1.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**
	Total =(1+2)	**0.40**	**1.60**	**1.80**	**0.40**	**1.60**	**0.40**	**0.40**	**1.80**	**0.40**	**8.80**
	Overall Ceiling as per the Act										**154.88**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Million)

SI No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Harish Kuber	Total
1	Gross Salary	3.96	3.96
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission- as % of profit- others, specify...	0	0
5	Others, please specify	0	0
	Total	**3.96**	**3.96**

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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

ANNEXURE IX

BUSINESS RESPONSIBILITY REPORT

Sr. No.	SEBI – BRR Disclosure	Response / Reference
Section A: General Information about the Company		
1	**Corporate Identification Number**	L24299MH1977PLC019982
2	**Name of the Company**	Glenmark Pharmaceuticals Limited
3	**Registered Address**	B/2, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400026, Maharashtra, India
4	**Website**	www.glenmarkpharma.com
5	**Email id**	csr@glenmarkpharma.com
6	**Financial year reported**	1 April 2019 to 31 March 2020
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Pharmaceuticals
8	**List 3 key products / services that the Company manufactures / provides (as in balance sheet)**	The Company's key products / services and global market presence are described in the Annual Report F.Y. 2019-20, under Business Review section of Management Discussion and Analysis.
9	**Total number of locations where business activity is undertaken by the Company**	15 manufacturing facilities 7 R&D Centers
10	**Markets served by the Company**	We have a global presence in over 80 countries with our key geographies USA, India, ROW, Europe and LATAM.
Section B: Financial Details of the Company		
1	**Paid up capital (INR)**	282,168,156
2	**Total turnover (INR)**	₹ 67,126.31 Million (Standalone)
3	**Total profit after tax (INR)**	₹ 13,545.48 Million (Standalone)
4	**Total spending on CSR as percentage of PAT (%)**	1.31%
5	**List of activities in which the above expenditure has been incurred**	Child Health, Access to healthcare, Sustainable livelihoods, Promotion of education and swimming in India
Section C: Other Details		
1	**Does the Company have any Subsidiary Company/ Companies**	Yes
2	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	Yes, the subsidiary companies participate in Glenmark's Business Responsibility initiatives. A complete list of the subsidiary companies is available in the Annual Report FY 2019-20.
3	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**	Glenmark's Business Responsibility initiatives do not extend to other entities. However, we encourage our external stakeholders, such as suppliers and contractors, to adhere to responsible business practices.
Section D: Business Responsibility Information		
1	**Details of the Director / Directors responsible for BR**	
(a)	**Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies**	
	DIN	00111844
	Name	Mrs. Cherylann Pinto
	Designation	Executive Director - Corporate Services
(b)	**Details of the BR head**	
	DIN (if applicable)	00111844
	Name	Mrs. Cherylann Pinto
	Designation	Executive Director - Corporate Services
	Telephone number	+91 22 4018 9999
	E-mail id	csr@glenmarkpharma.com

2	**Principle-wise (as per NVGs) BR policy / policies**										
	As a responsible corporate citizen, Glenmark has adopted several internal policies that guide all aspects of our operations and business activities. These policies are in line with the NVG Principles, relevant global standards and industry best practices.										
	Thematic areas of the NVG Principles:										
	Principle 1: Ethics, Transparency and Accountability.										
	Principle 2: Safety and sustainability throughout the life cycle.										
	Principle 3: Well-being of all employees.										
	Principle 4: Respecting interests of all stakeholders.										
	Principle 5: Promotion of human rights.										
	Principle 6: Protection of environment.										
	Principle 7: Responsibly influencing public and regulatory policy										
	Principle 8: Inclusive growth and equitable development.										
	Principle 9: Customer engagement										
	Details of compliance										
	No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	1	Do you have a policy/policies for	Yes								
	2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
	3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Environment, Health & Safety Policy conforms to ISO 14001 and OHSAS 18001 standards.								
	4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes								
	5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes								
	6	Indicate the link for the policy to be viewed online?	www.glenmarkpharma.com								
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
	8	Does the company have in-house structure to implement the policy/policies.	Yes								
	9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
	10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								
3	**Governance related to BR**										
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year		The Board of Directors assess the Company's BR performance annually.								
(b)	Yes, the company publishes the Corporate Responsibility		Yes, the Company publishes its Sustainability Report annually based on the Global Reporting Initiative's acclaimed and widely adopted GRI Standards. This report showcases our triple bottom line performance and also provides a myriad of initiatives and endeavours that we have undertaken during this year towards ensuring a positive societal and environmental impact through progressive business consciousness.								
Section E: Principle-wise Performance											
P-1	**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**		We have policies, governance structures and procedures in place to ensure high level of corporate governance and ethics within our organization. The 'Glenmark Code' sets standards to ensure that we do the right things, at right time and in a right manner. Further details are available in the Corporate Governance section of the Annual Report F.Y. 2019-20. During the reporting year, the Company received 38 stakeholder complaints, of which all were resolved as of year-end.								

P-2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**	We stringently adhere to all internationally accepted standards of product quality, purity, efficacy and safety. Our Pharmacovigilance department maintains processes and systems for collecting and assessing safety information throughout the lifecycle of each product. We are also continually focused on decreasing the environmental impacts of our operations and products. For details, please refer to the 'Product Stewardship' and 'Our Planet' sections of our Sustainability Report 2019-20.
P-3	**Businesses should promote the wellbeing of all employees**	At Glenmark, we believe that our company's success relies on the collective success of our people. It is our employees who help us create a better world each day, living by our motto of enriching lives. We have built a working culture which ensures the safety, well-being and professional growth of all our employees and service providers. We promote continuous development by aligning our employee's career aspirations with our organizational goals. For further details, please refer to 'Our People' section of our Sustainability Report 2019-20. About 2% of our employees are covered by collective bargaining agreements through unions at Nashik and Argentina. In Brazil and Spain our employees are covered by government-linked collective bargaining agreements. No complaints pertaining to child labor, forced labor or involuntary labor were reported in FY 2019-20. One complaint related to sexual harassment of women at workplace were received and addressed in the reporting year.
P-4	**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**	All our business activities as well as corporate social responsibility initiatives are guided by the motto of Enriching Lives. These initiatives aim to create a positive impact on the lives of the most disadvantaged and vulnerable sections of the society within India and abroad. For further details, please refer to the 'Partnering for Community Development' of our Sustainability Report 2019-20.
P-5	**Businesses should respect and promote human rights**	Employee well-being and safety is an important aspect of our business responsibility. We have built a working culture which ensures the safety, well-being and professional growth of all our employees and service providers. We stringently adhere to all local laws in the geographies that we operate. Our policies related to Equal Employment, Anti-Discrimination and Anti- Harassment cover all our employees. For further details, please refer the 'Our People' section of our Sustainability Report 2019-20.
P-6	**Business should respect, protect, and make efforts to restore the environment**	Protection of the environment and conserving natural resources are key aspects of our business responsibility. We continually seek opportunities to make our processes more resource-efficient, increase the use of renewable energy sources and minimize release of wastes in the environment. Going beyond legal compliance, our Environment, Health & Safety actions seek to implement global best practices within our operations. For details about our environmental initiatives please refer the 'Our Planet' section of our Sustainability Report 2019-20. The Company does not have any Clean Development Mechanism (CDM) projects, but it has undertaken several initiatives which have led to reduction of Greenhouse Gas emissions. The Company has adhered to the applicable standards and limits for emissions and waste prescribed by the respective SPCB / CPCB and did not receive any show-cause notice which is pending as of end of FY 2019-20.
P-7	**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**	Glenmark proactively participates in discussions at industry forums and policy advocacy on industry issues. For further details please refer the 'Glenmark at a Glance' section of our Sustainability Report 2019-20.
P-8	**Businesses should support inclusive growth and equitable development**	Enriching Lives is a commitment that we fulfil not only in our business but also beyond our operational boundary. Our ongoing initiatives on child health, access to healthcare, sustainability livelihoods and promotion of aquatic sports continue to create a significant positive impact within our communities. As part of the annual Joy of Giving, our employees continue to champion our efforts through volunteering and monetary contributions to social causes. Further details about our initiatives can be found in the 'Partnering for Community Development' section of our Sustainability Report 2019-20.

P-9	**Businesses should engage with and provide value to their customers and consumers in a responsible manner**	Responsibility towards our customers is well reflected in our stringent and incessant focus on ensuring product safety, leading to patient safety. For further details please refer the 'Product Stewardship' section of our Sustainability Report 2019-20. There are no customer complaints not addressed and are pending as on the end of FY 2019-20. The Company complies with all applicable product labelling standards as per the laws of the land in all the markets that it serves. There are no stakeholder cases pending against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior as of end of FY 2019-20, except for the cases below: **Case 1:** On a complaint by a stockist with the CCI in July 2015 against pharma co.'s (including the Company and its C&F agent) and the Trade associations, alleging refusal to supply medicines to them in spite of having all valid licenses and documents, CCI ordered the DG to investigate and submit a report. On submission of DG's report CCI issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees have appealed the said Order. **Case 2:** Upon a complaint filed by a stockist against the Chemist & Druggist Association Goa (CDAG), Glenmark and another Company, alleging refusal to supply them drugs, the CCI passed an order imposing a penalty of ₹ 10,62, 062/- on CDAG. No penalty was imposed on the Company. CDAG's appeal against the said order has been admitted for hearing on merits. Company is a party to the appeal. In the interim CDAG has been directed to deposit the penalty amount with CCI, to be maintained as fixed deposit till the final hearing and outcome of the matter. We undertake regular surveys of consumers and other stakeholders.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a Report on Corporate Governance is given below:-

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Code of Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to Shareholders. The Company has adopted a codified Corporate Governance Charter, inter-alia, to fulfill its corporate responsibilities and achieve its financial objectives.

The Company believes in and has consistently practiced good Corporate Governance. The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

2. BOARD OF DIRECTORS:

- **Composition:**
  The composition of the Board of Directors of the Company (the Board) is in conformity with the Listing Regulations and the Companies Act, 2013. As on 31 March 2020, the Board comprised Twelve Directors, of whom, three were Executive, and Nine were Non-Executive Directors. The Chairman of the Board is an Executive Director.

  The Non-Executive Directors are professionals with experience in management, pharmaceutical industry, legal, finance, marketing and general administration who bring in a wide range of skills and experience to the Board.

a) Details of the Board:

Name of the Director	Category	Relationship with other Directors	No. of Board Meetings attended	No. of other Director-ships held #	Committee Membership(s) ## Chairman	Committee Membership(s) ## Member	Other listed entities in which person acting as director & category of Directorship
Mr. Glenn Saldanha Chairman & Managing Director DIN-00050607	Executive Promoter Group	Son of Mrs. B. E. Saldanha and Brother of Mrs. Cherylann Pinto	5	1	2	1	-
Mrs. Cherylann Pinto DIN-00111844	Executive Promoter Group	Daughter of Mrs. B. E. Saldanha and Sister of Mr. Glenn Saldanha	5	1	2	2	-
Mr. V. S. Mani DIN- 01082878	Executive	None	5	1	-	2	-

Name of the Director	Category	Relationship with other Directors	No. of Board Meetings attended	No. of other Director-ships held #	Committee Membership(s) ## Chairman	Committee Membership(s) ## Member	Other listed entities in which person acting as director & category of Directorship
Mrs. B. E. Saldanha DIN-00007671	Non-Executive	Mother of Mr. Glenn Saldanha and Mrs. Cherylann Pinto	4	-	-	-	-
Mr. Rajesh Desai DIN-00007960	Non-Executive	None	5	-	-	3	-
Mr. D. R. Mehta DIN-01067895	Non-Executive Independent	None	5	5	3	8	(Non Executive & Independent Director) 1) Jain Irrigation Systems Ltd. 2) Poly Medicure Ltd. 3) JMC Projects (India) Ltd.
Mr. Bernard Munos DIN-05198283	Non-Executive Independent	None	4	-	-	-	-
Mr. J. F. Ribeiro DIN-00047630	Non-Executive Independent	None	5	-	3	-	-
Dr. Brian W. Tempest DIN-00101235	Non-Executive Independent	None	4	-	-	-	-
Mr. Sridhar Gorthi DIN-00035824	Non-Executive Independent	None	4	1	1	5	(Non Executive & Independent Director) 1) Hathway Cable & Datacom Ltd.
Mr. Milind Sarwate DIN-00109854	Non-Executive Independent	None	5	5	5	12	(Non Executive & Independent Director) 1) Mindtree Ltd. 2) Matrimony.com Ltd. 3) Eternis Fine Chemicals Limited 4) Mahindra & Mahindra Financial Services Ltd. 5) Metropolis Healthcare Limited
Ms. Sona Saira Ramasastry* DIN-08398547	Non-Executive Independent	None	4	-	-	-	-

* Appointed with effect from 1 April 2019.

Includes Directorship(s) in Indian Companies. The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

Membership/Chairmanship of the Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Share Transfer Committee and Operations Committee of all Public Limited Companies have been considered.

b) Details of Board Meetings and Attendance:

During the Financial Year (F.Y.) ended 31 March 2020; Five Board Meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	29 May 2019	12	12
2	13 August 2019	12	12
3	14 November 2019	12	12
4	21 January 2020	12	7
5	14 February 2020	12	12

The gap between two meetings did not exceed one hundred and twenty days.

A. None of the Non-Executive Directors of the Company has any pecuniary relationship or transactions with the Company other than sitting fees paid for attending Board Meetings/Committee Meetings.

B. Mr. Glenn Saldanha, Mrs. B. E. Saldanha, Mrs. Cherylann Pinto, Mr. V.S. Mani, Mr. Rajesh Desai, Mr. J. F. Ribeiro, Mr. D. R. Mehta, Mr. Brian Tempest, Mr. Sridhar Gorthi and Mr. Milind Sarwate attended the last Annual General Meeting of the Company held on 27 September 2019.

C. Information flow to the Board Members:

Detailed agenda papers of Board and Committee Meetings were sent to all the Directors/ Members at least one week in advance. At the Board Meeting, Managing Director apprises the Board on the overall performance of the Company. The Board also, inter-alia, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major legal issues, review of foreign exchange exposure, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/ half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions, corporate restructuring, minutes of the Meetings of the Audit and other Committees of the Board.

In addition to the Information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is kept informed of major events and approvals are taken wherever necessary.

The Board is also presented with the operating plans of the businesses for its review, inputs and approval. Likewise, the Quarterly Financial Statements and Annual Financial Statements are first presented to the Audit Committee and subsequently to the Board for its approval. The Agenda papers mentioning the brief details about the items are circulated well in advance to the Board. In some instances documents are tabled during the course of the Board Meetings.

The Company has adopted the Glenmark Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the

Managing Director as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Glenmark Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding compliance of the Code for the year under review.

In order to reduce paper consumption and maximum utilisation of technology, the Company has adopted a web based application for transmitting the agenda and pre-reads for the Board and Committee meetings. The Director receives the agenda and pre-reads in electronic form through the application which can be accessed through the iPads. The said application is password protected and highly secured.

Familiarisation programmes for Board Members:

The Board members are provided with the necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved, etc.

Quarterly updates on relevant statutory changes are presented to the Board.

The policy on familiarisation programmes as stated above is available on the website of the Company and can be accessed at the web link:http://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/familiarisation_programme_for_independent_directors.pdf

Chart or Matrix setting out skills/expertise/competence of Board of Directors:

The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. It regularly reviews the Company's governance, risk and compliance framework, business plans, and organization structure to align with the highest global standards.

Name	Pharmaceuticals, Science and Technology	Strategy	Finance & Accounts	Corporate Governance	Human Resource and General Management	Risk Management
Mr. Glenn Saldanha	✓	✓	✓	✓	✓	✓
Mrs. Blanche Saldanha	✓	✓		✓	✓	
Mr. Bernard Munos	✓	✓		✓	✓	
Dr. Brian W. Tempest	✓	✓		✓	✓	
Mrs. Cherylann Pinto	✓	✓		✓	✓	
Mr. D. R. Mehta		✓	✓	✓	✓	✓
Mr. J. F. Ribeiro		✓	✓	✓	✓	
Mr. Milind Sarwate		✓	✓	✓	✓	✓
Mr. Sridhar Gorthi		✓	✓	✓	✓	✓
Mr. Rajesh Desai	✓	✓	✓	✓	✓	✓
Ms. Sona Saira Ramasastry	✓	✓	✓	✓	✓	
Mr. V.S. Mani	✓	✓	✓	✓	✓	✓

Meetings of Independent Directors:

All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company www.glenmarkpharma.com

All the Independent Directors have fulfilled the independence criteria as per the requirement of Listing Regulations and as per opinion of the Board, they are independent of the management.

Pursuant to the notification of the Ministry of Corporate Affairs dated 22 October 2019, which came into effect from 1 December 2019, all Independent Directors have completed registration on Digital Data Bank maintained by Indian Institute of Corporate Affairs.

The Company's Independent Directors meet at least once in every Financial Year without the presence of Executive Directors or management personnel. Such meetings are conducted in an informal environment to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

One meeting of the Independent Directors was held during the year.

3. BOARD COMMITTEES:

As per the Listing Regulations, the Board has formed the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.

1. AUDIT COMMITTEE:

- The Company has a qualified and independent Audit Committee which has been formed in pursuance of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors and notes the processes and the safeguards employed by each. The Audit Committee has the ultimate authority and responsibility to select, evaluate and where appropriate, replace the independent auditor in accordance with the law. All possible measures have been taken by the Audit Committee to ensure the objectivity and independence of the independent auditor.

  The broad terms of reference of the Audit Committee are as under:

  a) Approving and implementing the audit procedures and techniques.

  b) Reviewing audit reports of both statutory and internal auditors with auditors and management.

  c) Reviewing financial reporting systems, internal control systems and control procedures.

  d) Ensuring compliance with regulatory guidelines.

  e) Reviewing the quarterly, half-yearly and annual financial results of the Company before submission to the Board.

  f) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

  g) Review and monitor the auditor's independence and performance and effectiveness of audit process.

  h) Examination of the financial statement and the auditor's report thereon.

  i) Approval or any subsequent modification/ ratification of transactions of the Company with related parties.

j) Scrutiny of inter-corporate loans and investments.

k) Valuation of undertakings or assets of the Company, wherever it is necessary.

l) Evaluation of internal financial controls and risk management systems.

m) Monitoring the end use of funds raised through public offers and related matters.

n) Establishment and monitoring of the Vigil Mechanism / Whistle Blower Policy.

o) Reviewing the statements of significant related party transactions submitted by the management.

p) Any other matter referred to by the Board.

The terms of reference of this Committee are wide enough covering matters specified in the Companies Act, 2013 read together with Regulation 18 of the Listing Regulations. The current Charter of the Audit Committee is in line with international best practices and the regulatory changes formulated by SEBI.

Any other duties/ terms of reference of the Audit Committee which are incidental / necessary for the fulfillment of the above mentioned terms of reference would be deemed to be under the purview of the Audit Committee.

Five Audit Committee Meetings were held during the year – 28 May 2019, 12 August 2019, 13 November 2019, 21 January 2020 and 14 February 2020. Details of the composition and attendance of Members of the Audit Committee during the F.Y. ended 31 March 2020 are as follows:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro*	5	5	Chairman	Independent Director
Mr. Sridhar Gorthi	5	3	Member	Independent Director
Mr. Milind Sarwate	5	5	Member	Independent Director
Mr. Rajesh Desai**	3	3	Member	Non-Executive Director

*Resigned on 26 June 2020

**Appointed as a member with effect from 13 August 2019 and Independent Director & the Chairman on 26 June 2020.

The gap between two meetings did not exceed one hundred and twenty days.

Mr. J. F. Ribeiro, Chairman of the Audit Committee, holds a Bachelor's degree in Commerce and a Bachelor's degree in Law from the Bombay University. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Chairman & Managing Director, Chief Financial Officer and Cost Auditor are permanent invitees to the Audit Committee Meetings. The Statutory Auditors & Internal Auditors of the Company were present in the Audit Committee meetings held during the year. The Company Secretary officiates as the Secretary to the Committee.

2. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- The Stakeholders Relationship Committee has the mandate to review and redress Shareholder grievances including complaints related to, non-receipt of share certificates, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee reviews Shareholders' complaints and resolution thereof.

  Further, the Committee also looks into the matters pertaining to dividend/share transfered to Investor Education & Protection Fund and complaints relating thereto, if any.

  Four Stakeholders Relationship Committee meetings were held during the year – 29 May 2019, 13 August 2019, 14 November 2019 and 14 February 2020.

- Details of composition and attendance of the Members of the Stakeholders Relationship Committee Meetings during the F.Y. ended 31 March 2020 as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro*	4	4	Chairman	Independent Director
Mrs. Cherylann Pinto	4	4	Member	Executive Director
Mr. D. R. Mehta	4	3	Member	Independent Director
Mr. Milind Sarwate	4	4	Member	Independent Director

*Resigned on 26 June 2020 and Ms. Sona Saira Ramasastry appointed as member on 26 June 2020

- The details of complaints received and resolved during the year ended 31 March 2020 are given below:

No. of complaints	2019-2020	2018-2019
Complaints as on 1 April 2019	NIL	NIL
Received	38	113
Resolved	38	113
As on 31 March 2020	NIL	NIL

- Name and Designation of Compliance Officer:
  Mr. Harish Kuber, Company Secretary & Compliance Officer
  Ph. No. +91 22 40189999
  E-mail ID: complianceofficer@glenmarkpharma.com

  The Board has appointed Mr. Harish Kuber (Company Secretary & Compliance Officer) as the Nodal Officer for the purpose of Investor Education and Protection Fund (IEPF) Regulations.

- The Company's Registrars & Transfer Agent KFin Technologies Private Limited (KFin) had received letters/complaints during the financial year, all of which were replied/resolved to the satisfaction of the Shareholders.

3. NOMINATION AND REMUNERATION COMMITTEE:

- The purpose of the Nomination and Remuneration Committee of the Board is to discharge the Board's responsibilities related to Nomination and Remuneration of the Company's Executive/Non-Executive Directors and Senior Management. The Committee has the overall responsibility of approving and evaluating the nomination and remuneration plans, policies and programs for Executive/Non-Executive Directors, Senior Management and Key Managerial Personnel.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

a) The Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out performance evaluation of each Director.

b) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

c) Devise a policy on Board diversity.

d) Formulate criteria for evaluation of Independent Directors and the Board.

e) Review of leadership compensation, Board compensation, industrial benchmarks, attrition at various levels, manpower costs etc.

Four Nomination and Remuneration Committee meetings were held during the year - 29 May 2019, 13 August 2019, 14 November 2019 and 14 February 2020.

- Details of Composition and Attendance of the Members of Nomination and Remuneration Committee during the year ended 31 March 2020 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro*	4	4	Chairman	Independent Director
Mr. Glenn Saldanha	4	4	Member	Executive Director
Mr. D. R. Mehta	4	4	Member	Independent Director
Mr. Sridhar Gorthi**	4	3	Member	Independent Director
Mr. Milind Sarwate	4	4	Member	Independent Director

*Resigned on 26 June 2020.

**Mr. Sridhar Gorthi appointed as Chairman on 26 June 2020.

- **Compensation Policy:**
The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company has formulated an Employee Stock Option Scheme for rewarding & retaining performers.

- **Board Performance Evaluation:**
During the year, the Board has carried out an annual performance evaluation of its own performance and performance of the Directors.

The Company has devised a Performance Evaluation Framework and Policy, which sets out the mechanism for evaluation of the Board and the Directors.

During the year, performance evaluation of the Board and the Directors was carried out through an evaluation mechanism in terms of this Policy.

4. RISK MANAGEMENT COMMITTEE:

Business Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks as also identify business opportunities.

Four Risk Management Committee meetings were held during the year - 29 May 2019, 13 August 2019, 14 November 2019 and 14 February 2020.

- Details of Composition and Attendance of the Members of Risk Management Committee during the F.Y. ended 31 March, 2020 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Glenn Saldanha	4	4	Chairman	Executive Director
Mr. Rajesh Desai	4	4	Member	Non-Executive Director
Mr. D. R. Mehta	4	4	Member	Independent Director
Mr. V. S. Mani	4	4	Member	Executive Director

POST-MEETING FOLLOW-UP SYSTEM

After the Board and Committee Meetings, the Company has a formal system of follow-up, review and reporting on actions taken by the management on the decisions of the Board and Committees of the Board.

4. REMUNERATION OF DIRECTORS:

REMUNERATION POLICY

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees forms an integral part of Board's Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

- The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the Directors. All Board-level compensation is approved by the Shareholders and separately disclosed in the financial statements. Remuneration of the Executive Directors consists of a fixed component and a performance incentive. The annual compensation of the Executive Directors is approved by the Nomination and Remuneration Committee, within the parameters set by the Shareholders at the Shareholders' meetings.

- The remuneration of the Executive and Non-Executive Directors of the Company is decided by the Board on the terms and conditions as per the recommendation by the Nomination and Remuneration Committee.

- Details of remuneration/ fees/ commission paid to Directors during the F.Y. ended 31 March 2020 are as under:

Sr. No	Name of Director	Salaries	Retirement benefits/ other reimbursements	Commission	Sitting Fees	Total
		Amount	Amount	Amount	Amount	Amount
1	Mr. Glenn Saldanha	91.33	15.27	15.75	-	122.35
2	Mrs. Cherylann Pinto	34.67	5.92	4.62	-	45.21
3	Mr. V. S. Mani	42.19	9.31	-	-	51.50
4	Mr. Rajesh Desai	-	-	-	1.6	1.6

Sr. No	Name of Director	Salaries	Retirement benefits/ other reimbursements	Commission	Sitting Fees	Total
		Amount	Amount	Amount	Amount	Amount
5	Mrs. B. E. Saldanha	-	-	-	0.40	0.40
6	Mr. D. R. Mehta	-	-	-	1.60	1.60
7	Mr. Bernard Munos	-	-	-	0.40	0.40
8	Mr. J. F. Ribeiro	-	-	-	1.80	1.80
9	Dr. Brian W. Tempest	-	-	-	0.40	0.40
10	Mr. Sridhar Gorthi	-	-	-	0.40	0.40
11	Mr. Milind Sarwate	-	-	-	1.80	1.80
12	Ms. Sona Saira Ramasastry*	-	-	-	0.40	0.40
	TOTAL	**168.19**	**30.50**	**20.37**	**8.80**	**227.86**

* Appointed with effect from 1 April 2019

Note:

- The Company pays ₹ 1 lac as sitting fees per meeting to the Non-Executive Directors for attending the Board and the Committee Meetings.
- Service Contract:

  The Service Contract can be terminated with a notice of six months by Executive Directors.

Shareholding of the Non-Executive/Independent Directors in the Company as on 31 March 2020 is given below:

Name of the Director	Equity Shares (Nos.)
Mrs. B. E. Saldanha	1,110,327
Mr. D. R. Mehta	NIL
Mr. Bernard Munos	NIL
Mr. J. F. Ribeiro	45,800
Dr. Brian W. Tempest	NIL
Mr. Sridhar Gorthi	559
Mr. Milind Sarwate	NIL
Mr. Rajesh Desai	109,167
Ms. Sona Saira Ramasastry	NIL

5. DISCLOSURES BY MANAGEMENT:

a) During the year, no material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the Company at large.

b) During the year, there were no transactions with the Director or Management, their associates or their relatives, etc. that may have potential conflict with the interest of the Company at large.

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

d) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism/ Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report such matter to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

e) The Company has received certificate from Mr. Surjan Singh Rauthan, proprieter of M/s. S. S. Rauthan & Associates, Practicing Company Secretaries stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

During the period under review, the Company had not entered into any material transaction with any of its related parties.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Notes of Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimisations of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries.

All related party transactions are negotiated on an arms length basis and are intended to further the Company's interests.

The Board at the end of financial year decide about the Material Subsidiary as per the Regulation 24 of the Listing Regulations.

The policy on material subsidiary as stated above are also available on the website of the Company and can be accessed at the web link http://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy_on_material_subsidiary.pdf

The policy on Related Party Transactions as stated above is available on the website of the Company and can be accessed at the web link http://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy_on_related_party_transactions_and_its_materiality.pdf

DISCLOSURE OF FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company is exposed to foreign exchange risks emanating from business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company uses forward contracts as hedging instruments from time to time.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted Internal Complaints Committee (ICC). While maintaining the highest governance norms, external independent persons who worked in this area and have the requisite experience in handling such matters have been appointed.

Complaints during the F.Y. 2019-20:

Particulars	Complaints
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on 31 March 2020	0

FEES PAID TO STATUTORY AUDITORS:

Consolidated (Holding and its Subsidiaries) total fees paid to Statutory Auditor was ₹ 99.12 Million.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS:

The Company has complied with all the mandatory requirements of the Listing Regulations.

The status of compliance with the non- mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- The position of the Chairman of the Board and the CEO is same.
- During the year under review, there was no audit qualification in the Company's Financial Statements.
- The Internal Auditor reports directly to the Audit Committee in all functional matters.
- The Company follows a robust process of communicating with the Shareholders which has been explained later in the Report under "Means of Communication."

6. GENERAL BODY MEETINGS:

- The last three Annual General Meetings of the Company were held at the venue, date and time as under:

Financial Year Ended	Date	Venue	Special Resolution Passed
31 March 2017	29 September 2017 at 11.00 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Yes
31 March 2018	28 September 2018 at 11.00 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Yes
31 March 2019	27 September 2019 at 11.00 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Yes

- All resolutions moved at the last Annual General Meeting were passed by requisite majority of members by way of e-voting and e-poll.
- Special Resolution passed through Postal Ballot during the F.Y. 2019-20 : NIL

7. SHAREHOLDERS INFORMATION:

Share Transfer Process:

The shares are received for physical transfer at KFin's office and all valid transfer requests are processed and returned within a period of 15 days from the date of receipt.

Dematerialisation of shares and Liquidity:

As of 31 March 2020, 99.63% of shares have been dematerialised and held in electronic form through National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The shares of the Company are permitted to be traded only in dematerialised form.

SHAREHOLDING PATTERN AS AT 31 MARCH 2020:

Description	No. of Shares holders	Shares held	% to Equity
Company Promoters	6	131554767	46.62
Foreign Portfolio Investors	253	80451509	28.51
Resident Individuals	146172	36001441	12.76
Mutual Funds	13	10564284	3.74
Financial Institutions/ Banks	23	15809768	5.60
Bodies Corporates/ HUF	3951	3317142	1.18
Non-Resident Indians	3979	2603281	0.92
Trusts	7	1034844	0.37
Clearing Members	206	575301	0.20
IEPF	1	212869	0.08
Foreign Nationals	14	42950	0.02
TOTAL	**154625**	**282168156**	**100**

DISTRIBUTION SCHEDULE AS ON 31 MARCH 2020:

Sr. No.	Category (From – To)	No. of Holders	% of Shares	No. of Shares	% To Equity
1	1 - 5000	153805	99.47	22037631	7.81
2	5001 - 10000	325	0.21	2317169	0.82
3	10001 - 20000	173	0.11	2485239	0.88
4	20001 - 30000	52	0.03	1253579	0.44
5	30001 - 40000	25	0.02	873102	0.31
6	40001 - 50000	32	0.02	1451191	0.51
7	50001 - 100000	56	0.04	3870579	1.37
8	100001 & above	157	0.10	247879666	87.85
	TOTAL:	**154625**	**100.00**	**282168156**	**100.00**

- **Date, Time and Venue of the ensuing Annual General Meeting:**

  Annual General Meeting shall be held on 29 September 2020 at 2.00 p.m. through Video Conferencing / Other Audio Visual Means facility

- **Financial Calendar (Tentative and Subject to change):**

Quarter ending	Release of Results
Financial reporting for the first quarter ending 30 June 2020	August 2020
Financial reporting for the second quarter and half year ending 30 September 2020	November 2020
Financial reporting for the third quarter and nine months ending 31 December 2020	February 2021
Financial Results for the year ending 31 March 2021	May 2021

- **Date of Book Closure:** Saturday, 19 September 2020 to Tuesday, 29 September 2020 (Both days inclusive).

- **Date of declaration of dividend:**
  A dividend of ₹ 2.5/- per share has been recommended by the Board at meeting held on 26 June 2020 subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend shall be paid on or after 3 October 2020.

- **Other Information:**
  Members can avail of nomination facility by filing Form SH-13 with the Company. Blank forms can be downloaded from the website of the Company.

  Members may kindly note that consequent to split in the face value of equity shares of the Company from ₹10 to ₹2 and subsequently from ₹ 2 to ₹ 1, the share certificates of face value of ₹10 or ₹2 have ceased to be valid for any purpose whatsoever. Members who are holding share certificates of the face value of ₹10 or ₹2 each are requested to kindly send their respective share certificates to KFin for receiving ten or two equity shares of face value of ₹ 1 each in exchange of one equity share of face value of ₹ 10 each or ₹ 2 each.

  Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend, which remains unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

  With effect from 7 September 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. were transferred to IEPF under Companies Act, 1956 and/or Companies Act, 2013 can claim the amounts as per the procedures/guidelines available at the website of Ministry of Corporate Affairs: http://www.iepf.gov.in/

  Information in respect of such unclaimed dividend when due for transfer is given below:

Financial Year Ended	Date of declaration of Dividend	Date of transfer to unpaid/unclaimed dividend account	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2013	02.08.2013	02.09.2013	01.09.2020	30.09.2020
31.03.2014	25.07.2014	25.08.2014	24.08.2021	23.09.2021
31.03.2015	22.09.2015	22.10.2015	21.10.2022	20.11.2022
31.03.2016	12.08.2016	12.09.2016	11.09.2023	10.10.2023
31.03.2017	29.09.2017	29.10.2017	28.10.2024	27.11.2024
31.03.2018	28.09.2018	28.10.2018	27.10.2025	26.11.2025
31.03.2019	27.09.2019	27.10.2019	26.10.2026	25.11.2026

  Shareholders who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to KFin immediately.

- **Transfer of 'Underlying Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividends have remained unclaimed for a period of seven consecutive years):**
  In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company had transferred equity Shares to IEPF Account in the month of September, 2019.

- **Reconciliation of Share Capital Audit Report:**
  A qualified Practicing Company Secretary has carried out audit in every quarter to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL.

  Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half- yearly basis, by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

- **Subsidiary Monitoring Framework:**
  All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage these Companies in the best interest of their stakeholders. The Company nominates its representatives on the Board of Subsidiary Companies and monitors performance of such Companies and the minutes of the meetings of the Subsidiary Companies are placed before the Company's Board regularly.

8. MEANS OF COMMUNICATION:

- **Quarterly/ Half-yearly/ Annual Results:**
  The quarterly/ half-yearly/ annual results of the Company are published in the newspapers and posted on the website of the Company.

  As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose e-mail ids are registered with the Depositories/ KFin. Quarterly/Half-yearly and Annual Financial Results of the Company are generally published in the Financial Express and Loksatta newspapers.

  The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: http://www.glenmarkpharma.com/investors/financial-results

- **Management Discussion & Analysis Report:**
  The Management Discussion & Analysis Report forms a part of the Board's Report. All the matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

- **Company's Corporate Website:**
  Company has its own website and all the vital information relating to the Company and its products is displayed on its website: www.glenmarkpharma.com

- **Presentation to Institutional Investors or to analysts:**
  Official news releases and presentations made to Institutional Investors and analysts are posted on the Company's website.

  The Company also regularly provides information to the stock exchanges as per the requirements of the Listing Regulations. The Company's website is updated periodically to include information on new developments and business opportunities pertaining to the Company.

9. COMPANY'S SCRIP INFORMATION:

- **LISTING ON STOCK EXCHANGES:**
  - The shares of the Company are listed on BSE Limited (BSE) & The National Stock Exchange of India Limited (NSE)
  - The Company's Bonds and Notes are listed on Singapore Stock Exchange Limited

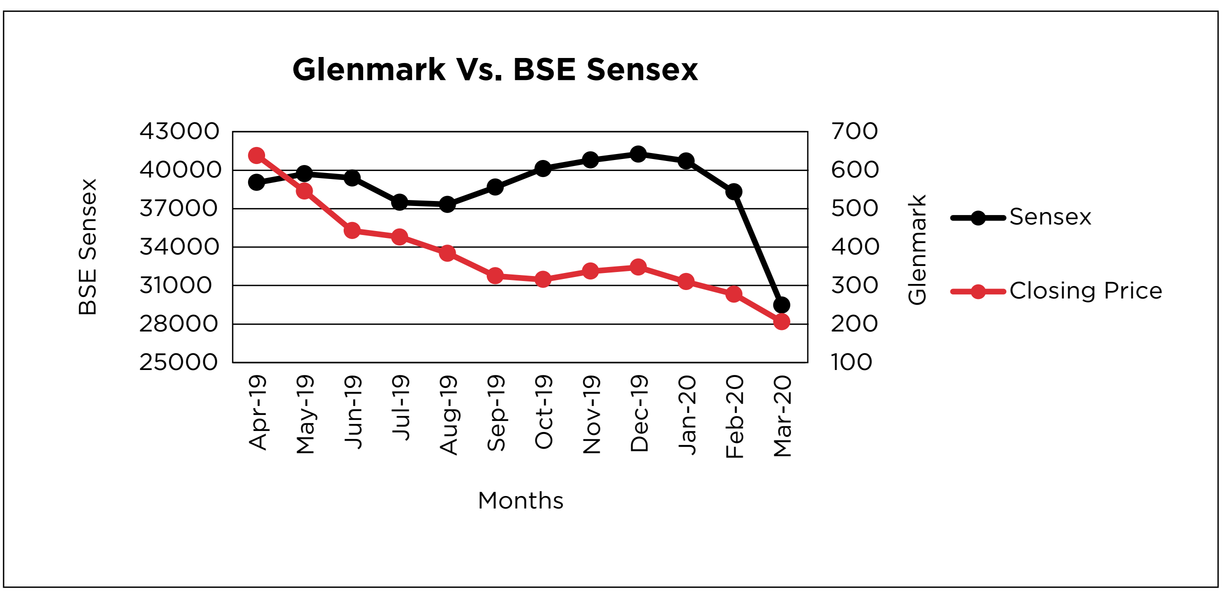
Stock Exchange	Stock Codes/Symbols	ISIN
BSE	532296	INE935A01035
NSE	GLENMARK	INE935A01035

- Listing fee for the year – 2020-21 has been paid to the Stock Exchanges.

- Market Information:
  Market Price Data: High, low (based on closing price) and volume during each month in last financial year.

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
Apr-19	659.70	615.90	659.30	616.55
May-19	639.35	533.00	639.00	536.65
Jun-19	554.00	440.35	552.60	442.00
Jul-19	459.00	405.10	458.60	405.80
Aug-19	435.35	353.35	436.00	353.50
Sep-19	394.90	319.35	394.85	319.30
Oct-19	332.00	269.75	332.20	270.00
Nov-19	373.85	267.30	374.00	267.25
Dec-19	359.25	322.70	359.50	322.60
Jan-20	372.00	308.80	365.20	308.60
Feb-20	346.30	275.50	346.45	275.00
Mar-20	294.90	168.00	294.90	161.65

Performance in comparison to broad based indices namely, BSE Sensex.



10. CORPORATE IDENTITY NUMBER (CIN):

The Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L24299MH1977PLC019982

11. PLANT LOCATIONS:

The Company's plants are located at:

GLENMARK PHARMACEUTICALS

Manufacturing Facilities

Formulations

- E 37, MIDC Industrial Area, D Road, Satpur, Nashik - 422007, Maharashtra
- Plot No. 7 and 9, Colvale Industrial Estate, Bardez - 403115, Goa
- Unit - I, Village Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan, HP – 174101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh, Dist.- Solan, HP – 174101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road, Dist. - Solan, HP – 174101
- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454775, Madhya Pradesh
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra
- Growth Centre, Samlik-Marchak, Dist. - East Sikkim, Sikkim
- Fibichova 143, 56617, Vysoke Myto, Czech Republic
- Calle 9 Ing Meyer Oks N 593, Parque Industrial Pilar, B1629MX Buenos Aires, Argentina
- 4147 Goldmine Road, Monroe, NC 28110, USA

R&D Centres

- Plot No. A 607, TTC Industrial Area, MIDC Mahape, Vashi, Navi Mumbai - 400705, Maharashtra
- Plot No. C 152, MIDC Sinnar Industrial Area, Malegaon, Dist. - Nashik - 422113, Maharashtra
- Plot No. M4, Taloja industrial area, MIDC Taloja, Taluka Panvel. 410208, Dist. - Raigad, Maharashtra

Clinical Research Centre

- Plot No. D 508, TTC Industrial Estate, MIDC, Turbhe, Navi Mumbai - 400705, Maharashtra

ICHNOS SCIENCES INC.

Global Clinical Development Centre

- 461 From Road, Paramus, NJ 07652, USA

R&D Centres

- Biopole, Route de La Corniche SA 1066 Epalinges Switzerland
- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland

Manufacturing Facility

- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland

GLENMARK LIFE SCIENCES

- 3109 - C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch - 393002, Gujarat
- Plot No 163-165/170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413213, Maharashtra
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune - 413802, Maharashtra
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat

12. CREDIT RATINGS:

- Fitch Ratings has affirmed Long-Term Issuer Default Rating (IDR) at 'BB', Outlook 'Stable'. The agency also affirmed the rating on Company's USD200 million 4.50% senior unsecured notes issued in 2016 at 'BB'.
- CRISIL has given rating at AA- for credit facilities availed by the Company.
- Company does not have any fixed deposit programme.

13. OUTSTANDING GDR'S/ADR'S/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS EXERCISED, DATE AND LIKELY IMPACT ON EQUITY:

- **Employee Stock Options Scheme 2016:**
  The shareholders of the Company had approved Employee Stock Options Scheme 2016 in August 2016. During the Financial Year 2019-2020, 20,000 options were issued under Employees Stock Options Scheme viz. ESOS' 2016; 33,501 options were cancelled and no options were exercised. As of 31 March 2020, 4,45,913 options were outstanding and are due for exercise.

  On exercising the convertible options so granted under the ESOS of the Company, the paid-up equity share capital of the Company will increase by a like number of shares.

  U.S. $ 200,000,000, 2.00 % Resettable Onward Starting Equity-linked Securities (Bonds):
  The Company had issued Bonds on 28 June 2016. The Bonds become convertible at the option of the holders' of the Bonds (the "Bondholders") after 1 December 2017 and upto the close of business on 18 June 2022 into equity shares. Each Bond will be convertible at the option of the holder thereof into fully paid equity shares at the initial conversion price determined on 30 November 2017.

  On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2020, none of the Bondholders have opted for the conversion option.

  On 30 November 2017, the Company confirmed the fixed exchange rate as INR 64.5238 in accordance with the condition 6.1.1 (b) of the Trust Deed dated 28 June 2016 which provides that the fixed exchange rate shall be the FX rate (INR per US$ 1) based on Bloomberg's "BFIX" USD/INR spot mid price rate 12.00 (Hongkong time) on 30 November 2017.

  Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 28 June 2022 (Maturity Date) at 126.42% of their principal amount, together with accrued interest (if any), calculated upto but excluding the Maturity Date. The Company may, at its own discretion, redeem the Bonds in whole, but not in part, subject to satisfaction of certain conditions.

  Each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021, at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021.

  The Bonds are listed on the Singapore stock exchange.

  The FCC Bonds were partially bought back in October 2018 (see note below on buyback).

Buy back of the Company's U.S.$200,000,000 2.00% resettable onward starting equity- linked securities due 2022:

In September 2018, the Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders") and MUFG Securities Asia Limited and J. P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to buyback FCC Bonds at a buyback price of 105% of the principal amount outstanding (being U.S.$ 262,500 for each U.S$ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S.$ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, the Company agreed to buyback U.S.$ 86.5 million in aggregate principal amount (representing 346 FCC Bonds in number of U.S$ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S.$ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, U.S.$ 113.5 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook buyback to monetize the opportunity available to reduce the external debt. Buyback FCCBs bought back by the Company got cancelled by the Company. The remaining FCC Bonds that have not been bought back by the Company remains outstanding. The Company utilised proceeds from an unsecured External Commercial Borrowing facility of up to U.S.$100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance such FCC Bonds. The Company has obtained a Loan Registration Number ("LRN") from the Reserve Bank of India in this respect.

U.S. $ 200,000,000, 4.5% Senior Notes (Notes):

The Company issued Notes on 1 August 2016. The Notes will mature on 2 August 2021.

The interest on Notes will be payable semi-annually in arrears on 1 February and 1 August each year. The final interest payment and the payment of principal will occur on 2 August 2021.

The Notes are redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company, at its discretion, may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount, plus the applicable redemption premium and accrued and unpaid interest and additional amounts, if any.

The Notes are listed on the Singapore stock exchange.

U.S. $ 90,825,000, ECB Facility (Notes):

Company has obtained LRN from RBI to raise an ECB Facility to the extent of US$ 100 million. In October 2018, the ECB Facility for US$ 90,825,000 was raised and the proceeds were utilized for the purpose of repurchasing the FCC Bonds. The ECB Facility was raised from MUFG Bank ,Singapore with a maturity of 5 years. The interest rate for the first 3 years is 4.956% p.a and the interest for the subsequent 2 years is 5.25% p.a.

14. NATIONAL AUTOMATED CLEARING HOUSE (NACH):

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number to KFin.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or KFin 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 of the members.

15. CODE FOR PREVENTION OF INSIDER TRADING:

We have comprehensive guidelines on Prevention of insider trading. The guidelines are in compliance with the SEBI Regulation on prevention of Insider Trading.

16. INVESTOR HELPDESK: FOR CLARIFICATIONS / ASSISTANCE, IF ANY, PLEASE CONTACT:

	Corporate Office	Registrars & Transfer Agents
Persons to contact	Mr. Harish Kuber	Ms. Krishna Priya Maddula
Address	Glenmark Pharmaceuticals Limited Glenmark House, B. D. Sawant Marg, Chakala, Off. Western Express Highway, Andheri (E), Mumbai 400 099.	KFin Technologies Private Limited Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008
Telephone	(022) 40189999	+91-40-67161500
Fax No.	(022) 40189986	+91-40-23420814
Email	complianceofficer@glenmarkpharma.com	priya.maddula@kfintech.com
Website	www.glenmarkpharma.com	www.kfintech.com
Investor Redressal	complianceofficer@glenmarkpharma.com	

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT:

In accordance with Regulation 26(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2020.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 26 June 2020

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

We, Glenn Saldanha, Chairman & Managing Director and V S Mani, Executive Director & Global Chief Financial Officer, of Glenmark Pharmaceuticals Limited, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year 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 the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

  i) Significant changes in internal control over financial reporting during the year;

  ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

  iii) During the year there were no instances of fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

V S Mani
Executive Director & Global Chief Financial Officer
DIN: 01082878

Place: Mumbai
Date: 26 June 2020

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Glenmark Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Glenmark Pharmaceuticals Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

For **S. S. Rauthan & Associates**
Company Secretaries
Firm Registration No.:S1999MH026900

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. :434/2016
UDIN: F004807B000386771

Place: Mumbai
Date: 26 June 2020

PRACTICING COMPANY SECRETARY'S CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Members of
Glenmark Pharmaceuticals Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Glenmark Pharmaceuticals Limited having CIN: L24299MH1977PLC019982 and having registered office at B-2 Mahalaxmi Chambers 22 Bhulabhai Desai Road Mumbai – 400026 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	*Date of Appointment
1.	Mr. Glenn Saldanha	00050607	October 12, 1998
2.	Mrs. Cherylann Pinto	00111844	May 16, 2007
3.	Mr. V S Mani	01082878	May 29, 2018
4.	Mr. Rajesh Desai	00007960	May 16, 2002
5.	Dr. Brian W. Tempest	00101235	January 30, 2012
6.	Ms. Sona Saira Ramasastry	08398547	April 01, 2019
7.	Mr. Bernard Munos	05198283	January 30, 2012
8.	Mrs. Blanche Saldanha	00007671	August 14, 2009
9.	Mr. Julio Ribeiro	00047630	August 26, 1999
10.	Mr. Sridhar Gorthi	00035824	April 26, 2005
11.	Mr. Milind Sarwate	00109854	October 29, 2015
12.	Mr. Devendra Raj Mehta	01067895	August 14, 2009

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. S. Rauthan & Associates**
Company Secretaries
Firm Registration No.:S1999MH026900

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807B000387871

Place: Mumbai
Date: 26 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Glenmark Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Glenmark Pharmaceuticals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments in and loans to subsidiaries The Company has investments in subsidiaries of ₹ 46,894.15 million as at 31 March 2020, being carried at cost in accordance with Ind AS 27, Separate Financial Statements. Refer note 5(i)A to the standalone financial statements. Further, the Company has loans receivable of ₹ 71,155.46 million from subsidiaries outstanding as at 31 March 2020. Refer note 5(ii) to the standalone financial statements. The Company has not recorded any impairment loss on the above investments and loans receivable during the year ended 31 March 2020. The Company assesses the recoverable amount of each investment and loan when impairment indicators exist by comparing the Value in Use and carrying amounts of each investment and loan as on the reporting date and reviewing the business plans to determine if there would be sufficient cash flows to repay the loans. The recoverable amount of the aforesaid investment in and loan receivable from each subsidiary has been determined by the management using discounted cash flow ('DCF') valuation method. This assessment is complex and requires estimation and judgment around the assumptions used therein. The key assumptions underpinning management's assessment of the recoverable amounts include but are not limited to projections of future cash flows, revenue growth rates, terminal values, operating profit margins, estimated future operating and capital expenditure, external market conditions and the discount rates. Changes to these assumptions could lead to material changes in estimated recoverable amounts, which might result in impairment of investments and/or loans given to these subsidiaries, owing to underlying estimation as derived above, we determined investments in and loans to subsidiaries as a key audit matter in the current period audit	Our audit included, but was not limited to, the following procedures: • Obtained understanding of management's process for identification of indicators of impairment and tested the design and operating effectiveness of internal controls over such identification and impairment measurement of identified investments and loans; • Reconciled the cash flows to the business plans approved by the respective Board of Directors of each of the subsidiaries; • Assessed the appropriateness of valuation methodologies used by the management, and evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, targeted savings and discount rate, and operating margins, for their appropriateness based on our understanding of the business of the respective subsidiaries, past results and external factors such as industry trends, probability of success of molecules and industry forecasts; • Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit period, terminal growth rate and discount rate; • Tested the mathematical accuracy of the management computations with regard to cash flows and sensitivity analysis; • Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amounts of investments in and loans receivable from respective subsidiaries to evaluate sufficiency of headroom between recoverable values and carrying amounts; • Compared the estimate made in the prior year to the actual performance for the current year; • Involved auditor's experts to assess the appropriateness of the valuation methodologies used by the management to determine the recoverable values; • Evaluated the adequacy and appropriateness of disclosures given in the standalone financial statements in accordance with applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
Inventory existence As at 31 March 2020, the Company held inventories of ₹ 8,375.02 million. Refer note 8 to the standalone financial statements. Inventories mainly consist of raw material, packing material, work in process, stores and spares, stock in trade and finished goods. Due to inherent nature of the business and its widespread reach geographically, inventories are maintained at a number of locations which include plants, loan licensing facilities and warehouses. Due to outbreak of the COVID-19, there has been a lockdown enforced in various geographies near year end and several restrictions were imposed by the respective state governments across the country on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques, as further described in our audit procedures. As a result of the above-mentioned complexities and due to the size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter for the current period audit.	Our audit of existence of inventory included, but was not limited to, the following procedures: • Obtained an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory; • Inspected the instructions given by supervisory teams to the management count teams; • Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory; • Appointed independent auditor's experts for observing inventory counts at certain locations; • Reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; • Obtained direct confirmations from loan licensing units with respect to the existence of the inventories; • Tested that the differences noted in management's physical verification of inventory from book records were adequately adjusted in books of account.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income,

changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. Based on our audit we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

17. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 June 2020 as per Annexure B expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 30 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACB4744
Place: New Delhi
Date: 26 June 2020

Annexure A

Independent Auditor's Report of even date to the members of Glenmark Pharmaceuticals Limited, on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner 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. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification

(iii) The Company has granted loans to wholly owned subsidiaries covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of principal and interest has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount and interest is regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of sales tax and duty of customs, that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income tax, good and services tax, service tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (INR in million)	Amount Paid under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	124.22	-	FY 2004-05 to FY 2009-10	Hon'ble High Court, Mumbai
		5.49	5.49	FY 2007-08	Hon'ble Supreme Court of India
		4.15	-	FY 2013-14	Income Tax Appellate Tribunal
		666.46	-	FY 2009-10 to FY 2015-16	Commissioner of Income Tax Appeal
Goa VAT Act, 2005 Gujarat VAT Act, 2005 West Bengal VAT Act, 2005	Value Added Tax	4.78	-	FY 2012-13 to FY 2014-15	ACCT (A), Goa
		122.01	2.50	FY 2014-15	JCCT (A), Gujarat
		23.63	-	FY 2017-18	ACCT (A), West Bengal
The Central Excise Act, 1994	Duty of Excise	15.75	15.75	FY 2013-14 to FY 2017-18	Jt Secretary, GOI, MOF, Dept of Revenue
		1.58	1.58	FY 2012-13 to FY 2017-18	Commissioner of Central Excise (Appeal)-LTU
		10.86	10.86	FY 2004-2005 to FY 2005-2006	Customs, Excise and Services Tax Appellate Tribunal (CESTAT) -Mumbai
The Finance Act, 1994	Service Tax	4.98	0.37	FY 2012-13 to FY 2014-15	Commissioner of Central Tax (Appeal) – Mumbai – BKC
		179.05	5.07	FY 2005-2006 to FY 2014-2015	Customs, Excise and Services Tax Appellate Tribunal (CESTAT) – Mumbai
The Central Goods and Service Tax Act, 2017	GST	4.25	4.25	FY 2019-20	Hon'ble High Court, Mumbai

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACB4744
Place: New Delhi
Date: 26 June 2020

Annexure B

Independent Auditor's Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Glenmark Pharmaceuticals Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACB4744
Place: New Delhi
Date: 26 June 2020

STANDALONE BALANCE SHEET

(All amounts in million of Indian Rupees, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,688.16	13,081.67
Capital work-in-progress	3	1,524.97	2,091.79
Intangible assets	4	1,431.29	1,053.16
Intangible assets under development	4	475.17	770.16
Financial assets	5		
i. Investments		47,139.29	32,687.52
ii. Loans		71,155.46	62,639.26
iii. Other financial assets		268.80	368.01
Deferred tax assets (net)	6	8,047.35	7,121.33
Other non-current assets	7	546.53	202.54
Total non-current assets		**145,277.02**	**120,015.44**
Current assets			
Inventories	8	8,375.02	9,112.09
Financial assets	9		
i. Trade receivables		18,352.40	20,871.31
ii. Cash and cash equivalents		872.92	2,549.97
iii. Bank balances other than cash and cash equivalents		9.67	14.87
iv. Other financial assets		11,191.99	13,123.42
Other current assets	10	5,436.97	5,739.87
Total current assets		**44,238.97**	**51,411.53**
Total assets		**189,515.99**	**171,426.97**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11 & 12	282.17	282.17
Other equity		131,980.47	119,138.72
Total equity		**132,262.64**	**119,420.89**
LIABILITIES			
Non-current liabilities			
Financial liabilities	13		
i. Borrowings		31,311.66	28,314.52
ii. Other financial liabilities		2,056.51	885.06
Total non-current liabilities		**33,368.17**	**29,199.58**
Current liabilities			
Financial liabilities	14		
i. Borrowings		4,425.97	3,030.30
ii. Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises		748.82	889.07
- Total outstanding dues of other than Micro enterprises and Small enterprises		15,101.71	15,787.57
iii. Other current financial liabilities		2,035.95	1,412.12
Other current liabilities	15	388.25	469.90
Provisions	16	1,024.04	853.30
Current tax liabilities	17	160.44	364.24
Total current liabilities		**23,885.18**	**22,806.50**
Total liabilities		**57,253.35**	**52,006.08**
Total equity and liabilities		**189,515.99**	**171,426.97**

See accompanying notes to the financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in million of Indian Rupees, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Continuing operations			
Income			
Revenue from operations	18	67,126.31	63,048.67
Other income	19	6,067.88	4,756.14
Total income		**73,194.19**	**67,804.81**
Expenses			
Cost of materials consumed	20	22,519.81	15,858.51
Purchases of stock-in-trade	21	3,652.41	3,012.95
Changes in inventories of work-in-process, stock-in-trade and finished goods	22	487.68	4,718.11
Employee benefit expense	23	10,723.27	9,699.80
Finance costs	24	2,563.90	2,238.14
Depreciation and amortisation expense	3 & 4	1,385.38	1,062.79
Other expenses	25	16,700.84	16,484.52
Total expenses		**58,033.29**	**53,074.82**
Profit before exceptional items and tax		**15,160.90**	**14,729.99**
Exceptional items	39	185.54	3,451.85
Profit before tax from continuing operations		**15,346.44**	**18,181.84**
Tax expense	6		
Current tax		2,692.37	3,834.95
Deferred tax		(891.41)	(536.14)
Total Tax expense		**1,800.96**	**3,298.81**
Profit for the year from continuing operations		**13,545.48**	**14,883.03**
Profit before tax from discontinued operations		**-**	**2,028.34**
Tax expense of discontinued operations			
Current tax		-	650.29
Deferred tax		-	39.96
Profit from discontinued operations		**-**	**1,338.09**
Profit for the year		**13,545.48**	**16,221.12**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation	26	(88.83)	(54.38)
- Income tax relating to the above		34.61	19.00
Other comprehensive income / (loss) for the year		**(54.22)**	**(35.38)**
Total comprehensive income for the year		**13,491.26**	**16,185.74**
Earnings per equity share of Re. 1 each for profit from continuing operations	29		
Basic (in ₹)		48.00	52.75
Diluted (in ₹)		48.00	52.75
Earnings per equity share of Re. 1 each for profit from discontinued operations			
Basic (in ₹)		-	4.74
Diluted (in ₹)		-	4.74
Earnings per equity share of Re. 1 each for profit from continuing and discontinued operations			
Basic (in ₹)		48.00	57.49
Diluted (in ₹)		48.00	57.49

See accompanying notes to the financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

(All amounts in million of Indian Rupees, unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at 1 April 2018	
Equity share capital	282.17
- Shares issued during the year	-
Balance as at 31 March 2019	**282.17**
- Shares issued during the year	-
Balance as at 31 March 2020	**282.17**

Refer notes 11 and 12 for details on equity share capital

B Other equity

	Reserves and Surplus						Total
	Securities premium	Capital reserve	Capital redemption reserve	Stock compensation reserve	General reserve	Retained earnings	
Balance as at 1 April, 2019	**16,853.60**	**1.00**	**200.00**	**106.15**	**1,384.18**	**100,593.79**	**119,138.72**
Profit for the period	-	-	-	-	-	13,545.48	**13,545.48**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (refer note 26)	-	-	-	-	-	(54.22)	**(54.22)**
Total comprehensive income for the year	-	-	-	-	-	13,491.26	**13,491.26**
Dividends to equity shareholders (including dividend distribution tax) (refer note 11 & 36)	-	-	-	-	-	(680.34)	**(680.34)**
Employee share based compensation expense (refer note 12(VI))	-	-	-	30.84	-	-	**30.84**
	-	**-**	**-**	**30.84**	**-**	**(680.34)**	**(649.50)**
Balance as at 31 March, 2020	**16,853.60**	**1.00**	**200.00**	**136.99**	**1,384.18**	**113,404.70**	**131,980.47**

(All amounts in million of Indian Rupees, unless otherwise stated)

	Reserves and Surplus						Total
	Securities premium	Capital reserve	Capital redemption reserve	Stock compensation reserve	General reserve	Retained earnings	
Balance as at 1 April, 2018	**16,853.60**	**1.00**	**200.00**	**105.08**	**1,384.18**	**85,088.38**	**103,632.24**
Profit for the period	-	-	-	-	-	16,221.12	**16,221.12**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (refer note 26)	-	-	-	-	-	(35.38)	**(35.38)**
Total comprehensive income for the year	-	-	-	-	-	16,185.74	**16,185.74**
Dividends to equity shareholders (including dividend distribution tax) (refer note 11 & 36)	-	-	-	-	-	(680.33)	**(680.33)**
Employee share based compensation expense (refer note 12(VI))	-	-	-	1.07	-	-	**1.07**
	-	**-**	**-**	**1.07**	**-**	**(680.33)**	**(679.26)**
Balance as at 31 March, 2019	**16,853.60**	**1.00**	**200.00**	**106.15**	**1,384.18**	**100,593.79**	**119,138.72**

See accompanying notes to the financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

STANDALONE STATEMENT OF CASH FLOWS

(All amounts in million of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Profit before tax from		
	- Continuing operations	15,346.44	18,181.84
	- Discontinued operations	-	2,028.34
	Adjustments for:		
	Depreciation and amortisation expenses	1,385.38	1,247.05
	Finance costs	2,563.90	2,238.14
	Interest income	(3,060.55)	(2,106.44)
	Income from investments - dividends	(7.00)	(7.03)
	Loss on sale of Property, plant and equipments	10.51	9.08
	Employee share based compensation expense	30.84	1.07
	Investment written off	12.45	-
	Fair valuation of Investment	0.68	-
	Provision for bad and doubtful debts/ expected credit losses	149.00	295.00
	Provision for gratuity and compensated absence	199.65	206.18
	Provision for sales returns	-	80.00
	Exceptional item (Refer note 39)	(185.54)	(3,451.85)
	Gain on extinguishment of FCCB liability	-	(153.72)
	Unrealised foreign exchange (gain)	(2,171.16)	(1,904.98)
	Operating profit before working capital changes	**14,274.60**	**16,662.68**
	Adjustments for changes in working capital :		
	- Decrease in trade receivables	3,046.15	13,903.66
	- (Increase)/Decrease in other receivables	2,591.98	(499.42)
	- Decrease/(Increase) in inventories	(33.02)	(4,913.55)
	- Increase/(Decrease) in trade and other payables	(695.06)	3,727.11
	Cash generated from operations	**19,184.65**	**28,880.48**
	- Taxes paid (net of refunds)	(3,393.47)	(3,984.65)
	Net cash generated from operating activities	**15,791.18**	**24,895.83**
B.	**Cash flow from investing activities**		
	Purchase of Property,plant and equipment and Intangible assets (including Capital work in progress)	(1,191.99)	(2,448.12)
	Proceeds from sale of Property,plant and equipment and Intangible assets and business*	1,151.54	6,227.20
	Investments in subsidiaries	(109.40)	(169.31)
	Other investment (made)/repayment received	50.13	(150.00)
	Loans to subsidiaries (net)	(19,764.92)	(26,645.22)
	(Increase)/decrease in bank deposits and margin money	40.77	(53.85)
	Share application money paid	(73.86)	(144.62)
	Interest received	3,816.90	820.84
	Dividend received	7.00	7.03
	Net cash used in investing activities	**(16,073.83)**	**(22,556.05)**

(All amounts in million of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
C.	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	-	6,695.81
	Buy back of long-term borrowings (FCCB)	-	(5,884.48)
	Proceeds from short-term borrowings (net)	1,231.08	117.36
	FCCB premium paid on repurchase	-	(318.85)
	Interest paid	(1,677.32)	(1,482.09)
	Dividend paid (including dividend distribution tax)	(685.54)	(678.81)
	Payment of lease liability (with interest)	(262.38)	-
	Net cash (used in) from financing activities	**(1,394.16)**	**(1,551.06)**
	Net (decrease) / increase in cash and cash equivalents	**(1,676.81)**	**788.72**
	Opening balance of cash and cash equivalents	**2,549.97**	**1,760.47**
	Exchange fluctuation on cash and cash equivalent	(0.24)	1.59
	Cash balance transferred to Discontinued operations	-	(0.81)
	Closing balance of cash and cash equivalents	**872.92**	**2,549.97**
	Cash and cash equivalents comprise of :		
	Cash on hand	13.10	7.69
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	859.82	2,542.28
		872.92	**2,549.97**

Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.

2 Figures in bracket indicate cash outflow.

3 Loan given to subsidiary amounted to ₹ 14,322.12 (2019 - ₹ Nil) converted into Investment during the year (refer note 27)

4 Non cash activities : settlement of proceeds from sale of discontinued operation (Refer note 40)

5 Reconciliation of Financing Activities

Particulars	As at 31 March 2019	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference	As at 31 March 2020
Long term borrowings	28,314.52	-	-	806.11	2,191.03	31,311.66
Short term borrowings	3,030.30	1,231.08	-	-	164.59	4,425.97

6 * Includes proceeds from sale of business (Refer note 39)

See accompanying notes to the financial statements.
As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 1 – Background Information and Summary of Significant Accounting Policies

1. Company Information

Glenmark Pharmaceuticals Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400026, India.

The Company is primarily engaged in the business of development, manufacture and marketing of pharmaceutical products. The Company's research and development facilities are located at Mahape, Sinnar, Turbhe and Taloja in India and manufacturing facilities are located at Nasik, Colvale, Baddi, Nalagarh, Sikkim, Indore and Aurangabad.

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

2. Basis Of Preparation, Measurement And Summary Of Significant Accounting Policies

2.1 The standalone financial statements (financial statements) of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

The preparation of these financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in 3 and 3.1.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including investments), defined benefit plans, plan assets and share-based payments.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, Presentation of Financial Statements.

2.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value

(All amounts in million of Indian Rupees, unless otherwise stated)

measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.3 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gain/loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognised in the statement of profit and loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

2.4 Revenue recognition

The Company applies principles provided under Ind AS 115 'Revenue from contracts with customers' which provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical and consumer healthcare products. The average duration of a sales order is less than 12 months.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored

(All amounts in million of Indian Rupees, unless otherwise stated)

and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Company enters into development and marketing collaborations and out-licences of the Company's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties. Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached.

Sales-based royalties on a licence of intellectual property are not recognised until the relevant product sale occurs. If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates.

Goods and Service Tax and other value added taxes are excluded from revenue.

2.5 Property, plant and equipment

Recognition and measurement

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

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The below given useful lives best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(All amounts in million of Indian Rupees, unless otherwise stated)

The estimated useful lives are as follows:

Factory and other buildings	26 - 61 years
Plant and machinery	1 – 21 years
Furniture, fixtures and office equipment	1 – 10 years
Vehicles	1– 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.6 Borrowing costs

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

2.7 Intangible assets

Research and development

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as incurred.

The Company's internal drug development expenditure is capitalised only if they meet the recognition criteria as mentioned above. Where uncertainties exist that the said criteria may not be met, the expenditure is recognised in the statement of profit and loss as incurred. Where the recognition criteria are met, intangible assets are recognised. Based on the management estimate of the useful lives, indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised on a straight-line basis, over their useful economic lives from when the asset is available for use. During the periods prior to their launch, these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

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

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to

(All amounts in million of Indian Rupees, unless otherwise stated)

impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Other intangible assets

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

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

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

Amortisation

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

The estimated useful lives of intangible assets are 1 - 10 years.

2.8 Impairment Testing of property, plant and equipment, and intangible assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

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

2.9 Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

(All amounts in million of Indian Rupees, unless otherwise stated)

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

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

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

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

(All amounts in million of Indian Rupees, unless otherwise stated)

in the statement of profit and loss and presented net in the statement of profit and loss within other income/expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments other than those elected to be at cost under Ind AS 27 at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

Interest income from financial assets

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

2.10 Financial liabilities

Non derivative financial liabilities include trade and other payables.

(All amounts in million of Indian Rupees, unless otherwise stated)

Company present the hybrid contract in balance sheet as a single contractual arrangement. The embedded derivative component is classified as at FVTPL for measurement purposes; the host contract, as a financial liability is measured at amortised cost using the effective interest method.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

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

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

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

2.11 Inventories

Inventories of finished goods, stock in trade, work in process, consumable stores and spares, raw material, packing material are valued at cost or net realisable value, whichever is lower. Cost of inventories is determined on a weighted moving average basis. Cost of work-in-process and finished goods include the cost of materials consumed, labour, manufacturing overheads and other related costs incurred in bringing the inventories to their present location and condition.

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

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

2.12 Accounting for income taxes

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

(All amounts in million of Indian Rupees, unless otherwise stated)

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

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

2.13 Leases

Applicable upto 31 March 2019

Under Ind AS 17, At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

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

Land acquired on long term leases

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

Operating leases

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

(All amounts in million of Indian Rupees, unless otherwise stated)

Applicable with effect from 1 April 2019

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer note 31)

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for

(All amounts in million of Indian Rupees, unless otherwise stated)

short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.14 Equity

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

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

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

2.15 Employee benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

Defined benefit plans

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

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

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

Defined benefit costs are recognised as follows:

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

(All amounts in million of Indian Rupees, unless otherwise stated)

- Remeasurement of the net defined benefit liability/(asset) in other comprehensive income

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

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

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

Compensated leave of absence

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

Termination benefits

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

2.16 Provisions, contingent liabilities and contingent assets

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

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

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

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

Contingent assets are not recognised.

(All amounts in million of Indian Rupees, unless otherwise stated)

2.17 Share based compensation

All employee services received in exchange for the grant of any equity-settled share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is ultimately recognised as an expense in the statement of profit and loss with a corresponding credit to equity (Stock compensation reserve). If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to expense recognised in prior periods if fewer share options are ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities premium.

2.18 Discontinued Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

3. Critical Accounting Estimates and Significant Judgement in Applying Accounting Policies

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

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

Leases

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised

(All amounts in million of Indian Rupees, unless otherwise stated)

- considering whether or not it is reasonably certain that a termination option will not be exercised

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate
- estimating the lease term

Deferred tax

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

Research and developments costs

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

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

Estimation Uncertainty

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

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

Useful lives of various assets

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

Post-employment benefits

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

Fair value of financial instruments

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

(All amounts in million of Indian Rupees, unless otherwise stated)

Impairment

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

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

Current and deferred income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Expected credit loss

"The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i Trade receivables.

ii Financial assets measured at amortised cost other than trade receivables."

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

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

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

Note 2 - Recent accounting pronouncements (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 3- Property, Plant and Equipment

Note 3.1 Property, plant and equipment other than right-of-use asset comprise the following:

Particulars	Freehold land	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2019	**50.27**	**256.11**	**4,825.45**	**696.95**	**11,535.94**	**1,050.04**	**200.08**	**56.84**	**18,671.68**	**2,091.79**
- Acquisitions	-	-	253.93	3.75	1,328.14	32.92	21.60	-	1,640.34	608.55
- Disposals/ Transfers	-	-	(9.15)	-	(21.27)	(0.58)	(1.58)	-	(32.58)	(1,175.37)
Balance as at 31 March 2020	**50.27**	**256.11**	**5,070.23**	**700.70**	**12,842.81**	**1,082.38**	**220.10**	**56.84**	**20,279.44**	**1,524.97**
Accumulated Depreciation										
Balance as at 1 April 2019	**-**	**37.78**	**601.21**	**123.28**	**3,947.43**	**698.78**	**152.72**	**28.81**	**5,590.01**	
- Depreciation charge for the year	-	3.94	87.61	12.17	717.21	66.83	16.53	6.45	910.74	
- Disposals/ Transfers	-	-	(1.54)	-	(16.78)	(0.58)	(1.53)	-	(20.43)	
Balance as at 31 March 2020	**-**	**41.72**	**687.28**	**135.45**	**4,647.86**	**765.03**	**167.72**	**35.26**	**6,480.32**	
Carrying value										
As at 1 April 2019	50.27	218.33	4,224.24	573.67	7,588.51	351.26	47.36	28.03	13,081.67	2,091.79
As at 31 March 2020	**50.27**	**214.39**	**4,382.95**	**565.25**	**8,194.95**	**317.35**	**52.38**	**21.58**	**13,799.12**	**1,524.97**

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant and Equipment	Furniture and fixture	Office Equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2018	**50.27**	**405.18**	**5,477.00**	**671.73**	**13,969.47**	**1,080.77**	**199.40**	**57.03**	**21,910.85**	**3,540.42**
- Acquisitions	-	-	990.06	29.17	1,729.64	143.60	24.19	16.27	2,932.93	1,153.82
- Disposals/Transfers*	-	(149.07)	(1,641.61)	(3.95)	(4,163.17)	(174.33)	(23.51)	(16.46)	(6,172.10)	(2,602.45)
Balance as at 31 March 2019	**50.27**	**256.11**	**4,825.45**	**696.95**	**11,535.94**	**1,050.04**	**200.08**	**56.84**	**18,671.68**	**2,091.79**
Accumulated Depreciation										
Balance as at 1 April 2018	**-**	**59.55**	**686.59**	**112.12**	**4,396.23**	**701.11**	**150.63**	**38.13**	**6,144.36**	
- Depreciation charge for the year	-	6.31	93.37	11.88	818.61	90.72	16.25	6.13	1,043.27	
- Disposals/Transfers*	-	(28.08)	(178.75)	(0.72)	(1,267.41)	(93.05)	(14.16)	(15.45)	(1,597.62)	
Balance as at 31 March 2019	**-**	**37.78**	**601.21**	**123.28**	**3,947.43**	**698.78**	**152.72**	**28.81**	**5,590.01**	
Carrying value										
As at 1 April 2018	50.27	345.63	4,790.41	559.61	9,573.24	379.66	48.77	18.90	15,766.49	3,540.42
As at 31 March 2019	**50.27**	**218.33**	**4,224.24**	**573.67**	**7,588.51**	**351.26**	**47.36**	**28.03**	**13,081.67**	**2,091.79**

- Refer note 14(i) for details of assets pledged against borrowings.
- Addition to Property, Plant and Equipment includes capital expenditure of ₹163.71 (2019 - ₹ 135.62) incurred at approved R&D centres.
- Additions include borrowing costs capitalised of ₹ 27.63 (2019 - ₹ 50.90). The borrowing costs have been capitalised at a weighted average rate of 5.40% (2019 - 5.24%) .
- * Previous year disposals include assets transferred as part of the sale of Active Pharmaceutical Ingredients (API) business to its wholly owned subsidiary, Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited) (Refer note 40)

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 3.2 - Right-of-Use Asset

The Company implemented the new standard on 1 April 2019, and applied the modified retrospective method, with right-of-use assets measured at an amount equal to the lease liability, adjusted by the amount of the prepaid or accrued lease payments relating to those leases recognised in the balance sheet immediately before the date of initial application and will not restate prior years (refer note 31).

Below are the carrying amounts of right-of-use assets recognised and the movements during the year.

Particulars	Other Building	Total
Cost		
Balance as at 1 April 2019	**-**	**-**
- Adjustment on transition to Ind AS 116	1,021.03	1,021.03
- Additions	97.61	97.61
- Disposals/transfers	(0.65)	(0.65)
Balance as at 31 March 2020	**1,117.99**	**1,117.99**
Amortisation and impairment		
Balance as at 1 April 2019	**-**	**-**
- Depreciation charge for the year	228.95	228.95
- on disposals/transfers	-	-
Balance as at 31 March 2020	**228.95**	**228.95**
Carrying value		
As at 1 April 2019	-	-
As at 31 March 2020	**889.04**	**889.04**

Note 4- Intangible Asset

Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	**1,415.46**	**2,513.87**	**3,929.33**	**770.16**
- Additions	120.86	502.96	623.82	60.81
- Disposals/transfers	-	-	-	(355.80)
Balance as at 31 March 2020	**1,536.32**	**3,016.83**	**4,553.15**	**475.17**
Amortisation and impairment				
Balance as at 1 April 2019	**981.12**	**1,895.05**	**2,876.17**	
- Amortisation for the year	192.87	52.82	245.69	
- on disposals/transfers	-	-	-	
Balance as at 31 March 2020	**1,173.99**	**1,947.87**	**3,121.86**	**-**
Carrying value				
As at 1 April 2019	434.34	618.82	1,053.16	770.16
As at 31 March 2020	**362.33**	**1,068.96**	**1,431.29**	**475.17**

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2018	**1,346.77**	**2,559.88**	**3,906.65**	**656.33**
- Additions	98.06	-	98.06	119.76
- Disposals/transfers	(29.37)	(46.01)	(75.38)	(5.93)
Balance as at 31 March 2019	**1,415.46**	**2,513.87**	**3,929.33**	**770.16**
Amortisation and impairment				
Balance as at 1 April 2018	**788.70**	**1,893.22**	**2,681.92**	**-**
- Amortisation for the year	201.95	1.83	203.78	-
- on disposals/transfers	(9.53)	-	(9.53)	-
Balance as at 31 March 2019	**981.12**	**1,895.05**	**2,876.17**	**-**
Carrying value				
As at 1 April 2018	558.07	666.66	1,224.73	656.33
As at 31 March 2019	**434.34**	**618.82**	**1,053.16**	**770.16**

At the year end, the intangibles being product development/brands with indefinite or indeterminable lives were tested for impairment based on conditions at that date. In performing the impairment testing management considers various factors such as the size of the target market, competition, future possible price/volume erosion.

The recoverable amount of each assets/CGU was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each assets/CGU is determined by applying a suitable discount rate.

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates in the foreseeable future. The terminal growth rate is 2% (2019- 2%).

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the assets/CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimates of recoverable amount are particularly sensitive to the discount rate. If the discount rate used is increased by 1%, it would have no impact on the impairment testing.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset/ CGU. The present value of the expected cash flows of each asset is determined by applying a discount rate in the range of 10% to 12%.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 5 - Non-Current Financial Assets

(i) INVESTMENTS

Particulars		As at 31 March 2020	As at 31 March 2019
Unquoted			
(A)	**Equity shares**		
(a)	**Investments in subsidiary companies - carried at cost**		
a)	Glenmark Impex LLC, Russia	1,435.61	1,435.61
	[577,767,277 (2019 -577,767,277) shares of RUB 1 each]		
b)	Glenmark Philippines Inc., Philippines	116.70	116.70
	[640,490 (2019-640,490) shares of Pesos 200 each]		
c)	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	208.97	208.97
	[645,114,304 (2019-645,114,304) shares of Naira 1 each]		
d)	Glenmark Pharmaceuticals Malaysia Sdn.Bhd.,Malaysia	97.72	97.72
	[5,686,618 (2019 -5,686,618) shares of RM 1 each]		
e)	Glenmark Holding S. A., Switzerland	39,002.83	24,680.71
	[442,239,894 (2019 - 242,239,894) shares of CHF 1 each]		
f)	Glenmark Pharmaceuticals (Australia) Pty.Ltd., Australia.	72.48	72.48
	[2,119,002 (2019 - 2,119,002) shares of AUD 1 each]		
g)	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	421.74	421.74
	[55,426,520 (2019 - 55,426,520) shares of EGP 1 each]		
h)	Glenmark Pharmaceuticals FZE (U.A.E)	12.92	12.92
	[1 (2019 -1) shares of AED 1,000,000 each]		
i)	Glenmark Dominicana, SRL, Dominican Republic	0.19	0.19
	[153 (2019 -153) shares of RD 1000 each]		
j)	Glenmark Pharmaceuticals (Kenya) Limited, Kenya	97.18	97.18
	[1,560,400 (2019 - 1,560,400) shares of KES 100 each]		
k)	Glenmark Pharmaceuticals Venezuela, CA, Venezuela	715.13	715.13
	[169,954,890 (2019 -169,954,890) shares of Bolivar 1 each]		
	less: Provision for impairment	(715.13)	(715.13)
l)	Glenmark Pharmaceuticals Colombia SAS, Colombia	432.16	319.93
	[191,983 (2019 - 157,759) shares of COP 1000 each]		
m)	Glenmark Pharmaceuticals Peru SAC, Peru	662.19	662.19
	[32,993,168 (2019 -32,993,168) shares of PEN 1 each]		
n)	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	1,695.29	1,695.29
	[404,975,500 (2019 -404,975,500) shares of Mexican peso 1 each]		
o)	Glenmark Therapeutics AG, Switzerland	-	12.59
	[Nil (2019 -200,000) shares of CHF 1 each]		
p)	Glenmark Pharmaceuticals Europe Ltd., U.K.	578.23	578.23
	[6,285,121 (2019-6,285,121) shares of GBP 1 each]		
q)	Glenmark South Africa (Pty) Ltd., South Africa	1,044.20	1,044.20
	[113,656 (2019- 113,656) shares of ZAR 1 each]		
r)	Glenmark Uruguay S.A., Uruguay	774.53	774.53
	[201,240,258 (2019- 201,240,258) shares of UYU 1 each]		
s)	Glenmark Pharmaceuticals (Thailand) Co.Ltd., Thailand	3.72	3.72
	[26,215 (2019 - 26,215) Ordinary shares of THB 100 each]		
t)	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	189.46	108.77
	[2,839,600 (2019- 1,689,800) shares of USD 1 each]		
u)	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	32.73	32.73
	[650,010 (2019- 650,010) shares of SGD 1 each]		
v)	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	15.30	15.30
	[1,960,090 (2019- 1,960,090)equity shares of ₹10 each]		

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
(b) Other investments		
a) 213,032 (2019 - 213,032) Equity Shares of Narmada Clean Tech Ltd. of ₹10 each. **(FVTPL)**	2.13	2.13
b) 1 (2019 - 1) Time Share of Dalmia Resorts Limited **(FVTPL)**	0.02	0.02
c) 15,000,000 (2019- 15,000,000) Equity Shares of Integrace Private Limited of ₹ 10 each **(FVOCI)**	150.00	150.00
(B) Preference shares		
(a) Investment in subsidiary - carried at cost		
2 Preference shares of THB 100 each (2019 - 2) of Glenmark Pharmaceuticals (Thailand) Co.Ltd.*	-	-
(b) Other investments		
(a) 1,176,471(2019 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc of USD 0.85 each **(FVTPL)**	42.65	42.65
(b) 500,000 (2019 -1,000,000) 7% cumulative preference shares of ₹ 100 each fully paid up of Marksans Pharma Ltd **(at amortised cost)**	50.00	100.00
(C) Investment in government securities		
National Savings Certificate -Sixth Issue **(at amortised cost)**	0.02	0.02
Total	**47,138.97**	**32,686.52**
Quoted		
(D) Equity shares (FVTPL)		
9,000 (2019 - 9,000) Bank of India of ₹10 each	0.30	0.94
1,209 (2019 - 1,209) IDBI Bank Limited of ₹10 each	0.02	0.06
	0.32	**1.00**
Total	**47,139.29**	**32,687.52**
*amount denotes less than Rupees ten thousand.		
Aggregate carrying value of quoted investment	0.32	1.00
Aggregate market value of quoted investment	0.32	1.00
Aggregate carrying value of unquoted investment	47,138.97	32,686.52
Aggregate amount of impairment in value of investment in unquoted equity shares	-	-

Note - The fair values of investments in equity and preference shares being carried at ₹ 194.80 (2019 - ₹ 194.80) cannot be reliably determined and therefore the company is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

(ii) Loans

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Loans to related parties (Refer note 27 and 32)	71,155.46	62,639.26
Total	**71,155.46**	**62,639.26**

(iii) Other non-current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Security deposits considered good*	244.48	227.65
Bank deposit including margin money	24.32	140.36
Total	**268.80**	**368.01**

*Security deposits represent rental, utility and trade deposits given in the normal course of business realisable after twelve months from the reporting date.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 6 - Taxes

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax expense	2,692.37	4,485.24
Deferred income tax expense/ (benefit)	(840.47)	(518.31)
Minimum Alternate Tax (MAT) Credit (Entitlement)/ utilisation	(50.94)	22.13
Total	**1,800.96**	**3,989.06**

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') Issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The Company upon the amendment made an assessment of the Impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and other exemptions. The Company has also re-measured its deferred tax liability following the clarification issued by Technical Implementation Group of Ind AS implementation Committee by applying the lower tax rate in measurement of deferred taxes only to extent that the deferred tax liabilities are expected to be reversed in the period during which it expects to be subject to lower tax rate.

The relationship between the expected tax expense based on the applicable tax rate of the Company and the tax expense actually recognised in the statement of profit and loss can be reconciled as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Income tax expense at tax rates applicable	**5,362.66**	**7,062.25**
Tax adjustment for tax-exempt income		
- Income exempt from tax	(2,209.02)	(1,916.34)
Other tax adjustments		
- Additional deduction for research and development expenditure	(556.45)	(620.44)
- Lower tax rate for capital gain on Slump Sale of business	(533.86)	(615.86)
- Disallowance of donation/corporate social responsibility expenses	85.93	96.75
- Disallowed expenses	114.53	120.85
- Other allowances / disallowances (net)	(462.83)	(138.15)
Actual tax expense (net)	**1,800.96**	**3,989.06**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	As at 31 March 2019	Recognised in statement of profit and loss related to continuing operations	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
Provision for credit losses	885.09	52.07	-	937.16
MAT credit entitlement	9,437.39	50.94	-	9,488.33
Difference in right-of-use asset and lease liabilities	-	18.12		18.12
Accruals deductible on actual payment	309.83	25.32	34.61	369.76
Total	**10,632.31**	**146.45**	**34.61**	**10,813.37**
Deferred tax liabilities				
Difference in depreciation on property, plant and equipment	2,133.14	(354.24)	-	1,778.90
Other taxable temporary differences	1,377.84	(390.72)	-	987.12
Total	**3,510.98**	**(744.96)**	**-**	**2,766.02**
Net deferred income tax asset	**7,121.33**	**891.41**	**34.61**	**8,047.35**

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2018	Recognised in statement of profit and loss related to continuing operations	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
Provision for credit losses	774.50	110.59	-	885.09
MAT credit entitlement	9,459.52	(22.13)	-	9,437.39
Accruals deductible on actual payment	330.44	(39.61)	19.00	309.83
Total	**10,564.46**	**48.85**	**19.00**	**10,632.31**
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	2,496.02	(362.88)	-	2,133.14
Other taxable temporary differences	1,462.29	(84.45)	-	1,377.84
Total	**3,958.31**	**(447.33)**	**-**	**3,510.98**
Net deferred income tax asset	**6,606.15**	**496.18**	**19.00**	**7,121.33**

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income including taxable temporary differences in the future periods are reduced.

Total Advance tax in the books of the Company is ₹10,358.98 (net of provision ₹9,884.37) and Provision for tax is ₹6,190.69 (net of advance tax ₹6,030.25).

Note 7 - Other Non-Current Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances and others	546.53	202.54
Total	**546.53**	**202.54**

Note 8 - Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw material	4,904.85	5,090.56
Packing material	1,562.57	1,600.96
Work-in-process	767.12	766.36
Stores and spares	567.10	592.39
Finished goods	557.18	988.89
Stock-in-trade	16.20	72.93
Total	**8,375.02**	**9,112.09**

Refer note 14(i) for hypothecation of stocks of raw materials, packing materials, finished goods and work-in-process

Inventory write down are accounted, considering the nature of inventory, ageing of inventory as well as provisioning policy of the company.

The Company recorded inventory write down of ₹ 1,020.52 (2019 - ₹ 597.65). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-process and stock -in- trade in the statement of profit and loss as the case may be.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 9 - Current Financial Assets

(i) Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good * (Refer note 35)	18,352.40	20,871.31
Considered doubtful #	2,681.90	2,532.90
Allowance for doubtful debts/ expected credit losses #	(2,681.90)	(2,532.90)
Total	**18,352.40**	**20,871.31**
* Includes amount receivable from related parties (Refer note 32(b))	9,343.92	14,735.73
# Includes amount receivable from related party (Refer note 32(b))	1,558.20	1,558.20

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹149.00 (2019 - ₹ 295.00) has been recorded. The movement in the expected credit losses is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	2,532.90	2,237.90
Provision for credit losses during the year (net)	149.00	295.00
Closing balance	**2,681.90**	**2,532.90**

(ii) Cash and Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	859.82	2,542.28
Cash on hand	13.10	7.69
Total	**872.92**	**2,549.97**

(iii) Bank Balances Other than Cash and Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Other bank balance - Dividend accounts (Refer note 1 below)	9.67	14.87
Total	**9.67**	**14.87**

Note 1 - Dividend accounts represent balances maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividends. The corresponding liability for payment of dividends is included under other current financial liability in note 14(iii).

(iv) Other Current Financial Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits-unsecured, considered good (Refer note 1 below)	116.85	110.92
Receivable from subsidiary against business sale (Refer note 40)	10,591.57	11,621.94
Export incentives	403.09	1,217.27
Bank deposit including margin money	80.48	-
Other receivables (unsecured)	-	173.29
Total	**11,191.99**	**13,123.42**

Note 1 - Security deposits represent rental and trade deposits given in the normal course of business realisable within twelve months from the reporting date.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 10 - Other Current Assetss

Particulars	As at 31 March 2020	As at 31 March 2019
Advances recoverable in kind (unsecured)	1,979.38	1,594.90
Input taxes receivable	2,469.62	2,902.44
Advances to vendors	715.45	956.18
Prepaid expenses	126.90	131.07
Other assets	145.62	155.28
Total	**5,436.97**	**5,739.87**

Note 11 - Equity and Reserves

a) Ordinary shares

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

The Company has an authorised share capital of 2,370,000,000 equity shares of Re.1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits in accordance with the regulations. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. Dividend tax is borne by the Company.

The Company had declared dividend payout of ₹ 2.50/- per share (2019 - ₹ 2/- per share)

c) Reserves

Securities premium reserve – The amount received by the Company over and above the face value of shares issued is shown under this head.

Capital redemption reserve – The capital redemption reserve had been created as per the requirement of earlier provisions of Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders.

General reserve - The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained earnings – Accumulated earnings include all current and prior period profits as disclosed in the statement of profit and loss.

Stock compensation reserve - Stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in statement of profit and loss and is credited to the reserve. Upon exercise of options, such reserves are reclassified to equity share capital at the nominal capital value and excess through securities premium as the case may be.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 12 - Equity Share Capital

	Share capital	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	Amount	No. of Shares	Amount
(I)	**Authorised**				
	Equity Shares of ₹ 1 each	2,370,000,000	2,370.00	2,370,000,000	2,370.00
	Cumulative redeemable non-convertible preference shares of ₹ 100 each	4,000,000	400.00	4,000,000	400.00
	Issued, subscribed and fully paid-up equity shares of Re 1 each				
	At the beginning of the year	282,168,156	282.17	282,168,156	282.17
	Add: Issued during the year	-	-	-	-
	At the end of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**

(II)	List of shareholders holding more than 5 % shares	As at 31 March 2020		As at 31 March 2019	
		% of Holding	No. of Shares	% of Holding	No. of Shares
	Saldanha Family Trust	45.45	128,241,936	45.45	128,241,936

(III) As at 31 March 2020, Pursuant to Employee Stock Options Scheme 2016, 445,913 options were outstanding, which upon exercise are convertible into equivalent number of equity shares.

(IV) Right, Preference and restriction on shares

The Company presently has only one class of ordinary equity shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary equity shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

(V) In the period of five years immediately preceeding 31 March 2020, the Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

(VI) Employee Stock Option Scheme 2016 (ESOS)

The Company has formulated an Employee Stock Option Scheme 2016 ('ESOS') namely ESOS 2016 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 6 years from the date of grant depending on the terms of the grant. The grants are made at the market price of the equity shares of the Company on either the date of the grant or the closing price of the date prior to the day of the grant or the price decided by the Nomination & Remuneration Committee of the Board. Pursuant to ESOS 2016, 445,913 options were outstanding as at 31 March 2020, which upon exercise are convertible into equivalent number of equity shares. Employee stock compensation charged during the year is ₹30.84 (2019 -₹1.07).

(All amounts in million of Indian Rupees, unless otherwise stated)

The aggregate share options and weighted average exercise price under the above mentioned plan are as follows:

	2020		2019	
	Number	weighted average price (₹)	Number	weighted average price (₹)
Outstanding at the beginning of the year	459,414	387.34	569,686	460.47
Granted during the year	20,000	28.55	111,666	169.53
Forfeited during the year	(33,501)	479.48	(221,938)	465.47
Exercised during the year	-	-	-	-
Outstanding at the end of the year	445,913	364.32	459,414	387.34

All of the above options outstanding as of 31 March 2020 are unvested.

All share based employee payments would be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The fair value of options granted are determined using the Black-Scholes valuation model. Significant inputs into the calculation are:

Particulars	As at 31 March 2020	As at 31 March 2019
Share price (₹)	600	600
Exercise price (₹)	600	600
Weighted average volatility rate	50%	33%
Dividend payout	200%	200%
Risk free rate	6.45%	7.60%
Average remaining life	1-40 months	1-28 months

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

Note 13 - Non-Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured loans (at amortised cost)		
Foreign currency convertible bonds (FCCB)	9,644.58	8,275.05
Senior notes	14,878.82	13,743.39
ECB facility	6,788.26	6,296.08
Total long-term borrowings	**31,311.66**	**28,314.52**

In the year 2016, the Company had issued U.S. $ 200,000,000 2.00% Resettable Onward Starting Equity-linked Securities (Bonds) and U.S.$ 200,000,000 4.5% Senior Notes (Notes), the brief description of the same is provided herein below:

(All amounts in million of Indian Rupees, unless otherwise stated)

U.S. $ 200,000,000, 2.00 % Resettable Onward Starting Equity-linked Securities (Bonds):

The Company had issued Bonds on 28 June 2016. The Bonds become convertible at the option of the holders' of the Bonds (the "Bondholders") after 1 December 2017 and upto the close of business on 18 June 2022 into equity shares. Each Bond will be convertible at the option of the holder thereof into fully paid equity shares at the initial conversion price determined on 30 November 2017. On 30 November, 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds (subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2020, none of the Bondholders have opted for the conversion option.

On 30 November, 2017, the Company confirmed the fixed exchange rate as INR 64.5238 in accordance with the condition 6.1.1 (b) of the Trust Deed dated 28 June 2016 which provides that the fixed exchange rate shall be the FX rate (INR per US$ 1) based on Bloomberg's "BFIX" USD/INR spot mid price rate 12.00 (Hongkong time) on 30 November 2017.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 28 June 2022 (Maturity Date) at 126.42% of their principle amount, together with accrued interest (if any), calculated upto but excluding the Maturity Date. The Company may, at its own discretion, redeem the Bonds in whole, but not in part, subject to satisfaction of certain conditions.

Each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021, at a price equal to 121.78% of its outstanding principle amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021.

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially repurchased in October 2018 (see note below on repurchase)

Buy back of the Company's U.S.$200,000,000 2.00 % resettable onward starting equity-linked securities due 2022:

In September 2018, The Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders") and MUFG Securities Asia Limited and J. P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to repurchase FCC Bonds at a repurchase price of 105% of the principle amount outstanding (being U.S.$ 262,500 for each U.S$ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S.$ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, The Company agreed to buyback U.S.$ 86.5mn in aggregate principle amount (representing 346 FCC Bonds in number of U.S$ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S.$ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, U.S.$ 113.5mn in aggregate principle amount of FCC Bonds remained outstanding. The Company undertook repurchase to monetize the opportunity available to reduce the external debt. FCCBs bought back were cancelled by the Company. The remaining FCC Bonds that have not been bought back by the Company remains outstanding. The Company utilised proceeds from an unsecured external commercial borrowing facility of up to U.S.$100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance such FCC Bonds. The Company has obtained a loan registration number ("LRN") from the Reserve Bank of India in this respect.

(All amounts in million of Indian Rupees, unless otherwise stated)

U.S. $ 200,000,000, 4.5% Senior Notes (Notes) :

The Company issued Notes on 1 August 2016. The Notes will mature on 2 August 2021.

The interest on Notes will be payable semi-annually in arrears on 1 February and 1 August each year. The final interest payment and the payment of principle will occur on 2 August 2021.

The Notes are redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company, at its discretion, may redeem all or a portion of the Notes at a redemption price equal to 100% of the principle amount, plus the applicable redemption premium, and accrued and unpaid interest and additional amounts, if any

The Notes are listed on the Singapore stock exchange.

U.S. $ 90,825,000, ECB Facility (Notes) :

Company has obtained loan registration number ("LRN") from RBI to raise an ECB Facility to the extent of US$ 100 Mn. In October 2018, the Facility for US$ 90,825,000 was raised and the proceeds were utilized for the purpose of repurchasing the FCC Bonds. The ECB Facility was raised from MUFG Bank Singapore with a maturity of 5 years. The interest rate for the first 3 years is 4.956% p.a and the interest for the subsequent 2 years is 5.25% p.a

Maturity profile of non-current borrowings

Year ending 31 March	As at 31 March 2020	As at 31 March 2019
2022	14,948.00	13,864.20
2023	12,504.84	11,003.30
2024	4,072.96	3,777.65

As per the loan arrangement, the Company is required to comply with certain financial covenants and the Company was in compliance with such covenants as at 31 March 2020.

(ii) Other Non-Current Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits from customers	1,346.42	885.06
Lease liability (Refer note 31)	710.09	-
Total	**2,056.51**	**885.06**

Note 14 - Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Secured loans		
Loans repayable on demand from banks	-	61.12
Unsecured loans		
From banks	4,425.97	2,969.18
Total	**4,425.97**	**3,030.30**

(All amounts in million of Indian Rupees, unless otherwise stated)

Secured loans includes working capital facilities, secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets at certain locations.

Unsecured loans includes working capital facilities and other short term credit facilities

The Company has borrowed secured/unsecured loans at interest rates ranging between 1.61% - 8.95% p.a.

The Company has not defaulted on repayment of secured /unsecured loans and interest during the year.

(ii) Trade Payables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006 [Refer note (i) below]	748.82	889.07
Trade payables outstanding dues to creditors other than micro, small and medium enterprises	11,801.96	13,968.89
Trade payables to related party (Refer note 27 and 32)	3,299.75	1,818.68
Total	**15,850.53**	**16,676.64**

Note (i)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	As at 31 March 2020	As at 31 March 2019
a) The principle amount remaining unpaid to any supplier at the end of the year	748.46	889.07
b) Interest due remaining unpaid to any supplier at the end of the year	0.36	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principle amounts/ interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year, except stated above.

(All amounts in million of Indian Rupees, unless otherwise stated)

(iii) Other Current Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	160.74	116.36
Unclaimed dividend*	9.67	14.87
Employee dues	15.85	7.82
Sundry creditors for capital goods	207.35	147.95
Accrued expenses	644.22	432.12
Payable to related parties (Refer note 27)	747.18	693.00
Lease liability (Refer note 31)	250.94	-
Total	**2,035.95**	**1,412.12**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund (IEPF). Unclaimed Dividends shall be transferred to IEPF as and when they become due.

Note 15 - Other Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	345.13	469.90
Other liabilities	43.12	-
Total	**388.25**	**469.90**

Other liabilities includes advance from customers and other such adjustable balances

Note 16- Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provisions for employee benefits :		
Provision for gratuity (Refer note 26)	414.88	290.06
Provision for compensated absences (Refer note 26)	209.16	163.24
Provision for sales return	400.00	400.00
Total	**1,024.04**	**853.30**

Movement of Provision for sales return	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	400.00	320.00
Provided during the year	317.58	80.00
Utilised/ reversed during the year	(317.58)	-
Balance at the end of the year	**400.00**	**400.00**

Note 17 - Current Tax Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for income tax	160.44	364.24
Total	**160.44**	**364.24**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 18- Revenue from Operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	64,131.39	60,723.53
Sale of services	780.61	587.87
Other operating revenue*	2,214.31	1,737.27
Total	**67,126.31**	**63,048.67**

*Other operating revenue primarily comprises of Export incentives of ₹ 619.21 (2019 - ₹ 1,138.49) , Sale of Abbreviated New Drug Applications (ANDA) of ₹ 156.62 (2019 - ₹413.45) and Sale of scrap and others ₹ 1,438.48 (2019 - ₹185.33).

Disaggregation of revenue :

The Company's revenue disaggregated by primary geographical markets is as follows:

Geographical area	For the Year ended 31 March 2020	For the Year ended 31 March 2019
India	31,576.05	29,004.52
North America	18,106.97	19,766.54
Latin America	1,580.93	1,228.17
Europe	5,736.79	5,242.11
Rest of the World (ROW)	10,125.57	7,807.33
Total	**67,126.31**	**63,048.67**

Reconciliation of revenue recognised in the Income statement with the contracted price

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue as per contracted price	74,822.87	69,552.57
Less : Trade discounts, sales and expiry returns	7,696.56	6,503.90
Sale of products, services and other operating revenue	**67,126.31**	**63,048.67**

Contract liabilities from contracts with customers :

The Company records a contract liability when cash payments are received or due in advance of its performance.

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	43.12	-

Note 19 -Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend income	7.00	7.03
Interest income	3,060.55	2,106.16
Exchange gain (net)	2,914.20	2,437.96
Miscellaneous income*	86.13	204.99
Total	**6,067.88**	**4,756.14**

* During the year ended 31 March 2019, the company has bought back U.S. $86,500,000 in aggregate principal amount of Foreign Currency Convertable Bonds(FCCB) resulting in gain on extinguishment of liability of ₹ 153.72

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 20- Cost of Materials Consumed

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of raw material and packing material	22,035.67	15,330.69
Consumption of stores and spares	484.14	527.82
Total	**22,519.81**	**15,858.51**

Note 21- Purchases of Stock-in-Trade

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of finished goods	3,652.41	3,012.95
Total	**3,652.41**	**3,012.95**

Note 22- Changes in Inventories of Work-in-Process, Stock-in-Trade and Finished Goods

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(Increase)/Decrease in stock of finished goods, work-in-process and stock-in-trade	487.68	4,718.11
Total	**487.68**	**4,718.11**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	557.18	988.89
Work-in-process	767.12	766.36
Stock-in-trade	16.20	72.93
	1,340.50	**1,828.18**
At the beginning of the year		
Finished goods	988.89	1,782.45
Work-in-process	766.36	2,448.02
Stock-in-trade	72.93	88.96
	1,828.18	**4,319.43**
(Increase)/Decrease in stocks	487.68	2,491.25
Less: Adjustment on account of discontinued operations	-	(2,226.86)
(Increase)/Decrease in stocks - Continuing operations	**487.68**	**4,718.11**

Note 23- Employee Benefit Expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	10,032.57	9,127.51
Contribution to provident and other funds and retirement benefits (Refer note 26)	592.74	507.60
Employee stock compensation cost	30.84	1.07
Staff welfare expenses	67.12	63.62
Total	**10,723.27**	**9,699.80**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 24 - Finance Costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on		
- Term loans	325.51	221.82
- Interest on foreign currency convertible bonds	837.67	1,024.48
- Interest on senior notes and ECB facility	1,113.61	781.52
- Interest on lease (Refer note 31)	105.42	-
- Others	181.69	210.32
Total	**2,563.90**	**2,238.14**

Note 25 - Other Expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Labour charges	651.82	732.40
Power,fuel and water charges	723.33	667.59
Repairs and maintenance - plant and machinery	69.66	63.80
Repairs and maintenance - building	34.87	40.64
Repairs and maintenance - others	824.63	708.66
Rent	146.95	361.24
Rates and taxes	57.34	82.42
Director sitting fees	8.80	8.30
Other manufacturing expenses	281.80	115.61
Consumable - Lab chemicals and reagents	437.54	526.38
Selling and Marketing expenses	1,079.64	1,242.65
Sales promotion expenses	3,180.55	3,577.19
Export commission	49.44	45.68
Commission on sales	76.67	277.87
Travelling expenses	1,595.62	1,433.29
Freight outward	2,051.43	1,687.72
Telephone expenses	27.54	32.29
Investment written off	12.45	-
Provision for doubtful debts / expected credit losses (net)	149.00	280.25
Insurance premium	116.99	103.38
Electricity charges	184.23	162.30
Loss on sale of property, plant and equipment/ Intangible assets (net)	10.51	2.65
Auditors remuneration		
- Audit fees	23.00	20.00
- Other services	10.45	1.20
- Reimbursement of expenses	2.08	1.60
Corporate social responsibility expense (Refer note 34)	255.58	311.49
Legal and professional charges	1,351.15	1,053.44
Other expenses	3,287.77	2,944.48
Total	**16,700.84**	**16,484.52**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 26 - Employee Post- Retirement Benefits

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

a) Gratuity (defined benefit plan)

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

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

Particulars	31 March 2020	31 March 2019
Current service cost	82.98	74.89
Net interest on defined benefit schemes	22.09	22.70
Net periodic expense	**105.07**	**97.59**

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

Particulars	31 March 2020	31 March 2019
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(0.43)	-
Based on adjustment of financial assumptions	56.61	8.20
Due to liability experience adjustment	11.78	50.00
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	20.87	(3.82)
Total remeasurement loss recognised in the statement of other comprehensive income	**88.83**	**54.38**

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

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	768.58	638.12
Fair value of plan assets	(353.70)	(348.06)
Net defined benefit liability	414.88	290.06
Being:		
Retirement benefit liabilities	414.88	290.06

(All amounts in million of Indian Rupees, unless otherwise stated)

The movements in the net defined benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	290.06	291.28
Cost recognised in statement of profit and loss	105.07	97.59
Remeasurement (gains) / losses recognised in other comprehensive income	88.83	54.38
Actual employer contributions	-	(10.00)
Benefits paid	(69.08)	(66.32)
Transfer In/(out)	-	(76.87)
Closing balance	**414.88**	**290.06**

The change in the present value of defined benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	638.12	601.35
Current service cost	82.98	74.89
Interest cost on the defined benefit obligations	48.60	46.87
Actual benefit payments	(69.08)	(66.32)
Transfer In/(out)	-	(76.87)
Actuarial (gains)/losses - Demographic assumptions	(0.43)	-
Actuarial (gains)/losses - Financial assumptions	56.61	8.20
Actuarial (gains)/losses - Liability experience	11.78	50.00
Closing balance	**768.58**	**638.12**

The following table shows the change in the fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Beginning balance	348.06	310.07
Interest income on plan assets	26.51	24.17
Actual employer contributions	-	10.00
Actual return on assets (excluding interest income on plan assets)	(20.87)	3.82
Closing balance	**353.70**	**348.06**

The Company expects to contribute ₹ 503.21 to its defined benefit plans in 2020-21.

The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2020 are as follows:

Particulars	31 March 2020	31 March 2019
Discount Rate	6.45%	7.60%
Salary Escalation rate (%)	3.00%	3.00%

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

Particulars	31 March 2020	31 March 2019
Average life expectancy (Years)	25.23	25.43

(All amounts in million of Indian Rupees, unless otherwise stated)

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Assets administered by respective insurance companies	100%	100%

A breakup of the defined benefit plan related balance sheet amounts as at 31 March 2020 and 2019, is shown below.

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	768.58	638.12
Fair value of plan assets	(353.70)	(348.06)
Net defined benefit liability	**414.88**	**290.06**

The present value of defined benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	11,496	11,287
Present value of funded obligations	768.58	638.12

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

Particulars	31 March 2020	31 March 2019
Discount rate +0.5 % p.a.	(25.61)	(20.10)
Discount rate - 0.5 % p.a.	27.32	21.38
Rate of compensation + 0.5 % p.a.	26.47	20.93
Rate of compensation - 0.5 % p.a.	(25.04)	(19.83)

Maturity Profile of Defined Benefit Obligation :

Weighted average duration (based on discounted cashflows)	7 years

Expected cash flows as follows (valued on undiscounted basis) :	Amount
1 year	92.14
2 to 5 years	318.02
6 to 10 years	326.85
More than 10 years	589.73

b) Compensated leave of absence plan (other long term benefit plan)

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

(All amounts in million of Indian Rupees, unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Current service cost	58.17	60.60
Personnel expenses	**58.17**	**60.60**
Net interest on long term benefit schemes	12.43	13.43
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(0.24)	-
Based on adjustment of financial assumptions	32.82	5.03
Due to liability experience adjustment	(8.39)	30.26
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.20)	(0.73)
Net periodic expense	**94.59**	**108.59**

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

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	369.50	316.69
Fair value of plan assets	(160.34)	(153.45)
Net long term benefit liability	**209.16**	**163.24**
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	**209.16**	**163.24**

The movements in the net long term benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	163.24	172.30
Cost recognised in the statement of profit and loss	94.59	108.59
Benefits paid	(48.67)	(57.22)
Transfer In/(out)	-	(60.43)
Closing balance	**209.16**	**163.24**

The change in the present value of long term benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	316.69	313.98
Current service cost	58.17	60.60
Interest cost on the long term benefit obligations	24.12	24.47
Actual benefit payments	(53.67)	(57.22)
Transfer In/(out)	-	(60.43)
Actuarial (gains)/losses - Demographic assumptions	(0.24)	-
Actuarial (gains)/losses - Financial assumptions	32.82	5.03
Actuarial (gains)/losses - Liability experience	(8.39)	30.26
Closing balance	**369.50**	**316.69**

(All amounts in million of Indian Rupees, unless otherwise stated)

The following table shows the change in the fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Beginning balance	153.45	141.68
Interest income on plan assets	11.69	11.04
Actual benefit payments	(5.00)	-
Return on plan assets	0.20	0.73
Closing balance	**160.34**	**153.45**

The Company expects to contribute ₹ 264.31 to its long term benefit plan in 2020-21.

The principal actuarial assumptions used for the long term benefit obligations at 31 March 2020 and 2019 are as follows:

Particulars	31 March 2020	31 March 2019
Discount rate (weighted average)	6.45%	7.60%
Rate of compensation increase (weighted average)	3.00%	3.00%

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

Particulars	31 March 2020	31 March 2019
Average life expectancy	25.46	25.42

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Insurance contracts	100%	100%

A breakup of the long term benefit plan related balance sheet amounts at 31 March 2020 and 2019, is shown below .

Particulars	31 March 2020	31 March 2019
Present value of obligations	369.50	316.69
Fair value of plan assets	(160.34)	(153.45)
Net long term benefit liability	**209.16**	**163.24**

The present value of long term benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	11,496	11,287
Present value of obligations	369.50	316.69

(All amounts in million of Indian Rupees, unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Discount rate + 0.5 % p.a.	(14.92)	(12.31)
Discount rate - 0.5 % p.a.	16.04	13.20
Rate of compensation + 0.5 % p.a.	16.51	13.74
Rate of compensation - 0.5 % p.a.	(15.48)	(12.90)

c) Provident fund and others (defined contribution plan)

Apart from being covered under the gratuity plan described earlier, employees participate in a provident fund plan; a defined contribution plan. The Company makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Company does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. The Company contributed approximately ₹393.08 (2019 - ₹ 355.30) towards the provident fund plan during the year ended 31 March 2020.

27 Related Party Disclosures

a) Parties where direct/indirect control exists

i) Subsidiary companies

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.
Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Pharmaceuticals S.R.O., Czech Republic
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)
Glenmark Holding S. A., Switzerland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Pharmaceuticals Inc., USA
Glenmark Therapeutics Inc., USA
Glenmark Farmaceutica Ltda., Brazil
Glenmark Generics SA., Argentina
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Colombia SAS, Colombia
Glenmark Uruguay S.A., Uruguay
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela
Glenmark Dominicana, SRL, Dominican Republic
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Pharmaceuticals FZE., United Arab Emirates
Glenmark Impex L.L.C., Russia
Glenmark Philippines Inc., Philippines

(All amounts in million of Indian Rupees, unless otherwise stated)

Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia
Glenmark South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals B.V., Netherlands
Glenmark Arzneimittel Gmbh., Germany
Glenmark Pharmaceuticals Canada Inc., Canada
Glenmark Pharmaceuticals Kenya Ltd, Kenya
Glenmark Therapeutics AG, Switzerland (liquidated w.e.f. 2 December 2019)
Viso Farmaceutica S.L.U., Spain
Glenmark Specialty S A, Switzerland
Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
Glenmark Pharmaceuticals Nordic AB, Sweden
Glenmark Ukraine LLC, Ukraine
Glenmark-Pharmaceuticals Ecuador S.A., Ecuador
Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore
Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India
Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA), Switzerland
Ichnos Sciences Inc., USA (w.e.f. 31 May, 2019)
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda, Brazil. (w.e.f. 20 March 2020),

ii) Enterprise over which key managerial personnel excercise significant influence
Glenmark Foundation
Glenmark Aquatic Foundation
Trilegal

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

Subsidiary Companies /Enterprise over which key managerial personnel excercise significant influence
Glenmark Farmaceutica Ltda., Brazil
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)
Glenmark Pharmaceuticals Malaysia Sdn.Bhd.,Malaysia
Glenmark Impex L.L.C., Russia
Glenmark Holding S.A., Switzerland
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals FZE., United Arab Emirates
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Pharmaceuticals B.V., Netherlands
Viso Farmaceutica S.L.U., Spain

(All amounts in million of Indian Rupees, unless otherwise stated)

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.
Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Pharmaceuticals Inc., USA
Glenmark Pharmaceuticals s.r.o., Czech Republic
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
Glenmark Dominicana SA., Dominican Republic
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals Kenya Ltd, Kenya
Glenmark Pharmaceuticals Colombia SAS, Colombia
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Specialty S A, Switzerland
Glenmark Pharmaceuticals Canada Inc., Canada
Glenmark Ukraine LLC, Ukraine
Glenmark-Pharmaceuticals Ecuador S.A., Ecuador
Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore
Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India
Glenmark Therapeutics Inc., USA
Glenmark Foundation
Glenmark Aquatic Foundation
Trilegal

c) Key Management Personnel

Mr. Glenn Saldanha (Chairman & Managing Director)
Mrs. Cherylann Pinto (Executive Director)
Mr. V S Mani (Executive Director & Global Chief Financial Officer)
Mr. Rajesh Desai (Non-executive Director)
Mr. Harish Kuber (Company Secretary & Compliance Officer)
Mrs. B. E. Saldanha (Non-executive Director)
Mr. D.R.Mehta (Non-executive Director)
Mr. Bernard Munos (Non-executive Director)
Mr. J.F.Ribeiro (Non-executive Director)
Dr. Brian W. Tempest (Non-executive Director)
Mr. Sridhar Gorthi (Non-executive Director)
Mr. Milind Sarwate (Non-executive Director)
Ms. Sona Saira Ramasastry (Non-executive Director with effect from 1 April 2019)

(All amounts in million of Indian Rupees, unless otherwise stated)

d) Transactions with related parties during the year

		2019-2020	2019-2020	2018-2019	2018-2019
Entities where direct/indirect control exists					
1.	**Sale of materials & services**		26,442.19		29,526.71
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A. (services)	524.11		500.40	
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	1,251.93		1,840.79	
	Glenmark Farmaceutica Ltda., Brazil	295.27		111.00	
	Glenmark Phillipines Inc., Philippines	385.67		298.31	
	Glenmark Impex L.L.C., Russia	2,636.46		2,453.38	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	226.82		298.12	
	Glenmark Pharmaceuticals Peru SAC., Peru	44.03		46.12	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	13.38		11.63	
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	329.91		406.19	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	17.82		11.50	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	137.02		152.69	
	Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia	425.51		380.24	
	Glenmark Pharmaceuticals Inc., USA	15,515.10		19,872.84	
	Glenmark Pharmaceuticals S.R.O., Czech Republic	759.10		567.36	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	2,816.84		1,886.70	
	Glenmark Pharmaceuticals Canada Inc., Canada	146.86		107.05	
	Glenmark Ukraine LLC, Ukraine	372.83		226.14	
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	47.23		42.28	
	Glenmark Specialty S A, Switzerland	83.05		-	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	413.25		313.97	
2.	**Other Operating Income**		261.00		575.74
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	156.62		413.45	
	Glenmark Specialty S A, Switzerland	104.38		162.29	
3.	**Purchase of materials & services**		6,300.36		2,818.82
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.	274.59		299.34	
	Glenmark Pharmaceuticals Inc., USA	184.52		128.66	
	Glenmark Pharmaceuticals FZE., United Arab Emirates	248.50		206.68	
	Glenmark Farmaceutica Ltda., Brazil	220.09		478.57	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	-		19.81	
	Glenmark Impex L.L.C., Russia	83.58		82.72	
	Glenmark Pharmaceuticals S.R.O., Czech Republic	0.70		0.27	
	Glenmark Pharmaceuticals Canada Inc., Canada	64.61		105.71	
	Glenmark Pharmaceuticals B.V., Netherlands	-		26.84	
	Viso Farmaceutica S.L.U., Spain	-		7.27	
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	166.23		93.18	
	Glenmark Ukraine LLC, Ukraine	6.41		6.10	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	5,040.23		1,339.08	
	Trilegal	10.90		24.59	
4.	**Investment in share capital**		192.91		411.47
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	80.69		-	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	112.22		150.78	
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	-		32.73	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	-		15.30	
	Glenmark Pharmaceuticals Peru SAC., Peru	-		212.66	

(All amounts in million of Indian Rupees, unless otherwise stated)

		2019-2020	2019-2020	2018-2019	2018-2019
5.	**Share Application Money**		73.86		144.63
	Glenmark Pharmaceuticals Peru SAC., Peru	48.77		61.11	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	25.03		37.32	
	Glenmark Dominicana, SRL, Dominican Republic	0.06		-	
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	-		46.20	
6.	**Sale of Active Pharmaceuticals Ingredient business to**		-		11,621.94
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	-		11,621.94	
7.	**Loans given to**		25,788.24		26,997.08
	Glenmark Holding S.A., Switzerland	25,788.24		26,996.87	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	-		0.21	
8.	**Loan given to subsidiary converted into Investment**		14,322.12		-
	Glenmark Holding S.A., Switzerland	14,322.12		-	
9.	**Loan repaid by**		6,301.70		362.67
	Glenmark Holding S.A., Switzerland	6,301.70		362.67	
10.	**Interest income**		3,032.22		2,088.41
	Glenmark Holding S.A., Switzerland	2,665.75		2,058.85	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	4.85		4.77	
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	17.08		16.79	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.57		0.56	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	8.82		7.44	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	335.15		-	
11.	**Expenses paid on behalf of Glenmark Pharmaceuticals Ltd, India by**		1,638.84		2,276.54
	Glenmark Impex L.L.C., Russia	1,030.76		1,049.78	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	205.76		26.92	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	2.45		2.04	
	Glenmark Pharmaceuticals Inc., USA	365.83		1,053.32	
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	18.79		3.56	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	-		128.19	
	Glenmark Pharmaceuticals Peru SAC., Peru	2.95		-	
	Glenmark Ukraine LLC, Ukraine	12.30		12.73	
12.	**Expenses paid on behalf of**		11.41		11.49
	Glenmark Pharmaceuticals Europe Ltd., U.K.	1.85		1.70	
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	-		1.38	
	Glenmark Pharmaceuticals Inc., USA	-		8.41	
	Glenmark Farmaceutica Ltda., Brazil	5.62		-	
	Glenmark Pharmaceuticals SP Zoo, Poland*	-		0.00	
	Glenmark Therapeutics Inc., USA	3.94		-	
	*amount denotes less than Rupees ten thousand.				
13.	**Expenditure incurred for CSR activities to**		207.97		205.76
	Glenmark Foundation	134.95		141.76	
	Glenmark Aquatic Foundation	73.02		64.00	
Key Management Personnel			231.82		300.21
	Remuneration				
	Mr. Glenn Saldanha	122.35		157.05	
	Mrs. Cherylann Pinto	45.21		42.92	
	Mr. V S Mani (Executive Director & Global Chief Financial Officer)	51.50		45.60	
	Mr. Murali Neelakantan (Executive Director till May 29, 2018)	-		43.07	
	Mr. Harish Kuber (Company Secretary & Compliance Officer)	3.96		3.27	
	Sitting fees paid to Non-executive Directors	8.80		8.30	
	The directors are covered under the Company's gratuity policy and ESOP scheme along with other employees of the Company. Proportionate amount of gratuity and stock compensation expense is not included in the aforementioned disclosures as it cannot be separately ascertained.				

(All amounts in million of Indian Rupees, unless otherwise stated)

e) Related party balances

		As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
Receivable/(Payable) from/ (to) subsidiary companies/ enterprise			88,602.23		88,043.44
	Glenmark Farmaceutica Ltda., Brazil	168.83		(97.42)	
	Glenmark Philippines Inc., Philippines	77.06		111.89	
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	2,590.67		5,086.00	
	Glenmark Holding S.A., Switzerland	70,790.20		62,333.00	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	382.20		350.22	
	Glenmark Impex L.L.C., Russia	555.57		1,579.53	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	368.24		355.64	
	Glenmark Pharmaceuticals FZE., United Arab Emirates	(260.30)		(204.60)	
	Glenmark Generics SA., Argentina	0.48		0.44	
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	1,558.20		1,558.20	
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	539.45		405.57	
	Glenmark Pharmaceuticals Peru SAC., Peru	62.46		69.69	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	(831.32)		(851.97)	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.	(56.29)		(117.52)	
	Glenmark Pharmaceuticals Inc., USA	1,378.30		4,326.02	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	394.87		1.56	
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	(0.01)		(0.01)	
	Glenmark Pharmaceuticals SP z.o.o., Poland	(0.18)		(0.18)	
	Glenmark Pharmaceuticals S.R.L., Romania	(0.04)		(0.07)	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	30.13		17.58	
	Glenmark Uruguay S.A., Uruguay	(747.18)		(693.00)	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	33.98		14.01	
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	978.79		918.29	
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	74.30		67.34	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	118.52		82.22	
	Glenmark Pharmaceuticals Canada Inc., Canada	112.80		24.11	
	Glenmark Pharmaceuticals B.V., Netherlands	(0.01)		(0.01)	
	Glenmark Specialty S A, Switzerland	1,543.80		1,464.45	
	Glenmark Ukraine LLC, Ukraine	221.33		106.92	
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	73.26		60.30	
	Glenmark Foundation	(0.94)		(1.00)	
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	(59.50)		(27.91)	
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited),India	8,500.62		11,104.15	
	Glenmark Therapeutics Inc., USA	3.94		-	
Share application money pending allotment			145.62		155.28
	Glenmark Dominicana, SRL, Dominican Republic	0.11		0.04	
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	10.61		10.61	
	Glenmark Pharmaceuticals Peru SAC., Peru	109.87		61.11	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	25.03		37.32	
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	-		46.20	

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 28- Research and Development Expenditure

During the year, the Company's research and development expenditure is ₹ 3,882.27 (2019 - ₹ 4,401.25).

Note 29 - Earnings Per Share (EPS)

The basic earnings per share for the year ended 31 March 2020 has been calculated using the net profits attributable to equity shareholders.

Calculation of basic and diluted EPS is as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit from continuing operations	13,545.48	14,883.03
Profit from discontinued operations	-	1,338.09
Profit for the year	13,545.48	16,221.12
Weighted average number of shares outstanding during the year for basic EPS	282,168,156	282,168,156
Effect of dilutive potential ordinary shares:		
Employee stock options	-	10,240
Weighted average number of shares outstanding during the year for diluted EPS	282,168,156	282,178,396
Basic EPS, in ₹		
From continuing operations	48.00	52.75
From discontinued operations	-	4.74
Total basic earnings per share from continuing and discontinued operations	48.00	57.49
Diluted EPS, in ₹		
From continuing operations	48.00	52.75
From discontinued operations	-	4.74
Total diluted earnings per share from continuing and discontinued operations	48.00	57.49

Note 30 - Commitments and Contingencies

	Particulars	As at 31 March 2020	As at 31 March 2019
(I)	**Contingent Liabilties**		
	Claims against the Company not acknowledged as debts		
	Labour dispute	38.49	32.12
	Disputed taxes and duties		
	Direct tax	74.28	124.23
	Indirect tax (Excise duty, Service tax and Value added tax)	330.81	222.27

The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 12.24 as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹3.33 towards interest @15% p.a. on the overcharged amount up to 31 January 2014. The Company had filed a petition under Article 32 with the Hon'ble Supreme Court of India (Hon'ble Court), challenging the issue of the above mentioned demand notice on various grounds. This petition was tagged along with other petitions filed by other pharmaceutical companies, pending before Hon'ble Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule

(All amounts in million of Indian Rupees, unless otherwise stated)

of the DPCO, 1995. The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand. Whilst the matter was pending before the Hon'ble Supreme Court, in Oct 2015, NPPA issued a fresh demand notice of ₹ 12.24 as overcharging liability and ₹ 63.85 as interest thereon calculated upto 30 September 2015 to which the Company has responded stating that the matter was sub-judice. On 20 July 2016 Hon'ble Supreme Court heard the Company's petition and ordered the petition to be transferred back to Hon'ble Delhi High Court to be heard on merits subject to deposit of 50% of the overcharged claimed amount. Glenmark has deposited ₹ 6.12 (50% of the overcharged claimed amount). The pleadings have been completed and matter is pending to be listed in the Hon'ble Delhi High Court for hearing. The Company based on legal advice, has an arguable case on merits as well as with regard to mitigation of the demand. The matters are sub-judice before the Hon'ble Delhi High Court.

(b) On 10 March 2016 Ministry of Health and Family Welfare (MoH) issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect. Several products of the Company were also covered in the notified prohibited "FDC's". The Company has filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company by staying the notifications banning the FDC's. The Company based on legal advice, has an arguable case on merits though the liability in this case cannot be computed. In an adverse scenario, the Company would be restricted from manufacturing, selling and marketing the impacted FDC's. The matter was clubbed with other petition of other companies before the Supreme Court of India (Hon'ble Court). The Hon'ble Court directed the Drug Technical Advisory Board (DTAB) as sub-committee to examine the ban of drugs. DTAB appointed an expert committee under the chair of Dr. Nilima Kshirsagar to examine the list of banned FDC. Company made due written and oral representations before the Committee in relation to its affected products. The committee has submitted its report to the Ministry of Health. Meanwhile taking the proactive approach the Company has revised the composition of the affected FDC's for its domestic market. Based on the Nilima Kshirsagar Committee Report, MoH on 7 September 2018 issued series of notification which has prohibited the manufacture for sale, sale or distribution for human use of 328 FDCs with immediate effect. It has also restricted the manufacture, sale or distribution of six FDCs subject to certain conditions. The Company filed Writ petitions in the Delhi High Court against the 7 notification/s in respect of its affected FDCs which were still circulating in the market and obtained an ad interim stay, on the notifications allowing the Company to liquidate its affected FDCs. Since then the Company on 27 March 2019, withdrew its Writs except for one product meant for exports and for which the Company continues to enjoy an ad-interim protection.

(c) In October 2019 National Pharmaceutical Pricing Authority (NPPA) issued a Show Cause Notice alleging that the Company had violated DPCO 2013 by self-invoking Para 32 by not seeking approval from the Government. Although the Company has responded to the Show cause notice, On 2.01.2020 NPPA issued a letter seeking production of documents /records under Para 29 Glenmark challenged the decision of the NPPA by filing a writ petition before Hon'ble Delhi High Court. In January 2020 Hon'ble Delhi High Court was pleased to note NPPA's counsel having submitted that without prejudice to their rights of the parties, NPPA will grant a hearing to Glenmark, with decide on the Company's entitlement under paragraph 32 of the DPCO, 2013 and disposed off the petition, with a noting that in view of the personal hearing, the impugned orders will not be given effect to. Although NPPA granted the Company personal hearing issued a price order notification in March 2020 notifying the price on the grounds that Remolifozin Etabonate + Metformin Hydrocloride without deciding the entitlement under paragraph 32 of the DPCO, 2013. The Company thereafter challenged various orders passed by the NPPA by filing a fresh writ petition. After hearing both Parties, Hon'ble Delhi High Court was pleased to grant the no coercive action against Glenmark based on the Impugned Orders dated 03.03.2020 and 20.03.2020. The matter is sub-judice.

(All amounts in million of Indian Rupees, unless otherwise stated)

(d) On a complaint by a stockist with the Competition Commission of India ("CCI") in July 2015 against pharmaceutical companies (including the Company and its C&F agent) and the Trade associations, alleging refusal to supply medicines to it in spite of having all valid licenses and documents, CCI ordered the Director General ("DG") to investigate and submit a report. CCI clubbed this matter with other matters on a similar complaint against other pharmaceutical companies and local Trade associations. On submission of DG's report CCI has recently issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees are in the process of appealing the said Order.

(e) From time to time Glenmark and Glenmark Pharmaceuticals Inc are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs. In this regard and concerning a patent settlement agreement entered into between Glenmark and Merck, a multiple punitive class and individual action was filed in 2018 by purchasers of branded Zetia and generic Zetia (ezetimibe) against Glenmark and its US subsidiary, before the United States District Court for the Eastern District of Virginia. The Plaintiffs allege that Glenmark and Merck & Co Inc. ("Merck") violated the federal and state antitrust laws by entering into a so-called reverse payment patent settlement agreement when resolving Hatch-Waxman patent litigation in May 2010 related to Merck's branded Zetia product. The law suit alleges that the patent settlement agreement delayed the entry of generic which caused consumers to pay higher prices. The case seeks various forms of reliefs including monetary reliefs, including damages. Glenmark believes that its Patent Settlement Agreement is lawful and served to increase competition and is defending the same vigorously.

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2020 aggregate ₹ 1,317.88 (2019 - ₹ 1,260.98)

(b) Estimated amount of contracts remaining to be executed on other than capital account, net of advances, not provided for as at 31 March 2020 aggregate ₹ 1,008.88 (2019 - ₹870.64)

Particulars	As at 31 March 2020	As at 31 March 2019
(iii) Others		
(a) Guarantees		
Bank guarantees	2,240.22	176.46
(b) Letter of comfort/ Corporate Guarantees on behalf of subsidiaries :		
Glenmark Holding SA., Switzerland	23,019.92	23,360.84
Glenmark Generics SA., Argentina	-	138.64
Glenmark Pharmaceuticals Inc, USA	10,837.30	10,051.40
Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited),India	7,764.86	2,703.48

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 31 - Leases

The Company has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and therefore comparative periods have not been restated. The Company has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company has recognised a right-of-use asset on the date of initial application at an amount equal to lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.4% p.a.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Exemptions availed by Company:

The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

Company as lessee

The Company's leased assets primarily consist of leases for office premises and godowns. Leases of office premises and godowns generally have lease term between 2 to 12 years. The Company has applied low value exemption for leases laptops, lease lines, furniture and equipment and accordingly are excluded from Ind AS 116. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

(All amounts in million of Indian Rupees, unless otherwise stated)

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable certain to exercise extension option and not to exercise termination option, the Company has opted to include such extended term and ignore termination option in determination of lease term.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Amount ₹
Adjustment on transition to Ind AS 116	1,021.03
Additions	97.23
Termination	(0.65)
Modification	0.38
Depreciation expenses	(228.95)
As at March 31, 2020	**889.04**

ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	Amount ₹
Adjustment on transition to Ind AS 116	1,021.03
Additions	97.23
Termination	(0.65)
Accretion of interest	105.42
Modification	0.38
Payments	(262.38)
As at 31 March 2020	**961.03**
Current	250.94
Non-current	710.09

iii) The following are the amounts recognised in profit or loss for the year ended 31 March 2020:

Particulars	Amount ₹
Depreciation expense of right-of-use assets	228.95
Interest expense on lease liabilities	105.42
Expense relating to short-term leases and low value assets	146.95
Total	**481.32**

The Company had total cash outflows for leases of ₹ 409.33 in FY 2019-20.

iv) The table below provides details regarding contractual maturity of the lease liablity as on 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
within 1 year	267.49
1-5 years	930.64
5 years and above	18.51
Total	**1,216.64**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 32 Disclosure Pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 186 of Companies Act, 2013

	Particulars	Maximum amount outstanding during the year		As at	
		2019-2020	2018-2019	31 March 2020	31 March 2019
a)	**Loans and advances to subsidiaries/enterprise**				
	Glenmark Holding S.A., Switzerland	81,212.02	63,106.53	70,790.20	62,333.00
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	84.99	77.46	84.99	74.55
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	12.09	10.64	12.07	10.64
	Glenmark Pharmaceuticals Kenya Ltd; Kenya	149.48	149.03	149.48	138.64
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	118.52	84.89	118.51	82.22
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	0.21	0.21	0.21	0.21
				71,155.46	**62,639.26**

b)	**Receivable from subsidiary companies**		
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	2,590.67	5,086.00
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	297.21	275.66
	Glenmark Philippines Inc., Philippines	77.06	111.89
	Glenmark Impex L.L.C., Russia	555.57	1,579.53
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	368.24	355.64
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela (provided for)	1,558.20	1,558.20
	Glenmark Pharmaceuticals Peru SAC., Peru	62.46	69.69
	Glenmark Pharmaceuticals s.r.o., Czech Republic	394.87	1.56
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	18.06	6.95
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	829.31	779.65
	Glenmark Pharmaceuticals Colombia SAS, Colombia	33.98	14.01
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	74.30	67.34
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	539.45	405.57
	Glenmark Pharmaceuticals Inc., USA	1,378.30	4,326.02
	Glenmark Generics SA., Argentina	0.48	0.44
	Glenmark Pharmaceuticals Canada Inc., Canada	112.80	24.11
	Glenmark Specialty S A, Switzerland	1,543.80	1,464.45
	Glenmark Ukraine LLC, Ukraine	221.33	106.92
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	73.26	60.30
	Glenmark Therapeutics Inc., USA	3.94	-
	Glenmark Farmaceutica Ltda., Brazil	168.83	-
c)	**Receivable from subsidiary against business sale**		
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	10,591.57	11,621.94

(All amounts in million of Indian Rupees, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
d)	**Payable to subsidiaries**		
	Glenmark Pharmaceuticals FZE., United Arab Emirates	260.30	204.60
	Glenmark Farmaceutica Ltda., Brazil	-	97.42
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.	831.32	117.52
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.01	0.01
	Glenmark Pharmaceuticals Europe Ltd., U.K.	56.29	851.97
	Glenmark Uruguay S.A., Uruguay	747.18	693.00
	Glenmark Pharmaceuticals SP z.o.o.	0.18	0.18
	Glenmark Pharmaceuticals S.R.L., Romania	0.04	0.07
	Glenmark Pharmaceuticals B.V., Netherlands	0.01	0.01
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	59.50	27.91
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	2,091.15	517.99

		No. of Shares in Million			
		As at 1 April 2019	Invested during the Year	Sold/written off during the Year	Balance as at 31 March 2020
e)	**Movement of shares during the year**				
	Investments in Subsidiary Companies - Unquoted - non trade				
	Glenmark Holding S.A., Switzerland	242.24	200.00		442.24
	Glenmark Therapeutics AG, Switzerland	0.20		(0.20)	-
	Glenmark Pharmaceuticals Colombia SAS, Colombia	0.16	0.03	-	0.19
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	1.69	1.15		2.84

f) For disclosure of guarantees on behalf of subsidiaries refer note 30(iii)(b)

Note 33- Fair Value Measurements

Financial instruments by category

Particulars	As at 31 March 2020					As at 31 March 2019				
	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value
Financial assets										
Non-current financial assets	-	-	268.80	268.80	268.80	-		368.01	368.01	368.01
Loans to related parties	-	-	71,155.46	71,155.46	71,155.46	-		62,639.26	62,639.26	62,639.26
Trade receivables	-	-	18,352.40	18,352.40	18,352.40	-		20,871.31	20,871.31	20,871.31
Cash and cash equivalents	-	-	872.92	872.92	872.92	-		2,549.97	2,549.97	2,549.97
Bank balances other than cash and cash equivalents	-	-	9.67	9.67	9.67	-		14.87	14.87	14.87
Investments	45.12	150.00	50.02	245.14	245.14	45.80	150.00	100.02	295.82	295.82
Other current financial assets	-	-	11,191.99	11,191.99	11,191.99	-		13,123.42	13,123.42	13,123.42
Total	**45.12**	**150.00**	**101,901.26**	**102,096.38**	**102,096.38**	**45.80**	**150.00**	**99,666.86**	**99,862.66**	**99,862.66**
Financial Liabilities										
Long term borrowings	1.40	-	31,310.26	31,311.66	31,311.66	464.44		27,850.08	28,314.52	28,314.52
Non-current financial liabilities	-	-	2,056.51	2,056.51	2,056.51	-		885.06	885.06	885.06
Trade payables	-	-	15,850.53	15,850.53	15,850.53	-		16,676.64	16,676.64	16,676.64
Short term borrowings	-	-	4,425.97	4,425.97	4,425.97	-		3,030.30	3,030.30	3,030.30
Other current financial liabilities	-	-	2,035.95	2,035.95	2,035.95	-		1,412.12	1,412.12	1,412.12
Total	**1.40**	**-**	**55,679.22**	**55,680.62**	**55,680.62**	**464.44**	**-**	**49,854.20**	**50,318.64**	**50,318.64**

(All amounts in million of Indian Rupees, unless otherwise stated)

Investment in subsidiaries are carried at cost

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

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

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

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

The Bonds are interest bearing instruments with an embedded derivative instrument of conversion option. The instrument's value predominately consist of liability measured at amortised cost; the embedded derivative is measured at FVTPL .

Fair value hierarchy :

Level 2 : All FVTPL and FVOCI financial assets and liabilities are classified under level 2 of fair value hierarchy except quoted investments amounting to ₹0.32 which are classified as level 1 inputs.

Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

Note 34 - Note on Expenditure on Corporate Social Responsibility

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2020:

i Gross amount required to be spent by the Company during the year - ₹ 388.75 (2019 - ₹ 382.50)

ii Amount spent during the year on: (by way of contribution to the trusts and projects undertaken)

Particulars	Amount paid in cash	Amount yet to be paid in cash	Total amount
(i) Construction/acquisition of any asset			-
(ii) On purposes other than (i) above:			
Promoting education	37.91	-	37.91
Promoting health care including preventive health care	7.80	-	7.80
Reducing child mortality and improving maternal health	134.95	-	134.95
Training to promote olympic sports	73.02	-	73.02
Administrative expenses	1.90	-	1.90
Total	**255.58**	**-**	**255.58**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 35- Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company focuses on actively securing its short to medium term cash flows by minimising the exposure to financial markets.

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

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

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

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

The Company's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Company to fair value interest-rate risk.

Foreign Currency sensitivity

The foreign currency sensitivity analysis has been performed in relation to US Dollar (USD), Euro (EUR) and Russian ruble(RUB).

US Dollar conversion rate was ₹ 69.32 at the beginning of the year and scaled to a high of ₹ 76.12 and to low of ₹ 68.24. The closing rate is ₹ 74.74. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2020		31 March 2019	
	USD (million)	INR	USD (million)	INR
Short-term exposure				
Financial assets	183.75	13,733.35	232.73	16,133.21
Financial liabilities	(73.69)	(5,507.23)	(59.57)	(4,129.49)
Total	**110.06**	**8,226.12**	**173.16**	**12,003.72**
Long term exposure				
Financial assets	952.04	71,155.26	903.61	62,639.05
Financial liabilities	(423.96)	(31,686.54)	(427.13)	(29,609.01)
Total	**528.08**	**39,468.72**	**476.48**	**33,030.04**

(All amounts in million of Indian Rupees, unless otherwise stated)

If the INR had strengthened against the US Dollar by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(4,769.48)	(4,503.38)
Equity	-	-

If the INR had weakened against the US Dollar by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	4,769.48	4,503.38
Equity	-	-

EUR conversion rate was ₹ 77.76 at the beginning of the year and scaled to a high of ₹ 84.96 and to low of ₹ 76.28. The closing rate is ₹ 82.21. Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2020		31 March 2019	
	EUR (million)	INR	EUR (million)	INR
Short term exposure				
Financial assets	4.95	407.25	0.33	25.30
Financial liabilities	(15.14)	(1,244.68)	(11.99)	(932.46)
Total	**(10.19)**	**(837.43)**	**(11.66)**	**(907.16)**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

If the INR had strengthened against the EUR by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	83.74	90.72
Equity	-	-

If the INR had weakened against the EUR by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(83.74)	(90.72)
Equity	-	-

RUB conversion rate was ₹ 1.06 at the beginning of the year and scaled to a high of ₹ 1.16 and to low of ₹ 0.93. The closing rate is ₹ 0.95. Considering the volatility in direction of strengthening RUB upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

(All amounts in million of Indian Rupees, unless otherwise stated)

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

Particulars	31 March 2020		31 March 2019	
	RUB (million)	INR	RUB (million)	INR
Short term exposure				
Financial assets	584.83	555.59	1,736.99	1,832.85
Financial liabilities	-	-	-	-
Total	**584.83**	**555.59**	**1,736.99**	**1,832.85**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

If the INR had strengthened against the RUB by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(55.56)	(183.28)
Equity	-	-

If the INR had weakened against the RUB by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	55.56	183.28
Equity	-	-

Interest rate sensitivity

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

The bank deposits are placed on fixed rate of interest of approximately 4.50% to 6.50%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

Credit risk analysis

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2020	As at 31 March 2019
Cash & cash equivalents	872.92	2,549.97
Bank balances other than cash and cash equivalents	9.67	14.87
Trade receivables	18,352.40	20,871.31
Current financial assets	11,191.99	13,123.42
Non current financial assets	118,563.55	95,694.79
Total	**148,990.53**	**132,254.36**

(All amounts in million of Indian Rupees, unless otherwise stated)

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of upto 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for customers.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding for more than 6 months	2,460.02	2,351.18
Others	15,892.38	18,520.13
Total	**18,352.40**	**20,871.31**

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates and are of good credit quality, including those that are past due. None of the Company's financial assets are secured by collateral or other credit enhancements.

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

Liquidity risk analysis

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

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

(All amounts in million of Indian Rupees, unless otherwise stated)

As at 31 March 2020, the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current Within 1 year	Non-Current 1to 5 years
Trade payable	15,850.53	-
Financial liabilities	2,035.95	-
Short term borrowings	4,425.97	-
Long-term borrowings	-	31,311.66
Other non-current financial liabilities	-	2,056.51
Total	**22,312.45**	**33,368.17**

For long term borrowings refer Note 13 and for Lease obligations refer Note 31 for further details

Note 36 - Capital Management Policies and Procedures

The Company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Net Debt = total borrowings less cash and cash equivalent. Total 'equity' as shown in the balance sheet.

Particulars	31 March 2020	31 March 2019
Total debt	35,737.63	31,344.82
Less: Cash & cash equivalents	872.92	2,549.97
Net debt (A)	**34,864.71**	**28,794.85**
Total equity (B)	**132,262.64**	**119,420.89**
Net debt to equity ratio (A/B)	**26.36%**	**24.11%**

Dividends	31 March 2020	31 March 2019
(i) Equity shares		
Final dividend paid during the year ended	680.34	680.33

(ii) Dividends not recognised at the end of the reporting period.

In addition to the above dividends, since year end the Board of Directors have recommended the payment of a final dividend of ₹ 2.50 (2019 - ₹ 2) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Note 37 - Impact of Covid -19

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Even in India the outbreak has been declared an epidemic or pandemic and on 24 March 2020, the Government of India ordered a nationwide lockdown, limiting movement of population of India as a preventive measure against the COVID-19 pandemic. As a result most of the businesses are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organisations.

However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

(All amounts in million of Indian Rupees, unless otherwise stated)

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

Note 38 - Comparatives

Certain prior year amounts have been reclassified for consistency with the current year presentation. As a result, certain line items have been amended in the financial statements. These reclassifications had no effect on the reported results of operations.Comparative figures have been adjusted to conform to the current year's presentation.

Note 39 - Exceptional Items

During the year ended 31 March 2020, the exceptional item primarily consists of net gain of ₹ 185.54 arising from the sale of Gynecology business for a gross consideration of ₹ 1,150 to Integrace Private Limited by way of a slump sale.

During the year ended 31 March 2019, the Company sold its Orthopedic and Pain management India business for a gross consideration of ₹ 6,350 to Integrace Private Limited by way of slump sale and recognised gain of ₹ 3,451.85 in Statement of Profit and Loss.

Note 40- Discontinued Operations

On 25 September, 2018, Shareholders of the Company approved the transfer of Active Pharmaceutical Ingredients (API) business to its wholly owned subsidiary, Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited) as a going concern by way of a slump sale.

On 1 January 2019, the Company completed the transfer of the Company's Active Pharmaceuticals Ingredient (API) business to Glenmark Life Sciences Limited, a wholly owned subsidiary of the Company.

The financial performance and cash flow information presented are for the nine months ended 31 December 2018 and the year ended 31 March 2018

Particulars	For the nine months ended 31 December 2018	For the year ended 31 March 2018
Revenue (includes other income)*	7,042.98	8,881.06
Expenditure	5,014.64	6,634.52
Profit before tax	2,028.34	2,246.54
Income tax expenses	690.25	761.68
Profit after tax	1,338.09	1,484.86

* Other income for nine months ended ₹ 18.42 (2018 - ₹ 4.30)

(All amounts in million of Indian Rupees, unless otherwise stated)

Net increase /(decrease) in cash generated from discontinued operations	For the nine months ended 31 December 2018	For the year ended 31 March 2018
Net cash inflow from operating activities	(1,341.19)	2,775.34
Net cash inflow/ (outflow) from investing activities	(180.15)	(727.86)
Net cash inflow/ (outflow) from financing activities	1,521.73	(2,047.45)
Net increase /(decrease) in cash generated from discontinued operations	0.39	0.03

The carrying amounts of assets and liabilities are as follows :

Particulars	As at 31 December 2018	As at 31 March 2018
Tangible and Intangible assets	5,298.47	5,302.58
Trade receivables	3,634.43	3,673.65
Inventories	4,596.56	2,964.05
Other assets	805.17	407.46
Total assets	**14,334.63**	**12,347.74**
Trade payables	2,555.02	1,790.98
Other liabilities	157.67	-
Total liabilities	**2,712.69**	**1,790.98**
Receivable against sale of business	11,621.94	-

Note 41 - Segment Reporting

In accordance with Ind AS 108 “Operating Segments”, segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

Note 42 - Authorisation of Financial Statements

The financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 26 June 2020.

As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Glenmark Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Glenmark Pharmaceuticals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets As at 31 March 2020, the Group is carrying intangible assets aggregating to ₹ 18,999.25 million in its consolidated financial statements relating to multiple Cash Generating Units ("CGUs"). The Company has recorded no impairment loss during the year ended 31 March 2020. These intangibles are subject to test of impairment by the management atleast annually in case of each intangible asset having indefinite or indeterminable useful life and when impairment indicators exist in case of all other intangible assets, in accordance with the applicable accounting standards. The carrying value of intangible assets will be recovered through future cash flows and there is a risk that the assets will be impaired if these cash flows do not meet the Group's expectations. In addition to significance of the amounts involved, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the future cash flow forecasts, principally relating to long-term revenue growth rates, terminal values, operating profit margins, external market conditions and the discount rate used, and judgments relating to the probability of scientific success and commercial success of asset either through out-licensing and/ or subsequent product launches. The assessment is performed for each intangible asset. Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions and judgements, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, assessment of carrying value of intangible assets is considered to be complex and determined to be a key audit matter in our current period audit.	Our audit included, but was not limited to, the following procedures: • Obtained an understanding of the management's process for identification of impairment indicators for intangible assets and identification of CGUs and impairment testing of such assets; • Tested the design and operating effectiveness of internal controls over such identification and impairment measurement of identified assets; • Involved auditor's experts to assess the appropriateness of the valuation methodologies; • Evaluated management's assumptions, including long-term revenue growth rates, operating profit margins, terminal values, and discount rates based on our understanding of the business of the respective CGUs, past results of commercial successes and external factors such as industry trends and forecasts; • Assessed the management's process for determination of stage wise progress of the intangible assets, how it is monitored and used in the valuation methodologies for the impairment testing; • Evaluated historical accuracy of forecasts done by the management in prior periods, including the planned progress in the intangible asset to actual progress; • Obtained and evaluated sensitivity analysis performed by the management on key assumptions including implied growth rates during explicit period, terminal growth rate, progress in the stage of intangible asset and discount rate; • Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for the respective intangible asset to evaluate sufficiency of headroom between recoverable value and carrying amounts; • Tested the mathematical accuracy of the management working; • Evaluated the adequacy and appropriateness of disclosures given in the consolidated financial statements with respect to intangible assets including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition in US Subsidiary The Group's sales to customers in the United States of America ('US') fall under certain commercial and governmental reimbursement schemes of which the most significant ones are chargebacks, failure to supply penalties and Medicaid Drug Rebate Program ('Medicaid'). The provision recognised as at 31 March 2020 for revenue deductions related to such items aggregated to ₹ 99,294.41 million. These arrangements result in deductions to gross sales recognised by the Group, and require the management to estimate and recognise obligations of the Group to provide such deductions to its customers for sales made during the reporting period. Accordingly, the Group has recognised an accrual of ₹ 99,294.41 million for the year ended 31 March 2020 towards these arrangements and has adjusted revenues to the extent of ₹ 99,294.41 million pertaining to Group's US operations during the year ended 31 March 2020. Refer Note 19 to the consolidated financial statements. Ind AS 115 requires the management to estimate the amount of variable consideration to which it will be entitled to the extent it is not highly probable that such amount will reverse. Variable consideration may include discounts and sales returns. The estimate depends on contractual terms, relevant regulations, historical experience, as well as forecasts of sales volumes by sales channel. Additionally, dispensing of the product and the final determination of the net selling price may occur several months later. US Component auditor focused on this area since these arrangements are complex and determining appropriate accruals and adjustments requires significant judgement and estimation by management. This judgement is particularly complex in US healthcare environment which involves multi-layered product discounting due to competitive pricing pressure apart from regulatory requirements such as Medicaid. Considering the materiality of the amount involved and high estimation uncertainty requiring significant judgement as discussed above, this matter was determined to be a key audit matter for the current period audit.	This has been identified as a key audit matter by the US component (i.e US subsidiary) auditor. The US component audit included, but was not limited to, the following procedures: • Obtained an understanding of the management process for estimation and accounting treatment of transactions arising from various discount schemes, mandated contracts, chargebacks, rebates, failure to supply penalties and Medicaid compliance requirements, pertaining to Group's revenue operations in US; • Evaluated the design and tested the operating effectiveness of controls implemented by the Group for approval of such schemes, for recording of such transactions and obligations arising from such arrangements completely and accurately, and for ensuring appropriate accounting treatment thereof; • Tested the calculations for accruals under applicable schemes by testing the data with supporting documents such as Group's stated commercial policies, terms of underlying contracts inspected on a sample basis, stock lying at wholesalers, historical levels of product returns, and wholesale acquisition cost (WAC) determined for such calculations; • Tested credit notes issued and payments made during the year under such schemes and arrangements, on a sample basis, from underlying supporting documents such as contracts, sales data and satisfaction of eligibility criteria as per terms of the scheme; • Tested subsequent settlements, payments and rebates given to customers under various schemes and arrangements to determine adequacy of the accruals made at year end; • Evaluated the historical accuracy of the Group's estimates of year-end accruals relating to such arrangements made in previous years; • Reviewed related contracts, and performed procedures to validate contractual terms and inventory levels of significant customers and wholesalers; • Identified and tested specific journal entries such as those manually posted directly to revenue, outside of expected hours, or by unexpected individuals and for large or unusual amounts; • Agreed a sample of revenue transactions to customers' cash deposits and withdrawals;

Key audit matter	How our audit addressed the key audit matter
	• Performed test of details on a sample of revenue transactions recorded during the year, including specific periods before and after the year-end. For the samples selected, inspected supporting documents, including contracts and related amendments for revisions to performance obligations or price terms, and invoices; • Evaluated the adequacy and appropriateness of the disclosures made in the accompanying consolidated financial statements relating to such arrangements in accordance with the requirements of the accounting standards.
Recoverability of deferred tax assets At the balance sheet date, deferred tax assets recognised for carried forward tax losses amounted to ₹ 5,321.22 million. Refer note 3.13 of Summary of significant accounting policies and other explanatory information and note 7 of the consolidated financial statements of the Group for the year ended 31 March 2020. The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws, as applicable to the respective entities in the Group, involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits includes key assumptions such as future growth rates and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions. Owing to the significance of the balances and complexities involved as described above, we have considered recoverability of such deferred tax assets recognised on carried forward tax losses as a key audit matter.	Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following: • Evaluated the design and tested the operating effectiveness of key controls implemented by the Group over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws as applicable to the respective entities in the Group; • Involved auditor's experts to assess the appropriateness of the deferred tax asset balance recognised in the balance sheet; • Read the component auditors reports with respect to the conclusion drawn by them in respect of the recoverability of deferred tax assets on carried forward tax losses recognised in the financial statement of the respective components; • Reconciled the future taxable profit projections to future business plans of the respective entities in the Group as approved by the Board of Directors of the respective entities; • Tested and challenged management's judgements relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on historical data trends; • Tested the mathematical accuracy of the projections including sensitivity analysis performed by management and performed independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections;

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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Assessed if there are any restrictions in the local tax legislation impacting the utilisation;
Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and other tax laws applicable to the respective entities in the Group, and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes;
Re-computed the amount of deferred tax assets as appearing in the financial statements confirming the amounts of carried forward tax losses and unabsorbed depreciation.
Assessed the adequacy and appropriateness of the disclosures included in note 7 in respect of the deferred tax balances.

</td></tr>
<tr><td>
Inventory existence

As at 31 March 2020, the Group held inventories of ₹ 21,356.24 million. Refer note 9 to the consolidated financial statements. Inventories mainly consist of raw material, packing material, work in process, stores and spares, stock in trade and finished goods. Due to inherent nature of the business and its widespread reach globally, inventories are kept at a number of locations which include plants, loan licensing facilities and warehouses.

Due to outbreak of the COVID-19, there has been a lockdown enforced in various geographies near year end and several restrictions were imposed by the respective governments across the globe on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques, as further described in our audit procedures.

As a result of the above-mentioned complexities and due to the size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter for the current period audit.
</td><td>
Our audit and audit performed by component auditors included the following procedures, as applicable:

Obtained an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory;
Inspected the instructions given by supervisory teams to the management count teams;
Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory;
In case of Holding Company and its subsidiary in India, appointed auditor's experts for observing inventory counts at certain locations;
In case of Holding Company and its subsidiary in India, reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date;
Performed roll-forward procedures on inventory counts performed on certain locations before the lockdown had commenced;
Obtained direct confirmations from loan licensing units with respect to the existence of the inventories;
Tested that the differences noted in management's physical verification of inventory from book records were adequately adjusted in books of account.

</td></tr>
</table>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is made available to us.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of

the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 38 subsidiaries, whose financial statements reflects total assets of ₹ 78,057.35 million and net assets of ₹ 43,391.77 million as at 31 March 2020, total revenues of ₹ 66,630.40 million and net cash inflows amounting to ₹3,100.24 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, these 38 subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from IFRS to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion above on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, 1 subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, 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 purpose 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 financial statements 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 Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and its subsidiary in India and taken on record by the Board of Directors of the Holding Company and Board of Directors of subsidiary company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

    i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 31 to the consolidated financial statements;

    ii. the Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

    iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act during the year ended 31 March 2020; and

    iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACA7423
Place: New Delhi
Date: 26 June 2020

Annexure A

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Glenmark Pharmaceuticals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACA7423
Place: New Delhi
Date: 26 June 2020

CONSOLIDATED BALANCE SHEET

(All amounts in million of Indian Rupees, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,777.08	20,978.12
Capital work-in-progress	3	10,906.36	12,343.68
Goodwill	4	528.99	547.35
Intangible assets	5	19,979.48	15,177.07
Intangible assets under development	5	1,312.50	1,645.70
Financial assets	6		
i. Investments		245.91	296.59
ii. Other financial assets		655.79	501.87
Deferred tax assets (net)	7	14,557.05	13,898.07
Other non-current assets	8	848.75	599.77
Total non-current assets		**78,811.91**	**65,988.22**
Current assets			
Inventories	9	21,356.24	22,520.74
Financial assets	10		
i. Trade receivables		24,089.62	21,945.90
ii. Cash and cash equivalents		11,102.75	9,362.78
iii. Bank balances other than cash and cash equivalents		9.67	14.87
iv. Other financial assets		1,249.44	2,802.66
Other current assets	11	10,228.44	10,321.30
Total current assets		**68,036.16**	**66,968.25**
Total assets		**146,848.07**	**132,956.47**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 & 13	282.17	282.17
Other equity		60,422.88	55,769.67
Equity attributable to owners of Glenmark Pharmaceuticals Limited		**60,705.05**	**56,051.84**
Non-controlling interests		(3.92)	(3.77)
Total equity		**60,701.13**	**56,048.07**
LIABILITIES			
Non-current liabilities			
Financial liabilities	14		
i. Borrowings		40,429.94	35,737.54
ii. Other non-current financial liabilities		4,288.01	885.06
Other non-current liabilities	15	4.68	6.30
Deferred tax liabilities (net)		164.48	68.56
Total non-current liabilities		**44,887.11**	**36,697.46**
Current liabilities			
Financial liabilities	16		
i. Borrowings		4,425.97	3,030.24
ii. Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises		849.48	1,109.99
- Total outstanding dues of other than Micro enterprises and Small enterprises		20,408.95	21,097.52
iii. Other current financial liabilities		8,583.66	9,012.69
Other current liabilities	17	1,432.65	1,119.44
Provisions	18	5,151.99	4,383.50
Current tax liabilities		407.13	457.56
Total current liabilities		**41,259.83**	**40,210.94**
Total liabilities		**86,146.94**	**76,908.40**
Total equity and liabilities		**146,848.07**	**132,956.47**

See accompanying notes to the consolidated financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in million of Indian Rupees, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	19	106,409.69	98,654.68
Other income	20	1,596.02	2,081.37
Total income		**108,005.71**	**100,736.05**
Expenses			
Cost of materials consumed	21	25,414.74	24,447.12
Purchases of stock-in-trade	22	10,290.83	9,762.98
Changes in inventories of work-in-process, stock-in-trade and finished goods	23	1,280.82	(586.68)
Employee benefit expense	24	22,547.76	20,560.70
Finance costs	25	3,773.18	3,345.85
Depreciation, amortisation and impairment expense	3 & 5	4,171.66	3,259.05
Other expenses	26	29,894.72	28,612.56
Total expenses		**97,373.71**	**89,401.58**
Profit before exceptional items and tax		**10,632.00**	**11,334.47**
Exceptional items	41	328.76	1,671.82
Profit before tax		**10,960.76**	**13,006.29**
Tax expense	7		
Current tax		3,961.27	4,765.42
Deferred tax		(760.21)	(1,009.06)
Total Tax expense		**3,201.06**	**3,756.36**
Profit for the year		**7,759.70**	**9,249.93**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation		52.52	(259.39)
- Income tax relating to the above		15.08	45.80
Items that will be reclassified to profit or loss			
- Exchange differences on translating foreign operations		(2,248.33)	(3,710.57)
- Income tax relating to the above		(276.42)	(229.50)
Other comprehensive income/(loss) for the year		**(2,457.15)**	**(4,153.66)**
Total comprehensive income for the year		**5,302.55**	**5,096.27**
Total comprehensive income attributable to:			
Non-controlling interest		0.03	0.11
Equity shareholders of Glenmark Pharmaceuticals Limited		5,302.52	5,096.16
Earnings per equity share of Re. 1 each	30		
Basic (in ₹)		27.50	32.78
Diluted (in ₹)		27.50	32.78

See accompanying notes to the consolidated financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in million of Indian Rupees, unless otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at 1 April 2018	
Equity share capital	282.17
- Shares issued during the year	-
Balance as at 31 March 2019	**282.17**
- Shares issued during the year	-
Balance as at 31 March 2020	**282.17**

Refer notes 12 and 13 for details on equity share capital

B Other equity

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of Glenmark Pharmaceuticals Limited	Non Controlling interest	Total Shareholders' equity
	Securities premium reserve	Capital reserve	General Reserve	Capital redemption reserve	Stock compensation reserve	Retained earnings	Currency Translation reserve			
Balance as at 1 April 2019	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**106.15**	**56,149.67**	**(18,995.87)**	**55,769.67**	**(3.77)**	**55,765.90**
Dividends to equity shareholders (including dividend distribution tax) (refer note 37)	-	-	-	-	-	(680.34)	-	(680.34)	-	(680.34)
Employee share based compensation expense (refer note 13(VI))	-	-	-	-	30.84	-	-	30.84	-	30.84
Transaction with non controlling interest	-	-	-	-	-	0.18		0.18	(0.18)	-
Transactions with owners	**-**	**-**	**-**	**-**	**30.84**	**(680.16)**	**-**	**(649.32)**	**(0.18)**	**(649.50)**
Net income for the year	-	-	-		-	7,759.67	-	7,759.67	0.03	7,759.70
Other Comprehensive Income:										
Exchange difference on translation of foreign operations (net of tax)	-	-	-	-	-	-	(2,524.75)	(2,524.75)	-	(2,524.75)
Remeasurement of the net defined benefit plans (net of tax) (refer note 27)	-	-	-	-	-	67.60	-	67.60	-	67.60
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**7,827.27**	**(2,524.75)**	**5,302.52**	**0.03**	**5,302.55**
Balance as at 31 March 2020	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**136.99**	**63,296.78**	**(21,520.62)**	**60,422.88**	**(3.92)**	**60,418.96**

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of Glenmark Pharmaceuticals Limited	Non Controlling interest	Total Shareholders' equity
	Securities premium reserve	Capital reserve	General Reserve	Capital redemption reserve	Stock compensation reserve	Retained earnings	Currency Translation reserve			
Balance as at 1 April 2018	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**105.08**	**47,793.59**	**(15,055.80)**	**51,352.60**	**(3.70)**	**51,348.90**
Dividends to equity shareholders (including dividend distribution tax) (refer note 37)	-	-	-	-	-	(680.33)	-	(680.33)	-	(680.33)
Employee share based compensation expense (refer note 13(VI))	-	-	-	-	1.07	-	-	1.07	-	1.07
Transaction with non controlling interest	-	-	-	-	-	0.18		0.18	(0.18)	-
Transactions with owners	**-**	**-**	**-**	**-**	**1.07**	**(680.15)**	**-**	**(679.08)**	**(0.18)**	**(679.26)**
Net income for the year	-	-	-	-	-	9,249.82	-	9,249.82	0.11	9,249.93
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	-	(3,940.07)	(3,940.07)	-	(3,940.07)
Remeasurement of the net defined benefit plans (net of tax) (refer note 27)	-	-	-	-	-	(213.59)	-	(213.59)	-	(213.59)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**9,036.23**	**(3,940.07)**	**5,096.16**	**0.11**	**5,096.27**
Balance as at 31 March 2019	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**106.15**	**56,149.67**	**(18,995.87)**	**55,769.67**	**(3.77)**	**55,765.90**

See accompanying notes to the consolidated financial statements.
As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in million of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash inflow/(outflow) from operating activities**		
	Profit before tax	10,960.76	13,006.29
	Adjustments to reconcile profit before tax to net cash provided by operating activities:		
	Depreciation, impairment and amortisation expense	4,171.66	3,259.05
	Finance costs	3,773.18	3,345.85
	Interest income	(46.76)	(27.00)
	Dividend income	(7.00)	(7.03)
	(Profit)/loss on sale of property, plant and equipments	11.73	(5.98)
	Employee benefit obligation	421.43	293.68
	Provision for doubtful debts / expected credit losses	178.33	19.62
	Employee share based compensation expense	30.84	1.07
	Provision for sales returns	-	80.00
	Exceptional item	(328.76)	(1,671.82)
	Gain on extinguishment of FCCB liability	-	(153.72)
	Unrealised exchange (gain)/loss	(1,842.37)	(1,835.37)
	Operating profit before working capital changes	**17,323.04**	**16,304.64**
	Changes in operating assets and liabilities		
	- Decrease in trade receivables	(2,926.79)	444.31
	- (Increase)/ Decrease in inventories	972.56	(4,287.02)
	- (Increase) in other assets	1,697.51	711.44
	- Increase in trade payable and other liabilities	1,527.36	4,494.68
	Net changes in operating assets and liabilities	**1,270.64**	**1,363.41**
	Income taxes paid	(4,669.55)	(4,426.34)
	Net cash generated from operating activities	**13,924.13**	**13,241.71**
(B)	**Cash inflow/(outflow) from investing activities**		
	Restricted cash	(171.57)	(750.79)
	Interest received	43.27	26.64
	Dividend received	7.00	7.03
	(Increase)/ Decrease in non current asset	(10.45)	(21.87)
	Proceed from sale of shares / Investment (made in) shares	50.00	(150.00)
	Payments for Purchase of Property,plant and equipment and Intangible assets (including Capital work in progress)	(9,313.73)	(12,371.71)
	Proceeds from sale of property, plant and equipment, Intangible assets, Brands and Business #	1,560.31	6,270.77
	Net cash used in investing activities	**(7,835.17)**	**(6,989.93)**
(C)	**Cash inflow/(outflow) from financing activities**		
	Proceeds from long-term borrowings	7,219.56	6,695.81
	Buy back/ Repayments of long-term borrowings	(8,375.63)	(10,506.08)
	FCCB premium paid on buy back of bonds	-	(318.85)
	Proceeds from /(repayment) of short-term borrowings (net)	1,231.08	117.36
	Interest paid	(3,014.54)	(2,696.78)
	Payment of lease liabilities (with interest)	(821.56)	-
	Dividend paid (including tax on dividend)	(685.54)	(678.81)
	Net cash generated (used)/ from financing activities	**(4,446.63)**	**(7,387.35)**

(All amounts in million of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
	Effect of exchange rate changes on cash and cash equivalents	97.64	(1,835.21)
	Net increase/(decrease) in cash and cash equivalents	**1,739.97**	**(2,970.78)**
	Cash and cash equivalents at the beginning of the year	**9,362.78**	**12,333.56**
	Cash and cash equivalents at the end of the year (refer note - 10(ii))	**11,102.75**	**9,362.78**
	Cash and cash equivalents comprise of :		
	Cash on hand	16.59	10.39
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	11,086.16	9,352.39
		11,102.75	**9,362.78**

Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.

2 Figures in bracket indicate cash outflow.

3 Reconciliation of Financing Activities

Particulars	As at 31 March 2019	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference/ translation	As at 31 March 2020
Long term borrowings*	41,456.44	7,219.56	(8,375.63)	806.11	3,153.89	44,260.37
Short term borrowings	3,030.24	1,231.08	-	-	164.65	4,425.97

*Refer note 14(i) for current / non current classification

4 # Includes net proceeds of ₹ 1,494.49 from sale of brands and business (Refer note 41)

See accompanying notes to the consolidated financial statements.
As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 1 – Background Information And Summary of Significant Accounting Policies

1. Nature of operations

Glenmark Pharmaceuticals Limited ("Glenmark" or the "Company") and its subsidiaries (together referred to as "the Group") are primarily engaged in the business of development, manufacture and marketing of pharmaceutical products both formulation and active pharmaceuticals ingredient to regulated and semi regulated markets. The Group has a significant presence in branded generics markets across emerging economies including India and also has a fast growing generics business in the United States and Europe. The Group is actively involved in the discovery of new molecules both NCEs (new chemical entities) and NBEs (new biological entities).

The Group's research and development facilities are located at Mahape, Sinnar, Turbhe and Taloja in India, and at La Chaux-de-fonds, Neuchatel and Biopole, Lausanne in Switzerland. The manufacturing facilities of the Group in India are located at Nasik, Colvale, Baddi, Nalagarh, Ankleshwar, Mohol, Kurkumbh, Sikkim, Indore, Dahej and Aurangabad. Overseas manufacturing facilities are located in Czech Republic, Argentina, La Chaux-de-fonds in Switzerland and Monroe (USA).

2. General information and basis of preparation and measurement

Glenmark Pharmaceuticals Limited is the Group's ultimate parent company and is a public limited company incorporated in Mumbai, India. The registered office of the Company is at B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400026, India.

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

"These consolidated financial statements are prepared under the historical cost convention, except for certain financial assets and liabilities (including investments), defined benefit plans, plan assets and share-based payments.

These consolidated financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. Amounts in figures presented have been rounded to INR million unless otherwise stated.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, Presentation of Financial Statements.

3. Summary of significant accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

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

(All amounts in million of Indian Rupees, unless otherwise stated)

consolidated financial statements are disclosed in note 4 and 4.1.

3.1. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

3.2. Basis of Consolidation

These consolidated financial statements include financial statements of the Company and all of its subsidiaries drawn up to the dates specified in Note 2. Subsidiaries are all entities over which the Company has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as

(All amounts in million of Indian Rupees, unless otherwise stated)

the profit or loss on disposal of investment in subsidiary.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the shareholders of the Company.

3.3. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier

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under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit and loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

3.4. Foreign currency transactions and foreign operations

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated statement of profit and loss in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year, resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

3.5. Revenue recognition

The Group applies principles provided under Ind AS 115 'Revenue from contracts with customers' which provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

The Group receives revenue for supply of goods to external customers against orders received. The majority of contracts that Group enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical and consumer healthcare products. The average duration of a sales order is less than 12 months.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

(All amounts in million of Indian Rupees, unless otherwise stated)

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Group enters into development and marketing collaborations and out-licences of the Group's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties. Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached.

Sales-based royalties on a licence of intellectual property are not recognised until the relevant product sale occurs. If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates.

Goods and Service Tax and other value added taxes are excluded from revenue.

3.6. Property, Plant and Equipment

Recognition and measurement

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

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

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

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group its cost can be measured reliably and it has a useful life of at least twelve months. The costs of other repairs and maintenance are recognised in the consolidated statement of profit and loss as incurred.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as

(All amounts in million of Indian Rupees, unless otherwise stated)

per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The below given useful lives best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Factory and other buildings	26 - 61 years
Plant and machinery	1 – 21 years
Furniture, fixtures and office equipment	1 – 21 years
Vehicles	1 – 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

3.7. Borrowing Costs

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

3.8. Intangible Assets

Goodwill

Goodwill arises upon the acquisition of subsidiaries. Goodwill represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Acquisitions prior to the Group's date of transition to Ind AS :

As part of its transition to Ind AS, the Group elected to restate only those business combinations that occurred on or after 1 April 2015. In respect of acquisitions prior to 1 April 2015, goodwill represents the amount recognised under previous GAAP.

Research and development

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Group, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the consolidated statement of profit and loss as incurred.

(All amounts in million of Indian Rupees, unless otherwise stated)

The Group's internal drug development expenditure is capitalised only if they meet the recognition criteria as mentioned above. Where uncertainties exist that the said criteria may not be met, the expenditure is recognised in the consolidated statement of profit and loss as incurred. Where the recognition criteria are met, intangible assets are recognised. Based on the management estimate of the useful lives, indefinite useful life assets are tested for impairment and assets with limited life are amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised on a straight-line basis, over their useful economic lives from when the asset is available for use. During the periods prior to their launch, these assets are tested for impairment on an annual basis, as their economic useful life are indeterminable till then.

The Group monetise the molecules under development, as active market exists at each stage / phase wise molecule development, either through out licencing arrangement or subsequent product launches. Accordingly the molecule under development which meets criteria under Ind AS 38 Intangible Assets; para 57 are classified as intangible assets.

De-recognition of intangible assets

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

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

Other intangible assets

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

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

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

Amortisation

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

(All amounts in million of Indian Rupees, unless otherwise stated)

The estimated useful lives of intangible assets are 1 - 10 years.

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

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

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

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

3.10. Investments and financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

  The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the

(All amounts in million of Indian Rupees, unless otherwise stated)

time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

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

Measurement of debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit and loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the consolidated statement of profit and loss and presented net in the consolidated statement of profit and loss within other income/(expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair

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value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the consolidated statement of profit and loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/(expenses) in the consolidated statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

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

3.11. Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Group present the hybrid contract in consolidated balance sheet as a single contractual arrangement. The embedded derivative component is classified as at FVTPL for measurement purposes; the host contract, as a financial liability is measured at amortised cost using the effective interest method.

Borrowings and other financial liabilities are initially recognised at fair value

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(net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method Borrowings are derecognised from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach."

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

3.12. Inventories

Inventories of finished goods, stock in trade, work in process, consumable stores and spares, raw material, packing material are valued at cost or net realisable value, whichever is lower. Cost of inventories is determined on a weighted moving average basis. Cost of work-in-process and finished goods include the cost of materials consumed, labour, manufacturing overheads and other related costs incurred in bringing the inventories to their present location and condition.

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

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

3.13. Accounting for Income Taxes

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

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

Deferred tax is not recognised for the following temporary differences:

(All amounts in million of Indian Rupees, unless otherwise stated)

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and

- Taxable temporary differences relating to investments in subsidiaries to the extent the Group is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

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

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

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

3.14. Leases

Applicable upto 31 March 2019

Under Ind AS 17, At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

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

Land acquired on long term leases

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

Operating leases

Leases other than finance leases are operating leases, and the leased assets are

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not recognised on the Group's consolidated balance sheet. Payments made under operating leases are recognised in the consolidated statement of profit and loss over the term of the lease.

Applicable with effect from 1 April 2019

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer Note 32)

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Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.15. Equity

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

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

Foreign currency translation differences are included in the currency translation reserve.

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

3.16. Employee Benefits

Short-term benefits

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

Defined benefit plans

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

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

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

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effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability/(asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:

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

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

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

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

Compensated leave of absence

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

Termination benefits

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

3.17. Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the

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risks and uncertainties and timing of cash flows associated with the present obligation.

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

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

Contingent assets are not recognised.

3.18. Share based Compensation

All employee services received in exchange for the grant of any equity-settled share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is ultimately recognised as an expense in the consolidated statement of profit and loss with a corresponding credit to equity (Stock compensation reserve). If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to expense recognised in prior periods if fewer share options are ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities premium.

4. Critical accounting estimates and significant judgement in applying accounting policies

When preparing these consolidated financial statements, management undertakes a number of judgment's, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

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

Leases

Ind AS 116 requires Group to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate
- estimating the lease term

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

Research and developments costs

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

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

Revenue

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims sometime after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

4.1. Estimation Uncertainty

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

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

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Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The useful lives are specified in notes 3.6 and 3.8.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in note 27.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 34). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

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

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. Refer note 4 and 5 for impairment testing assumptions for intangibles and goodwill.

Current and deferred income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Expected credit loss

"The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i Trade receivables.

ii Financial assets measured at amortised cost other than trade receivables.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognised as loss allowance. However, if

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credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance."

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

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

5. Recent accounting pronouncements (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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Note 2 - Basis of Consolidation

The subsidiaries which consolidate under Glenmark Pharmaceuticals Limited ('GPL') comprise the entities listed below:

Name of the Entity	Year End Date	Country of Incorporation	Holding Company as of	Effective Group Shareholding (%) as on	
			31 March 2020	31 March 2020	31 March 2019
Glenmark Pharmaceuticals (Europe) R&D Ltd.	31 March	United Kingdom	GHSA	100%	100%
Glenmark Pharmaceuticals Europe Ltd.	31 March	United Kingdom	GPL	100%	100%
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March	Czech Republic	GHSA	100%	100%
Glenmark Pharmaceuticals SK, S.R.O.	31 March	Slovak Republic	GP S.R.O.	100%	100%
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.) (GPSA)	31 March	Switzerland	GHSA	100%	100%
Glenmark Holding S. A.,(GHSA)	31 March	Switzerland	GPL	100%	100%
Glenmark Pharmaceuticals S.R.L	31 March	Romania	GHSA	100%	100%
Glenmark Pharmaceuticals SP z.o.o.	31 March	Poland	GHSA	100%	100%
Glenmark Pharmaceuticals Inc.	31 March	USA	GHSA	100%	100%
Glenmark Therapeutics Inc.	31 March	USA	GHSA	100%	100%
Glenmark Farmaceutica Ltda (GFL)	31 March	Brazil	GHSA	100%	100%
Glenmark Generics SA	31 March	Argentina	GHSA	100%	100%
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March	Mexico	GPL	100%	100%
Glenmark Pharmaceuticals Peru SAC	31 March	Peru	GPL	100%	100%
Glenmark Pharmaceuticals Colombia SAS.	31 March	Colombia	GPL	100%	100%
Glenmark Uruguay S.A. (GU S.A.)	31 March	Uruguay	GPL	100%	100%
Glenmark Pharmaceuticals Venezuela, C.A	31 March	Venezuela	GPL	100%	100%
Glenmark Dominicana SRL	31 March	Dominican Republic	GPL	100%	100%
Glenmark Pharmaceuticals Egypt S.A.E.	31 March	Egypt	GPL	100%	100%
Glenmark Pharmaceuticals FZE	31 March	United Arab Emirates	GPL	100%	100%
Glenmark Impex L.L.C	31 March	Russia	GPL	100%	100%
Glenmark Philippines Inc.	31 March	Philippines	GPL	100%	100%
Glenmark Pharmaceuticals (Nigeria) Ltd	31 March	Nigeria	GPL	100%	100%
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March	Malaysia	GPL	100%	100%
Glenmark Pharmaceuticals (Australia) Pty Ltd,	31 March	Australia	GPL	100%	100%
Glenmark South Africa (pty) Ltd (GSAPL)	31 March	South Africa	GPL	100%	100%
Glenmark Pharmaceuticals South Africa (pty) Ltd	31 March	South Africa	GSAPL	100%	100%
Glenmark Pharmaceuticals (Thailand) Co. Ltd	31 March	Thailand	GPL	49%	49%
Glenmark Pharmaceuticals B.V.	31 March	Netherland	GHSA	100%	100%
Glenmark Arzneimittel Gmbh	31 March	Germany	GHSA	100%	100%
Glenmark Pharmaceuticals Canada Inc.	31 March	Canada	GHSA	100%	100%
Glenmark Pharmaceuticals Kenya Ltd	31 March	Kenya	GPL	100%	100%
Glenmark Therapeutics AG (liquidated with effect from 2 December 2019)	31 March	Switzerland	GPL	-	100%
Viso Farmaceutica S.L.U.	31 March	Spain	GHSA	100%	100%
Glenmark Specialty SA	31 March	Switzerland	GHSA	100%	100%
Glenmark Pharmaceuticals Distribution S.R.O.	31 March	Czech Republic	GHSA	100%	100%
Glenmark Pharmaceuticals Nordic AB	31 March	Sweden	GHSA	100%	100%
Glenmark Ukraine LLC	31 March	Ukraine	GHSA	100%	100%
Glenmark-Pharmaceuticals Ecuador S.A.	31 March	Ecuador	GPL	100%	100%
Glenmark Pharmaceuticals Singapore Pte. Ltd.	31 March	Singapore	GPL	100%	100%
Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA)	31 March	Switzerland	GPSA	100%	100%
Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited)	31 March	India	GPL	100%	100%
Ichnos Sciences Inc., USA (w.e.f. 31 May, 2019)	31 March	USA	GHSA	100%	-
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda. (w.e.f. 20 March 2020)	31 March	Brazil	GFL	100%	-

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

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Note 3- Property, Plant and Equipment

Note 3.1 - Property, plant and equipment other than right-of-use asset comprise the following:

Particulars	Freehold land	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2019	**121.16**	**405.25**	**8,670.31**	**1,711.00**	**16,868.00**	**1,476.38**	**2,376.98**	**332.21**	**31,961.29**	**12,343.68**
- Other acquisitions	-	43.59	1,839.18	107.86	4,039.81	559.13	930.00	8.35	7,527.92	1,404.29
- Disposals/Transfers	-	-	(22.05)	(3.51)	(42.59)	(8.97)	(37.15)	(47.37)	(161.64)	(3,424.86)
- Translation adjustment	5.28	-	168.18	29.67	164.75	26.59	164.93	(73.07)	486.33	583.25
Balance as at 31 March 2020	**126.44**	**448.84**	**10,655.62**	**1,845.02**	**21,029.97**	**2,053.13**	**3,434.76**	**220.12**	**39,813.90**	**10,906.36**
Accumulated Depreciation										
Balance as at 1 April 2019	**-**	**66.56**	**1,329.55**	**732.05**	**5,958.18**	**978.44**	**1,764.48**	**153.91**	**10,983.17**	**-**
- Depreciation charge for the year	-	7.14	205.35	89.53	1,177.58	110.88	287.38	44.34	1,922.20	-
- Disposals/Transfers	-	-	(2.32)	(3.51)	(30.02)	(8.30)	(30.22)	(42.67)	(117.04)	-
- Translation adjustment	-	-	16.25	44.41	45.39	0.12	101.40	(4.53)	203.04	-
Balance as at 31 March 2020	**-**	**73.70**	**1,548.83**	**862.48**	**7,151.13**	**1,081.14**	**2,123.04**	**151.05**	**12,991.37**	**-**
Carrying value										
As at 1 April 2019	121.16	338.69	7,340.76	978.95	10,909.82	497.94	612.50	178.30	20,978.12	12,343.68
As at 31 March 2020	**126.44**	**375.14**	**9,106.79**	**982.54**	**13,878.84**	**971.99**	**1,311.72**	**69.07**	**26,822.53**	**10,906.36**

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant and Equipment	Furniture and fixture	Office Equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2018	**106.98**	**405.90**	**7,266.63**	**1,689.53**	**15,148.70**	**1,307.95**	**1,885.09**	**356.80**	**28,167.58**	**9,933.40**
- Other acquisitions	-	-	1,054.19	45.15	1,740.48	174.78	413.71	106.47	3,534.78	4,270.03
- Disposals/Transfers	-	-	(7.77)	(39.13)	(64.51)	(6.54)	(24.30)	(124.34)	(266.59)	(2,235.84)
- Translation adjustment	14.18	(0.65)	357.26	15.45	43.33	0.19	102.48	(6.72)	525.52	376.09
Balance as at 31 March 2019	**121.16**	**405.25**	**8,670.31**	**1,711.00**	**16,868.00**	**1,476.38**	**2,376.98**	**332.21**	**31,961.29**	**12,343.68**
Accumulated Depreciation										
Balance as at 1 April 2018	-	59.54	1,037.15	647.82	4,944.76	867.46	1,464.16	188.59	9,209.48	-
- Depreciation charge for the year	-	7.07	170.53	100.62	1,053.29	117.77	239.59	58.01	1,746.88	-
- Disposals/Transfers	-	-	(6.21)	(38.48)	(49.27)	(7.29)	(20.76)	(92.25)	(214.26)	-
- Translation adjustment	-	(0.05)	128.08	22.09	9.40	0.50	81.49	(0.44)	241.07	-
Balance as at 31 March 2019	**-**	**66.56**	**1,329.55**	**732.05**	**5,958.18**	**978.44**	**1,764.48**	**153.91**	**10,983.17**	**-**
Carrying value										
As at 1 April 2018	106.98	346.36	6,229.48	1,041.71	10,203.94	440.49	420.93	168.21	18,958.10	9,933.40
As at 31 March 2019	**121.16**	**338.69**	**7,340.76**	**978.95**	**10,909.82**	**497.94**	**612.50**	**178.30**	**20,978.12**	**12,343.68**

Notes :

- The Group's property, plant and equipment at certain locations have been pledged as security for short term borrowings disclosed under Note 16 (i).
- Additions include borrowing costs capitalised of ₹ 162.43 (2019 - ₹ 187.71). The borrowing costs have been capitalised at a weighted average rate of 5.11% (2019 - 5.44%).

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 3.2 - Right-of-Use Asset

The Group implemented the new standard on 1 April 2019, and applied the modified retrospective method, with right-of-use assets measured at an amount equal to the lease liability, adjusted by the amount of the prepaid or accrued lease payments relating to those leases recognised in the balance sheet immediately before the date of initial application and will not restate prior years (refer note 32).

Particulars	Other Building	Office Equipment	Vehicles	Total
Cost				
Balance as at 1 April 2019	**-**	**-**	**-**	**-**
- Adjustment on transition to Ind AS 116	3,159.02	-	129.10	3,288.12
- Additions	373.51	0.27	55.18	428.96
- Disposals/Transfers	(0.65)	-	(7.16)	(7.81)
- Translation adjustment	60.16	0.00	0.38	60.54
Balance as at 31 March 2020	**3,592.04**	**0.27**	**177.50**	**3,769.81**
Accumulated Depreciation				
Balance as at 1 April 2019				-
- Depreciation charge for the year	704.04	0.07	83.86	787.97
- Disposals/Transfers	-	-	(7.16)	(7.16)
- Translation adjustment	34.06	-	0.39	34.45
Balance as at 31 March 2020	**738.10**	**0.07**	**77.09**	**815.26**
Carrying value				
As at 1 April 2019	**-**	**-**	**-**	**-**
As at 31 March 2020	**2,853.94**	**0.20**	**100.41**	**2,954.55**

Note 4- Goodwill

The net carrying amount of goodwill can be analysed as follows:

Particulars	31 March 2020	31 March 2019
Opening balance	547.35	521.04
Effect of translation adjustments	(18.36)	26.31
Closing balance	528.99	547.35

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the cash generating unit (CGU) expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows

Particulars	As at 31 March 2020	As at 31 March 2019
Europe	508.70	527.06
ROW	20.29	20.29
Goodwill	528.99	547.35

At the year end, the goodwill was tested for impairment based on conditions at that date.

The recoverable amount of each CGU was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each CGU is determined by applying a suitable discount rate, reflective of underlying markets.

Particulars	Long term growth Rates		Discount Rates	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Europe & ROW	2 - 3.5%	2%	8.00-13.00%	7.00-8.00%

(All amounts in million of Indian Rupees, unless otherwise stated)

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates for the foreseeable future.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each CGU.

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimates of recoverable amount are particularly sensitive to the discount rate. If the discount rate used is increased by 1%, it would have no impact on the impairment testing

Note 5- Intangible Asset

Intangible assets comprise of :

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	**2,144.31**	**30,619.73**	**32,764.04**	**1,645.70**
- Additions	516.87	4,054.76	4,571.63	552.98
- Disposals/transfers	(70.49)	(912.64)	(983.13)	(916.99)
- Translation adjustment	56.94	2,176.13	2,233.07	30.81
Balance as at 31 March 2020	**2,647.63**	**35,937.98**	**38,585.61**	**1,312.50**
Amortisation and impairment				
Balance as at 1 April 2019	1,370.40	16,216.57	17,586.97	-
- for the year	335.50	1,125.99	1,461.49	-
- on disposals/transfers	(65.67)	(810.27)	(875.94)	-
- Translation adjustment	27.17	406.44	433.61	-
Balance as at 31 March 2020	**1,667.40**	**16,938.73**	**18,606.13**	**-**
Carrying value				
As at 1 April 2019	773.91	14,403.16	15,177.07	1,645.70
As at 31 March 2020	**980.23**	**18,999.25**	**19,979.48**	**1,312.50**

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2018	**1,913.51**	**23,077.34**	**24,990.85**	**1,285.32**
- Additions	200.09	5,878.99	6,079.08	454.33
- Disposals/transfers	(7.17)	(0.46)	(7.63)	(105.55)
- Translation adjustment	37.88	1,663.86	1,701.74	11.60
Balance as at 31 March 2019	**2,144.31**	**30,619.73**	**32,764.04**	**1,645.70**
Amortisation and impairment				
Balance as at 1 April 2018	**1,054.50**	**13,119.97**	**14,174.47**	**-**
- for the year	293.36	2,998.84	3,292.20	-
- on disposals/transfers	(0.01)	(0.29)	(0.30)	-
- Translation adjustment	22.55	98.05	120.60	-
Balance as at 31 March 2019	**1,370.40**	**16,216.57**	**17,586.97**	**-**
Carrying value				
As at 1 April 2018	859.01	9,957.37	10,816.38	1,285.32
As at 31 March 2019	**773.91**	**14,403.16**	**15,177.07**	**1,645.70**

At the year end, the intangibles being product developments/brands with indefinite or indeterminable lives were tested for impairment based on conditions at that date. In performing the impairment testing management considers various factors inter-alia, the size and nature of the target market, competition, and probability of out-licensing arrangements.

The recoverable amount of each assets/CGU was determined based on value-in-use calculations, covering a detailed cashflow forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each assets/ CGU is determined by applying a suitable discount rate.

During the year ended 31 March 2019 management has recorded an impairment loss (Refer note 41). The impairment was on account of the change in competitive market, including pricing of the underlying products.

Particulars	Long term growth Rates		Discount Rates	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
India, North America and Europe	2%	2%	10.00-12.00%	7.00-8.00%

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates in the foreseeable future.

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the assets/CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimates of recoverable amount are particularly sensitive to the discount rate. If the discount rate used is increased by 1%, it would have no impact on the impairment testing.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset/CGU.

(All amounts in million of Indian Rupees, unless otherwise stated)

Segments to which Intangible assets with indefinite or indeterminable life are allocated as follows:

As at 31 March 2020	India	North America	Europe	Total
Intangible Assets	664.83	409.31	13,394.99	14,469.13
Total	**664.83**	**409.31**	**13,394.99**	**14,469.13**

As at 31 March 2019	India	North America	Europe	Total
Intangible Assets	664.83	97.00	9,388.71	10,150.54
Total	**664.83**	**97.00**	**9,388.71**	**10,150.54**

Note 6 - Non-Current Financial Assets

(i) Investments

The fair values of investments in equity and preference shares being carried at ₹ 195.57 (2019 - ₹ 195.57) cannot be reliably determined and therefore the Group is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

Particulars		As at 31 March 2020	As at 31 March 2019
Unquoted			
(i)	**Equity Shares**		
	289,832 (2019 - 289,832) Equity Shares of Narmada Clean Tech Ltd. of ₹10 each. **(FVTPL)**	2.90	2.90
	1 (2019 -- 1) Time Share of Dalmia Resorts Limited **(FVTPL)**	0.02	0.02
	15,000,000 (2019- 15,000,000) Equity Shares of Integrace Private Limited of ₹ 10 each **(FVOCI)**	150.00	150.00
(ii)	**Preference shares**		
	1,176,471(2019 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc of USD 0.85 each **(FVTPL)**	42.65	42.65
	500,000 (2019-1,000,000) 7% cumulative preference shares of ₹ 100 each fully paid up of Marksans Pharma Ltd **(at amortised cost)**	50.00	100.00
(iii)	**Investments in Government securities**		
	National Savings Certificate -Sixth Issue (at amortised cost)	0.02	0.02
	Total	**245.59**	**295.59**
Quoted			
(i)	**Equity Shares (FVTPL)**		
	9,000 (2019 -- 9,000) Bank of India of ₹10 each	0.30	0.94
	1,209 (2019 -- 1,209) IDBI Bank Limited of ₹10 each	0.02	0.06
	Total	**0.32**	**1.00**
	Total	**245.91**	**296.59**
	Aggregate carrying value of quoted investment	0.32	1.00
	Aggregate market value of quoted investment	0.32	1.00
	Aggregate carrying value of unquoted investment	245.59	295.59
	Aggregate amount of impairment in value of investment in unquoted equity shares	-	-

(ii) Other non-current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Security deposits considered good*	394.37	349.74
Bank deposit including margin money	261.42	152.13
Total	**655.79**	**501.87**

*Security deposits represent rental, utility and trade deposits given in the normal course of business realisable after twelve months from the reporting date.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 7 - Taxes

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Current income tax expense	3,961.27	4,765.42
Deferred income tax expense / (benefit)	(731.83)	(1,008.63)
Minimum Alternate Tax (MAT) Credit (Entitlement)/ utilisation	(28.38)	(0.43)
Total	**3,201.06**	**3,756.36**

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') Issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, Indian companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The Group upon the amendment made an assessment of the Impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and other exemptions. The Group has also re-measured its deferred tax liability following the clarification issued by Technical Implementation Group of Ind AS implementation Committee by applying the lower tax rate in measurement of deferred taxes only to extent that the deferred tax liabilities are expected to be reversed in the period during which it expects to be subject to lower tax rate.

Current income tax expense does not include ₹ 276.42 recognised on account of foreign exchange movement of items designated as net investment in foreign operations which is recognised in other comprehensive income.

The relationship between the expected tax expense based on the applicable tax rate of the Group and the tax expense actually recognised in the consolidated statement of profit and loss can be reconciled as follows:

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Income tax expense at tax rates applicable to individual entities	**4,137.33**	**6,589.10**
Tax adjustment for tax-exempt income		
- Income exempt from tax	(2,209.02)	(1,950.08)
Other tax adjustments		
- Additional deduction for R & D Expenditure	(559.92)	(646.15)
- Unrecognised tax benefit on losses of subsidiaries (net)	2,514.59	218.82
- Disallowed expenses	278.61	120.85
- Other allowances / disallowances (net)	(960.53)	(576.18)
Actual tax expense (net)	**3,201.06**	**3,756.36**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	As at 31 March 2019	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Effect of translation adjustment	As at 31 March 2020
Deferred income tax assets - Non current					
Provision for credit losses	331.67	32.47		0.34	364.48
Unused tax losses	5,315.32	255.88		(249.98)	5,321.22
MAT credit entitlement	9,448.20	28.38		(3.18)	9,473.40
Difference in right-of-use asset and lease liabilities	-	26.89		0.48	27.37
Depreciation and accruals deductible on actual payment	2,452.57	(121.09)	16.74	9.28	2,357.50
Total	**17,547.76**	**222.53**	**16.74**	**(243.06)**	**17,543.97**

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2019	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Effect of translation adjustment	As at 31 March 2020
Deferred income tax liabilities - Non current					
Other current assets	107.55	134.46	1.66	(30.83)	212.84
Difference in depreciation on property, plant and equipment	2,232.87	(281.42)	-	-	1,951.45
Other taxable temporary difference	1,377.83	(390.72)	-	-	987.11
Total	**3,718.25**	**(537.68)**	**1.66**	**(30.83)**	**3,151.40**
Net deferred income tax asset	**13,829.51**	**760.21**	**15.08**	**(212.23)**	**14,392.57**

Particulars	As at 31 March 2018	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Effect of translation adjustment	As at 31 March 2019
Deferred income tax assets - Non current					
Provision for credit losses	235.27	99.47	-	(3.07)	331.67
Unused tax losses	5,633.26	105.26	-	(423.20)	5,315.32
MAT credit entitlement	9,459.52	(1.76)	-	(9.56)	9,448.20
Depreciation and accruals deductible on actual payment	1,957.72	440.38	45.80	8.67	2,452.57
Total	**17,285.77**	**643.35**	**45.80**	**(427.16)**	**17,547.76**
Deferred income tax liabilities - Non current					
Other current assets	116.21	(9.46)	-	0.80	107.55
Difference in depreciation on property, plant and equipment	2,504.67	(271.79)	-	(0.01)	2,232.87
Other taxable temporary difference	1,462.29	(84.46)	-	-	1,377.83
Total	**4,083.17**	**(365.71)**	**-**	**0.79**	**3,718.25**
Net deferred income tax asset	**13,202.60**	**1,009.06**	**45.80**	**(427.95)**	**13,829.51**

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income including taxable temporary differences in the future periods are reduced.

Deferred income taxes are not provided on undistributed earnings of subsidiaries outside India, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. The Company indefinitely reinvests all the accumulated undistributed earnings of subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of its foreign subsidiaries. It is impracticable to determine the taxes payable when these earnings are remitted.

The unrecognised deferred tax for the year ended 31 March 2020 and 31 March 2019 is ₹ 2,202.18 and ₹373.55 respectively.

During the year ended 31 March 2020, the Group, based on probable future taxable profit, has recognized/(reversed) previously unrecognised/ recognised deferred tax assets of ₹62.14 in F.Y. 2019-20 and ₹ 26.40 in F.Y. 2018-19

Deferred tax assets on unused tax losses will expire within period of 2 -7 years, except in a certain jurisdiction where there is no time bound for it's expiry.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 8 - Other Non-Current Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	3.46	5.92
Capital advances	245.57	364.65
Advance tax (net of provision)	599.72	229.20
Total	**848.75**	**599.77**

Note 9 - Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	6,352.55	6,373.75
Packing materials	1,932.73	1,832.42
Work-in-process	3,608.95	3,744.09
Stores and spares	845.19	807.98
Finished goods	7,254.45	8,533.56
Stock-in-trade	1,362.37	1,228.94
Total	**21,356.24**	**22,520.74**

Refer note 16(i) for hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process.

Inventory write downs are accounted, considering the nature of inventory , ageing of inventory as well as provisioning policy of the Group. The Group recorded inventory write down (net) of ₹1,580.86 (2019 - ₹1,124.52). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-process and stock -in-trade in the consolidated statement of profit and loss, as the case may be.

Note 10 - Current Financial Assets

(i) Trade Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	24,089.62	21,945.90
Doubtful	958.96	764.09
Allowance for doubtful debts / expected credit losses	(958.96)	(764.09)
Total	**24,089.62**	**21,945.90**

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 178.33 (2019 - ₹ 19.62) has been recorded. The movement in the expected credit losses can be reconciled as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	764.09	753.30
Amounts written off during the year	16.54	(8.83)
Provision for credit loss during the year (net)	178.33	19.62
Closing balance	**958.96**	**764.09**

(All amounts in million of Indian Rupees, unless otherwise stated)

(ii) Cash And Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	11,086.16	9,352.39
Cash on hand	16.59	10.39
Total	**11,102.75**	**9,362.78**

(iii) Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Other bank balance - Dividend accounts (Refer note 1 below)	9.67	14.87
Total	**9.67**	**14.87**

Note 1 - Dividend accounts represent balances maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividends. The corresponding liability for payment of dividends is included in short term financial liability.

(iv) Other Current Financial Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits-unsecured, considered good (Refer note 1 below)	253.15	236.44
Export incentives	614.69	1,279.87
Bank deposit including margin money	81.87	688.85
Other receivables (unsecured)	299.73	597.50
Total	**1,249.44**	**2,802.66**

Note 1 - Security deposits represent rental and trade deposits given in the normal course of business realisable within twelve months from the reporting date.

Note 11 - Other Current Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Advances recoverable in kind (unsecured)	3,092.52	2,497.84
Input taxes receivable	3,661.59	4,455.84
Advance to vendors	1,990.84	2,048.66
Prepaid expenses	1,457.04	1,318.96
Advance tax (net of provision)	26.45	-
Total	**10,228.44**	**10,321.30**

Note 12 - Equity And Reserves

a) Ordinary shares

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders' meeting, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

The Company has an authorised share capital of 2,370,000,000 equity shares of ₹ 1 each.

(All amounts in million of Indian Rupees, unless otherwise stated)

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits in accordance with the regulations. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. Dividend tax is borne by the Company.

The Company had declared dividend payout of ₹ 2.50/- per share (2019 - ₹ 2/- per share).

c) Reserves

Securities premium reserve – The amount received by the Company over and above the face value of shares issued is shown under this head.

Capital redemption reserve – The capital redemption reserve had been created as per the requirement of earlier provisions of Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders.

General reserve - The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Currency translation reserve - Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve account.

Retained earnings – Accumulated earnings include all current and prior period profits as disclosed in the consolidated statement of profit and loss.

Stock compensation reserve - Stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in statement of profit and loss and is credited to the reserve. Upon exercise of options, such reserves are reclassified to equity share capital at the nominal capital value and excess through securities premium as the case may be.

Note 13 - Equity Share Capital

Share capital		As at 31 March 2020		As at 31 March 2019	
		No. of Shares	Amount	No. of Shares	Amount
(I)	**Authorised**				
	Equity Shares of ₹ 1 each	2,370,000,000	2,370.00	2,370,000,000	2,370.00
	Cumulative redeemable non-convertible preference shares of ₹100 each	4,000,000	400.00	4,000,000	400.00
	Issued, subscribed and fully paid-up equity shares of ` 1 each				
	At the beginning of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**
	Add: Issued during the year	-	-	-	-
	At the end of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**

(All amounts in million of Indian Rupees, unless otherwise stated)

(II)	List of shareholders holding more than 5 % shares	As at 31 March 2020		As at 31 March 2019	
		% of Holding	No. of Shares	% of Holding	No. of Shares
	Saldanha Family Trust	45.45	128,241,936	45.45	128,241,936

(III) As at 31 March 2020, Pursuant to Employee Stock Options Scheme 2016, 445,913 options were outstanding, which upon exercise are convertible into equivalent number of equity shares.

(IV) Right, Preference and restriction on shares

The Company presently has only one class of ordinary equity shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary equity shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

(V) In the period of five years immediately preceeding 31 March 2020, the Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

(VI) Employee Stock Option Scheme, 2003 and 2016 (ESOS)

The Company has formulated an Employee Stock Option Scheme 2016 ('ESOS') namely ESOS 2016 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 6 years from the date of grant depending on the terms of the grant. The grants are made at the market price of the equity shares of the Company on either the date of the grant or the closing price of the date prior to the day of the grant or the price decided by the Nomination & Remuneration Committee of the Board. Pursuant to ESOS 2016, 445,913 options were outstanding as at 31 March 2020, which upon exercise are convertible into equivalent number of equity shares. Employee stock compensation charged during the year is ₹30.84 (2019 -₹1.07).

The aggregate share options and weighted average exercise price under the above mentioned plan are as follows:

	2020		2019	
	Number	weighted average price (₹)	Number	weighted average price (₹)
Outstanding at the beginning of the year	459,414	387.34	569,686	460.47
Granted during the year	20,000	28.55	111,666	169.53
Forfeited during the year	(33,501)	479.48	(221,938)	465.47
Exercised during the year *	-	-	-	-
Outstanding at the end of the year	445,913	364.32	459,414	387.34

All of the above options outstanding as of 31 March 2020 are unvested.

All share based employee payments would be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The fair values of options granted are determined using the Black-Scholes valuation model. Significant inputs into the calculation are:

(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Share price (₹)	600	600
Exercise price (₹)	600	600
Weighted average volatility rate	50%	33%
Dividend payout	200%	200%
Risk free rate	6.45%	7.60%
Average remaining life	1-40 months	1-28 months

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

Note 14 - Non-Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Foreign currency convertible bonds (FCCB)	9,644.58	8,275.05
Senior notes	14,878.82	13,743.39
ECB facility	6,788.26	6,296.08
Term loans from banks	12,948.71	13,141.92
Total	**44,260.37**	**41,456.44**
Less: Current portion of long term borrowings	(3,830.43)	(5,718.90)
	40,429.94	**35,737.54**

In the year 2016, the Company had issued U.S. $ 200,000,000 2.00% Resettable Onward Starting Equity-linked Securities (Bonds) and U.S.$ 200,000,000 4.5% Senior Notes (Notes), the brief description of the same is provided herein below:

U.S. $ 200,000,000, 2.00 % Resettable Onward Starting Equity-linked Securities (Bonds):

The Company had issued Bonds on 28 June 2016. The Bonds become convertible at the option of the holders' of the Bonds (the "Bondholders") after 1 December 2017 and upto the close of business on 18 June 2022 into equity shares. Each Bond will be convertible at the option of the holder thereof into fully paid equity shares at the initial conversion price determined on 30 November 2017.

On 30 November, 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds (subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2020, none of the Bondholders have opted for the conversion option.

On 30 November, 2017, the Company confirmed the fixed exchange rate as INR 64.5238 in accordance with the condition 6.1.1 (b) of the Trust Deed dated 28 June 2016 which provides that the fixed exchange rate shall be the FX rate (INR per US$ 1) based on Bloomberg's "BFIX" USD/INR spot mid price rate 12.00 (Hongkong time) on 30 November 2017.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on 28 June 2022 (Maturity Date) at 126.42% of their principle amount, together with accrued interest (if any), calculated upto but excluding the Maturity Date. The Company may, at its own discretion, redeem the Bonds in whole, but not in part, subject to satisfaction of certain conditions.

(All amounts in million of Indian Rupees, unless otherwise stated)

Each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021, at a price equal to 121.78% of its outstanding principle amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021.

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially repurchased in October 2018 (see note below on repurchase)

Buy back of the Company's U.S.$200,000,000 2.00 % resettable onward starting equity-linked securities due 2022:

In September 2018, The Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders") and MUFG Securities Asia Limited and J. P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to repurchase FCC Bonds at a repurchase price of 105% of the principle amount outstanding (being U.S.$ 262,500 for each U.S$ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S.$ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, The Company agreed to buyback U.S.$ 86.5mn in aggregate principle amount (representing 346 FCC Bonds in number of U.S$ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S.$ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, U.S.$ 113.5mn in aggregate principle amount of FCC Bonds remained outstanding. The Company undertook repurchase to monetize the opportunity available to reduce the external debt. FCCBs bought back were cancelled by the Company. The remaining FCC Bonds that have not been bought back by the Company remains outstanding. The Company utilised proceeds from an unsecured external commercial borrowing facility of up to U.S.$100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance such FCC Bonds. The Company has obtained a loan registration number ("LRN") from the Reserve Bank of India in this respect.

U.S. $ 200,000,000, 4.5% Senior Notes (Notes) :

The Company issued Notes on 1 August 2016. The Notes will mature on 2 August 2021.

The interest on Notes will be payable semi-annually in arrears on 1 February and 1 August each year. The final interest payment and the payment of principle will occur on 2 August 2021.

The Notes are redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company, at its discretion, may redeem all or a portion of the Notes at a redemption price equal to 100% of the principle amount, plus the applicable redemption premium, and accrued and unpaid interest and additional amounts, if any

The Notes are listed on the Singapore stock exchange.

U.S. $ 90,825,000, ECB Facility (Notes) :

Company has obtained loan registration number ("LRN") from RBI to raise an ECB Facility to the extent of US$ 100 Mn. In October 2018, the Facility for US$ 90,825,000 was raised and the proceeds were utilized for the purpose of repurchasing the FCC Bonds. The ECB Facility was raised from MUFG Bank Singapore with a maturity of 5 years. The interest rate for the first 3 years is 4.956% p.a and the interest for the subsequent 2 years is 5.25% p.a

(All amounts in million of Indian Rupees, unless otherwise stated)

The Group has availed term loans from banks at interest rates ranging between 3.25% - 6.59% p.a.

Maturity profile of non-current borrowings

Year ending 31 March	31 March 2020	31 March 2019
2020	-	5718.90*
2021	3830.43*	6,729.82
2022	17,622.20	14,557.40
2023	14,057.94	11,003.30
2024	6,705.30	3,777.65
2025	2,258.64	-

* represents current maturity of long-term borrowings

As per the loan arrangement, the Group is required to comply with certain financial covenants and the Group was in compliance with such covenants as at 31 March 2020.

(ii) Other Non-Current Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits from customers	1,346.42	885.06
Lease liability (Refer note 32)	2,313.43	-
Other liability*	628.16	-
Total	**4,288.01**	**885.06**

* includes liability towards settlement of claims

Note 15 - Other Non Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Other liabilities	4.68	6.30
Total	**4.68**	**6.30**

Note 16 - Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Secured loans		
Loans repayable on demand from banks	-	61.12
Unsecured loans		
From banks	4,425.97	2,969.12
Total	**4,425.97**	**3,030.24**

Secured loans includes working capital facilities, secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets at certain locations.

Unsecured loans includes working capital facilities and other short term credit facilities

The Group has borrowed secured/unsecured loans at interest rates ranging between 1.61% - 8.95% p.a.

The Group has not defaulted on repayment of loan and interest during the year.

(All amounts in million of Indian Rupees, unless otherwise stated)

(ii) Trade Payables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable outstanding dues to micro, small and medium enterprises under MSMED Act, 2006 [Refer note (i) below]	849.48	1,109.99
Trade payable outstanding dues to creditors other than micro, small and medium enterprises	20,407.77	21,096.52
Trade payables to related party (Refer note 29)	1.18	1.00
Total	**21,258.43**	**22,207.51**

Note (i)

Dues to Micro and Small enterprises

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	As at 31 March 2020	As at 31 March 2019
a) The principle amount remaining unpaid to any supplier at the end of the year	849.08	1,109.99
b) Interest due remaining unpaid to any supplier at the end of the year	0.40	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Group. There are no overdue principle amounts/ interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year, except stated above.

(iii) Other Current Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt	3,830.43	5,718.90
Interest accrued but not due	192.09	227.52
Unclaimed dividend*	9.67	14.87
Employee dues	179.31	158.39
Sundry creditors for capital goods	231.33	193.02
Accrued expenses	3,280.86	2,699.99
Lease liability (Refer note 32)	859.97	-
Total	**8,583.66**	**9,012.69**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 17 - Other Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	1,039.02	962.07
Other liabilities	393.63	157.37
Total	**1,432.65**	**1,119.44**

Other liabilities includes advance from customers and other such adjustable balances

Note 18- Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provisions for employee benefits :		
Provision for compensated absences (Refer note 27)	270.52	222.61
Provision for defined benefit plan (Refer note 27)	1,122.76	934.60
Other employee benefit obligation	-	-
Provision for sales return and rebates	3,758.71	3,226.29
Total	**5,151.99**	**4,383.50**

Movement of Provision for sales return and rebates	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,226.29	3,221.54
Provided during the year	850.00	80.00
Utilised/ reversed during the year	(317.58)	(75.25)
Balance at the end of the year	**3,758.71**	**3,226.29**

Note 19- Revenue from Operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	103,893.26	97,005.97
Sale of services	79.02	44.87
Other operating revenue*	2,437.41	1,603.84
Total	**106,409.69**	**98,654.68**

*Other operating revenue primarily comprises of Export incentives of ₹956.37 (2019 - ₹ 1,401.24) and Sale of scrap ₹183.60 (2019 - ₹ 202.60)

The Group's revenue disaggregated by primary geographical markets is as follows:

Geographical area	For the year ended 31 March 2020	For the year ended 31 March 2019
India	36,455.82	31,298.97
North America	32,849.31	32,855.48
Latin America	6,405.49	5,219.38
Europe	15,349.74	14,643.91
Rest of the World (ROW)	15,349.33	14,636.94
Total	**106,409.69**	**98,654.68**

(All amounts in million of Indian Rupees, unless otherwise stated)

Reconciliation of revenue recognised in the consolidated statement of profit and loss with the contracted price :

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue as per contracted price	237,145.11	210,496.84
Less : Trade discounts, sales and expiry returns	130,735.42	111,842.16
Sale of product, services and other operating revenue	**106,409.69**	**98,654.68**

Contract liabilities from contracts with customers :

The Group records a contract liability when cash payments are received or due in advance of its performance.

Particulars	As at 31 March 2020	As at 31 March 2019
Contract liabilities from contracts with customers	377.80	28.29

Note 20 -Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend income	7.00	7.03
Interest income	46.76	27.00
Profit on sale of fixed assets	-	5.98
Exchange gain (net)	1,379.33	1,773.75
Miscellaneous income *	162.93	267.61
Total	**1,596.02**	**2,081.37**

* During the year ended 31 March 2019, the company has bought back U.S. $86,500,000 in aggregate principal amount of Foreign Currency Convertable Bonds(FCCB) resulting in gain on extinguishment of liability of ₹ 153.72

Note 21- Cost of Materials Consumed

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of raw material and packing material	24,666.21	23,660.82
Consumption of stores and spares	748.53	786.30
Total	**25,414.74**	**24,447.12**

Note 22- Purchases of Stock-In-Trade

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of finished goods	10,290.83	9,762.98
Total	**10,290.83**	**9,762.98**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 23- Changes in Inventories of Work-in-Process, Stock-in-Trade and Finished Goods

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(Increase)/Decrease in stock of finished goods, work-in-process and stock-in-trade	1,280.82	(586.68)
Total	**1,280.82**	**(586.68)**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	7,254.45	8,533.56
Work-in-process	3,608.95	3,744.09
Stock-in-trade	1,362.37	1,228.94
	12,225.77	**13,506.59**
At the beginning of the year		
Finished goods	8,533.56	8,770.52
Work-in-process	3,744.09	2,577.04
Stock-in-trade	1,228.94	1,572.35
	13,506.59	**12,919.91**
Total	**1,280.82**	**(586.68)**

Note 24- Employee Benefit Expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	20,633.94	18,994.74
Contribution to provident and other funds and Retirement benefits (Refer note 27)	1,698.08	1,379.74
Employee stock compensation cost	30.84	1.07
Staff welfare expenses	184.90	185.15
Total	**22,547.76**	**20,560.70**

Note 25 - Finance Costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on		
- Term loans	1,397.62	1,297.68
- Interest on foreign currency convertible bonds	837.67	1,024.48
- Interest on senior notes and ECB facility	1,113.61	781.52
- Interest on lease (Refer note 32)	235.19	-
- Others	189.09	242.17
Total	**3,773.18**	**3,345.85**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 26 - Other Expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Labour charges	1,081.29	1,041.42
Power,fuel and water charges	1,502.82	1,431.16
Repairs and maintenance - plant and machinery	118.02	116.39
Repairs and maintenance - building	91.26	83.40
Repairs and maintenance - others	1,291.60	1,207.12
Rent	381.24	1,025.75
Rates and taxes	197.41	142.71
Other manufacturing expenses	679.99	452.25
Consumables	2,684.27	3,564.68
Selling and Marketing expenses	1,340.91	1,558.09
Sales promotion expenses	5,697.63	7,151.33
Travelling expenses	2,375.79	2,320.59
Freight outward	3,017.78	2,541.37
Telephone expenses	92.95	103.45
Provision for doubtful debts / expected credit loss (net)	178.33	19.62
Insurance	276.88	221.25
Electricity charges	234.03	221.39
Auditors remuneration		
- Audit fees	86.59	91.28
- Other services	10.45	1.20
- Reimbursement of expenses	2.08	1.60
Corporate social responsibility expense (Refer Note 35)	281.86	313.31
Legal and professional charges	3,181.70	2,335.14
Director sitting fees (Refer Note 29)	8.80	8.30
Loss on sale of property, plant and equipments (net)	11.73	-
Other expenses	5,069.31	2,659.76
Total	**29,894.72**	**28,612.56**

Note 27 - Employee Post- Retirement Benefits

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

a) Gratuity (defined benefit plan)

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

The Group recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31 March 2020	31 March 2019
Current service cost	311.16	169.48
Curtailment and past service cost	(23.64)	(11.55)
Personnel expenses	287.52	157.93
Net interest on defined benefit schemes	33.74	27.76
Administration cost (excluding cost for managing plan assets)	0.66	0.46
Net periodic expense	**321.92**	**186.15**

(All amounts in million of Indian Rupees, unless otherwise stated)

The remeasurement components recognised in the statement of other comprehensive income for the Group's defined benefit plans comprise the following:

Particulars	31 March 2020	31 March 2019
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(0.31)	(29.08)
Based on adjustment of financial assumptions	55.56	138.49
Due to liability experience adjustment	(147.23)	108.79
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	39.45	41.19
Total remeasurement (benefit)/loss recognised in the statement of other comprehensive income	**(52.52)**	**259.39**

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group's defined benefit plans.

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	2,389.41	1,993.97
Fair value of plan assets	(1,266.65)	(1,059.37)
Net defined benefit liability	**1,122.76**	**934.60**
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	1,122.76	934.60

The movements in the net defined benefit liability recognised within the consolidated statement of financial position are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	934.60	641.41
Addition during the year	21.16	5.13
Cost recognised in income statement	321.92	186.15
Remeasurement (gains) / losses recognised in other comprehensive income	(52.52)	258.84
Actual employer contributions	(82.34)	(93.20)
Benefits paid	(75.38)	(66.32)
Exchange differences	55.32	2.59
Closing balance	**1,122.76**	**934.60**

(All amounts in million of Indian Rupees, unless otherwise stated)

The change in the present value of defined benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	1,993.97	1,485.50
Addition during the year	21.16	5.13
Current service cost	311.16	169.48
Interest cost on the defined benefit obligations	64.95	57.84
Actual employee contributions	52.29	50.37
Curtailment and past service cost	(23.64)	(11.55)
Actual benefit payments	(90.56)	10.78
Actuarial (gains)/losses - Demographic assumptions	(0.31)	(29.08)
Actuarial (gains)/losses - Financial assumptions	55.56	138.49
Actuarial (gains)/losses - Liability experience	(147.23)	108.79
Administration cost (excluding cost for managing plan assets)	0.66	0.46
Exchange differences	152.03	7.76
Risk and admin premiums	(0.63)	-
Closing balance	**2,389.41**	**1,993.97**

The following table shows the change in the fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Beginning balance	1,059.37	844.09
Interest income on plan assets	31.31	30.08
Actual employer contributions	82.34	92.66
Actual employee contributions	52.29	50.37
Actual benefit payments	(15.18)	77.64
Actual return on assets (excluding interest income on plan assets)	(40.18)	(41.19)
Exchange differences	96.70	5.72
Closing balance	**1,266.65**	**1,059.37**

The Group expects to contribute ₹ 587.74 to its defined benefit plans in 2020-21.

The principal actuarial assumptions used for the defined benefit obligations at 31 March 2020 and the following year's are as follows:

Particulars	31 March 2020	31 March 2019
Discount rate (weighted average)	0.60%-8.79%	0.60%-8.79%
Rate of compensation increase (weighted average)	1.50%-5.31%	1.50%-5.31%
Inflation rate (weighted average)	0.24%-3.75%	0.24%-3.75%

Mortality rates have been set in accordance with current best practices in the respective countries. The average life expectancy in years on the statement of financial position date is as follows:

Particulars	31 March 2020	31 March 2019
Average life expectancy (Years)	25.42-44.00	25.42-44.00

(All amounts in million of Indian Rupees, unless otherwise stated)

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Assets administered by respective Insurance companies	100%	100%

A breakup of the defined benefit plan related statement of financial position amounts at 31 March 2020 and 2019, is shown below.

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	2,389.41	1,993.97
Fair value of plan assets	(1,266.65)	(1,059.37)
Net defined benefit liability	1,122.76	934.60

The present value of defined benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	13,429	12,921
Present value of funded obligations	2,389.41	1,993.97

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

Particulars	31 March 2020	31 March 2019
Discount rate + 0.25% / +0.5 % p.a.	(106.18)	(87.68)
Discount rate - 0.25% / - 0.5 % p.a.	107.66	94.77
Rate of compensation + 0.25% / + 0.5 % p.a.	50.68	49.52
Rate of compensation - 0.25% / - 0.5 % p.a.	(54.82)	(48.03)

b) Compensated leave of absence plan (other long term benefit plan)

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

(All amounts in million of Indian Rupees, unless otherwise stated)

The Group recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31 March 2020	31 March 2019
Current service cost	68.53	63.52
Personnel expenses	68.53	63.52
Net interest on defined benefit schemes	16.90	14.74
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(0.28)	-
Based on adjustment of financial assumptions	26.94	5.03
Due to liability experience adjustment	(12.48)	24.98
Return on plan assets (excluding amounts in net interest on long term benefit schemes)	(0.10)	(0.73)
Net periodic expense	**99.51**	**107.54**

The following tables show the change in present value of long term benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group's long term benefit plans.

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	433.31	376.06
Fair value of plan assets	(162.79)	(153.45)
Net long term benefit liability	**270.52**	**222.61**
Being:		
Retirement benefit plan assets	-	-
Retirement benefit plan liabilities	**270.52**	**222.61**

The movements in the net long term benefit liability recognised within the consolidated statement of financial position are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	222.61	172.30
Added during the year	6.11	
Cost recognised in income statement	99.51	107.54
Remeasurement (gains) / losses recognised in other comprehensive income	-	-
Actual employer contributions	(2.50)	-
Benefits paid	(55.21)	(57.23)
Closing balance	**270.52**	**222.61**

The change in the present value of long term benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	376.06	313.98
Addition during the year	6.11	-
Current service cost	68.53	63.52
Interest cost on the long term benefit obligations	28.64	25.78
Actual benefit payments	(60.21)	(57.23)
Actuarial (gains)/losses - Demographic assumptions	(0.28)	-
Actuarial (gains)/losses - Financial assumptions	26.94	5.03
Actuarial (gains)/losses - Liability experience	(12.48)	24.98
Closing balance	**433.31**	**376.06**

(All amounts in million of Indian Rupees, unless otherwise stated)

The following table shows the change in the fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Beginning balance	153.45	141.68
Interest income on plan assets	11.74	11.04
Return on plan assets	(2.50)	0.73
Actual employer contributions	0.10	-
Closing balance	**162.79**	**153.45**

The Group expects to contribute ₹ 264.31 to its long term benefit plan in F.Y. 2020-21.

The principal actuarial assumptions used for the long term benefit obligations at 31 March 2020 and the following years are as follows:

Particulars	31 March 2020	31 March 2019
Discount rate (weighted average)	6.45%	7.60%
Rate of compensation increase (weighted average)	3%-5%	3%-5%

Mortality rates have been set in accordance with current best practices in the respective countries. The average life expectancy in years on the consolidated statement of financial position date is as follows:

Particulars	31 March 2020	31 March 2019
Average life expectancy at 58 (Years)	25.38-45	25.42-25.81

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Insurance contracts	100%	100%

A breakup of the long term benefit plan related statement of financial position amounts at 31 March 2020 and 2019, is shown below.

Particulars	31 March 2020	31 March 2019
Present value of obligations	433.31	376.06
Fair value of plan assets	(162.79)	(153.45)
Net long term benefit liability	**270.52**	**222.61**

The present value of long term benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	13,014	12,760
Present value of obligations	433.31	376.06

(All amounts in million of Indian Rupees, unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Discount rate + 0.5 % p.a.	(17.60)	(14.91)
Discount rate - 0.5 % p.a.	18.92	16.00
Rate of compensation + 0.5 % p.a.	19.46	16.59
Rate of compensation - 0.5 % p.a.	(18.24)	(15.57)

c) Provident fund and others (defined contribution plan)

Apart from being covered under the Gratuity Plan described earlier, employees of the Indian companies participate in a provident fund plan; a defined contribution plan. The Group makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Group does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. The Group contributed approximately ₹ 1,288.72 (2019 - ₹ 1,086.06) towards the provident fund plan and others during the year ended 31 March 2020.

Note 28- Research And Development Expenditure

During the year, the Group expenditure on research and development is ₹ 13,205.12 (2019 - ₹ 14,480.26).

Note 29 Related Party Transactions

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mr. Glenn Saldanha (Chairman & Managing Director)

Mrs. Cherylann Pinto (Executive Director)

Mr. V S Mani (Executive Director & Global Chief Financial Officer)

Mr. Rajesh Desai (Non-executive Director)

Mr. Harish Kuber (Company Secretary & Compliance Officer)

Mrs. B. E. Saldanha (Non-executive Director)

Mr. D.R.Mehta (Non-executive Director)

Mr. Bernard Munos (Non-executive Director)

Mr. J.F.Ribeiro (Non-executive Director)

Dr.Brian W. Tempest (Non-executive Director)

Mr. Sridhar Gorthi (Non-executive Director)

Mr. Milind Sarwate (Non-executive Director)

Ms. Sona Saira Ramasastry (Non-executive Director with effect from 1 April 2019)

Enterprises over which significant influence exercised by key management personnel/directors

Glenmark Foundation

Glenmark Aquatic Foundation

Trilegal

(All amounts in million of Indian Rupees, unless otherwise stated)

Summary of transactions with related parties during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of services		
Trilegal	10.90	24.59
Expenditure incurred for CSR activities to		
Glenmark Foundation	161.22	141.76
Glenmark Aquatic Foundation	73.02	64.00
Transactions with key management personnel		
Remuneration		
- Mr. Glenn Saldanha	122.35	157.05
- Mrs. Cherylann Pinto	45.21	42.92
- Mr. V S Mani	51.50	45.60
- Mr. Murali Neelakantan (Executive Director till May 29, 2018)	-	43.07
- Mr. Harish Kuber (Company Secretary & Compliance Officer)	3.96	3.27
Sitting fees paid to Non-executive Directors	8.80	8.30

Related party balances	As at 31 March 2020	As at 31 March 2019
(Payable)/ Advance given		
Glenmark Foundation	(1.18)	(1.00)

The directors are covered under the Group's gratuity policy and ESOP scheme along with other employees of the Group. Proportionate amount of gratuity and stock compensation expense is not included in the aforementioned disclosures as it cannot be separately ascertained.

Note 30 - Earnings Per Share (EPS)

The basic earnings per share for the year ended 31 March 2020 has been calculated using the profits attributable to the equity shareholders.

Calculation of basic and diluted EPS is as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit attributable to shareholders of Glenmark, for basic and diluted	7,759.67	9,249.83
Weighted average number of shares outstanding during the year for basic EPS	282,168,156	282,168,156
Effect of dilutive potential ordinary shares:		
Employee stock options	-	10,240
Weighted average number of shares outstanding during the year for diluted EPS	282,168,156	282,178,396
Basic EPS, in ₹	27.50	32.78
Diluted EPS, in ₹	27.50	32.78

Note 31 - Commitments and Contingencies

	Particulars	As at 31 March 2020	As at 31 March 2019
(I)	**Contingent Liabilties**		
	Claims against the Group not acknowledged as debts		
	Disputed taxes and duties	433.34	473.99
	Others	38.49	84.61

(All amounts in million of Indian Rupees, unless otherwise stated)

The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 12.24 as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹3.33 towards interest @15% p.a. on the overcharged amount up to 31 January 2014. The Company had filed a petition under Article 32 with the Hon'ble Supreme Court of India (Hon'ble Court), challenging the issue of the above mentioned demand notice on various grounds. This petition was tagged along with other petitions filed by other pharmaceutical companies, pending before Hon'ble Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule of the DPCO, 1995. The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand. Whilst the matter was pending before the Hon'ble Supreme Court, in Oct 2015, NPPA issued a fresh demand notice of ₹ 12.24 as overcharging liability and ₹ 63.85 as interest thereon calculated upto 30 September 2015 to which the Company has responded stating that the matter was sub-judice. On 20 July 2016 Hon'ble Supreme Court heard the Company's petition and ordered the petition to be transferred back to Hon'ble Delhi High Court to be heard on merits subject to deposit of 50% of the overcharged claimed amount. Glenmark has deposited ₹ 6.12 (50% of the overcharged claimed amount). The pleadings have been completed and matter is pending to be listed in the Hon'ble Delhi High Court for hearing. The Company based on legal advice, has an arguable case on merits as well as with regard to mitigation of the demand. The matters are sub-judice before the Hon'ble Delhi High Court.

(b) On 10 March 2016 Ministry of Health and Family Welfare (MoH) issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect. Several products of the Company were also covered in the notified prohibited "FDC's". The Company has filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company by staying the notifications banning the FDC's. The Company based on legal advice, has an arguable case on merits though the liability in this case cannot be computed. In an adverse scenario, the Company would be restricted from manufacturing, selling and marketing the impacted FDC's. The matter was clubbed with other petition of other companies before the Supreme Court of India (Hon'ble Court). The Hon'ble Court directed the Drug Technical Advisory Board (DTAB) as sub-committee to examine the ban of drugs. DTAB appointed an expert committee under the chair of Dr. Nilima Kshirsagar to examine the list of banned FDC. Company made due written and oral representations before the Committee in relation to its affected products. The committee has submitted its report to the Ministry of Health. Meanwhile taking the proactive approach the Company has revised the composition of the affected FDC's for its domestic market. Based on the Nilima Kshirsagar Committee Report, MoH on 7 September 2018 issued series of notification which has prohibited the manufacture for sale, sale or distribution for human use of 328 FDCs with immediate effect. It has also restricted the manufacture, sale or distribution of six FDCs subject to certain conditions. The Company filed Writ petitions in the Delhi High Court against the 7 notification/s in respect of its affected FDCs which were still circulating in the market and obtained an ad interim stay, on the notifications allowing the Company to liquidate its affected FDCs. Since then the Company on 27 March 2019, withdrew its Writs except for one product meant for exports and for which the Company continues to enjoy an ad-interim protection.

(c) In October 2019 National Pharmaceutical Pricing Authority (NPPA) issued a Show Cause Notice alleging that the Company had violated DPCO 2013 by self-invoking Para 32 by not seeking approval from the Government. Although the Company has responded to the Show cause notice,

(All amounts in million of Indian Rupees, unless otherwise stated)

On 2.01.2020 NPPA issued a letter seeking production of documents/records under Para 29 Glenmark challenged the decision of the NPPA by filing a writ petition before Hon'ble Delhi High Court. In January 2020 Hon'ble Delhi High Court was pleased to note NPPA's counsel having submitted that without prejudice to their rights of the parties, NPPA will grant a hearing to Glenmark, with decide on the Company's entitlement under paragraph 32 of the DPCO, 2013 and disposed off the petition, with a noting that in view of the personal hearing, the impugned orders will not be given effect to. Although NPPA granted the Company personal hearing issued a price order notification in March 2020 notifying the price on the grounds that Remolifozin Etabonate + Metformin Hydrocloride without deciding the entitlement under paragraph 32 of the DPCO, 2013. The Company thereafter challenged various orders passed by the NPPA by filing a fresh writ petition. After hearing both Parties, Hon'ble Delhi High Court was pleased to grant the no coercive action against Glenmark based on the Impugned Orders dated 03.03.2020 and 20.03.2020. The matter is sub-judice.

(d) On a complaint by a stockist with the Competition Commission of India ("CCI") in July 2015 against pharmaceutical companies (including the Company and its C&F agent) and the Trade associations, alleging refusal to supply medicines to it in spite of having all valid licenses and documents, CCI ordered the Director General ("DG") to investigate and submit a report. CCI clubbed this matter with other matters on a similar complaint against other pharmaceutical companies and local Trade associations. On submission of DG's report CCI has recently issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees are in the process of appealing the said Order.

(e) The Department of Justice of United States of America, as part of its investigation into various generic pharmaceutical companies regarding antitrust violations, filed an indictment in the United States District Court for the Eastern District of Pennsylvania, which charges Glenmark Pharmaceutical Inc (GPI) with one count of conspiracy to restrain trade. The indictment asserts that GPI engaged in a conspiracy to suppress and eliminate competition by agreeing to increase and maintain prices of pravastatin and other generic drugs sold in the United States. These charges run contrary to the very essence of GPI's motto i.e. to drive down drug prices and improve patient access to medications. GPI strongly disagree with the false allegations being advanced by the Justice department and do not believe the evidence supports the case. GPI will continue to vigorously defend against these charges, and are confident the overwhelming evidence will make that clear.

(f) From time to time Glenmark and Glenmark Pharmaceuticals Inc are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs. In this regard and concerning a patent settlement agreement entered into between Glenmark and Merck, a multiple punitive class and individual action was filed in 2018 by purchasers of branded Zetia and generic Zetia (ezetimibe) against Glenmark and its US subsidiary, before the United States District Court for the Eastern District of Virginia. The Plaintiffs allege that Glenmark and Merck & Co Inc. ("Merck") violated the federal and state antitrust laws by entering into a so-called reverse payment patent settlement agreement when resolving Hatch-Waxman patent litigation in May 2010 related to Merck's branded Zetia product. The law suit alleges that the patent settlement agreement delayed the entry of generic which caused consumers to pay higher prices. The case seeks various forms of reliefs including monetary reliefs, including damages. Glenmark believes that its Patent Settlement Agreement is lawful and served to increase competition and is defending the same vigorously.

(All amounts in million of Indian Rupees, unless otherwise stated)

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2020 aggregate ₹1,661.69 (2019 - ₹ 1,663.78)

(iii) Others

Particulars	As at 31 March 2020	As at 31 March 2019
Bank Guarantees	2,240.22	176.46

Note 32 - Leases

The Group has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and therefore comparative periods have not been restated. The Group has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has recognised a right-of-use asset on the date of initial application at an amount equal to lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.00% to 10.40% p.a.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

Practical expedient opted by Group:

- For contracts in place at the date of transition, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Group has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

(All amounts in million of Indian Rupees, unless otherwise stated)

Exemptions availed by Group:

The Group has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

Group as lessee

The Group's leased assets primarily consist of leases for office premises and godowns. Leases of office premises and godowns generally have lease term between 2 to 12 years. The Group has applied low value exemption for leases laptops, lease lines, furniture and equipment and accordingly are excluded from Ind AS 116. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable certain to exercise extension option and not to exercise termination option, the Group has opted to include such extended term and ignore termination option in determination of lease term.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Amount ₹
Adjustment on transition to Ind AS 116	3,288.12
Additions	428.96
Termination	(7.81)
Translation difference	60.54
Depreciation expenses	(815.26)
As at March 31, 2020	**2,954.55**

ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	Amount ₹
Adjustment on transition to Ind AS 116	3,288.12
Additions	428.96
Termination	(7.81)
Accretion of interest	235.19
Translation difference	50.50
Payments	(821.56)
As at 31 March 2020	**3,173.40**
Current	859.97
Non-current	2,313.43

iii) The following are the amounts recognised in profit or loss for the year ended 31 March 2020:

Particulars	Amount ₹
Depreciation expense of right-of-use assets	815.26
Interest expense on lease liabilities	235.19
Expense relating to short-term leases and low value assets	381.24
Total	**1,431.69**

The Group had total cash outflows for leases of ₹ 1,202.80 in FY 2019-20.

(All amounts in million of Indian Rupees, unless otherwise stated)

iv) The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Particulars	As at 31 March 2020
within 1 year	906.57
1-5 years	2,233.79
5 years and above	610.22
Total	**3,750.58**

Note 33 - Segment Reporting

Business segment:

The Chief Operating Decision Maker ("CODM") reviews the financial performance at pharmaceutical business level, comprising of generics and active pharmaceutical ingredient components, which are interlinked and inter-dependent, therefore, the Group has only one reportable segment, i.e, Pharmaceuticals.

Geographical information:

Geographical segment disclosure given below are based on location of the Group's customers in case of revenue. The disclosure of carrying amount of segment assets are based on geographical location of segment assets.

1. India
2. North America
3. Latin America
4. Europe
5. Rest of the World

Information about revenues by geography

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	36,455.82	31,298.97
North America	32,849.31	32,855.48
Latin America	6,405.49	5,219.38
Europe	15,349.74	14,643.91
Rest of the world (ROW)	15,349.33	14,636.94
Total	**106,409.69**	**98,654.68**

Analysis of assets by geography

As at 31 March 2020	India	North America	Latin America	Europe	ROW	Total
Tangible Assets	20,822.18	14,072.80	933.07	1,161.73	739.11	37,728.89
Intangible Assets	1,978.14	1,887.14	216.58	17,149.96	60.16	21,291.98
Total	**22,800.32**	**15,959.94**	**1,149.65**	**18,311.69**	**799.27**	**59,020.87**

As at 31 March 2019	India	North America	Latin America	Europe	ROW	Total
Tangible Assets	20,476.47	10,135.04	1,120.03	974.78	615.48	33,321.80
Intangible Assets	1,887.30	1,581.45	144.79	13,146.50	62.73	16,822.77
Total	**22,363.77**	**11,716.49**	**1,264.82**	**14,121.28**	**678.21**	**50,144.57**

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 34- Fair Value Measurements

Financial instruments by category

Particulars	As at 31 March 2020					As at 31 March 2019				
	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value
Financial assets										
Non current financial assets	-	-	655.79	655.79	655.79	-		501.87	501.87	501.87
Investments	45.89	150.00	50.02	245.91	245.91	46.57	150.00	100.02	296.59	296.59
Trade receivables	-	-	24,089.62	24,089.62	24,089.62	-		21,945.90	21,945.90	21,945.90
Cash and cash equivalents	-	-	11,102.75	11,102.75	11,102.75	-		9,362.78	9,362.78	9,362.78
Bank balances other than cash and cash equivalents	-	-	9.67	9.67	9.67	-		14.87	14.87	14.87
Others current financial assets	-	-	1,249.44	1,249.44	1,249.44	-		2,802.66	2,802.66	2,802.66
Total	**45.89**	**150.00**	**37,157.29**	**37,353.18**	**37,353.18**	**46.57**	**150.00**	**34,728.10**	**34,924.67**	**34,924.67**
Financial Liabilities										
Long term borrowings	1.40	-	40,428.54	40,429.94	40,429.94	464.44	-	35,273.10	35,737.54	35,737.54
Non current financial liabilities	-	-	4,288.01	4,288.01	4,288.01	-	-	885.06	885.06	885.06
Short term borrowings	-	-	4,425.97	4,425.97	4,425.97	-	-	3,030.24	3,030.24	3,030.24
Trade payables	-	-	21,258.43	21,258.43	21,258.43	-	-	22,207.51	22,207.51	22,207.51
Other current financial liabilities	-	-	8,583.66	8,583.66	8,583.66	-	-	9,012.69	9,012.69	9,012.69
Total	**1.40**	**-**	**78,984.61**	**78,986.01**	**78,986.01**	**464.44**	**-**	**70,408.60**	**70,873.04**	**70,873.04**

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

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

Cash and cash equivalent and other bank balances comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.

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

The Bonds are interest bearing instruments with an embedded derivative instrument of conversion option. The instrument's value predominately consist of liability measured at amortised cost; the embedded derivative is measured at FVTPL.

Fair value hierarchy :

Level 2 : All FVTPL and FVOCI financial assets and liabilities are classified under level 2 of fair value hierarchy except investments amounting to ₹0.32 which are classified as level 1 inputs.

Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 35 - Note on Expenditure on Corporate Social Responsibility

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2020 :

i. Gross amount required to be spent by the Company during the year - ₹ 404.00 (2019 - ₹ 382.50)

ii. Amount spent during the year on: (by way of contribution to the trusts and projects undertaken)

Particulars	Amount paid in cash	Amount yet to be paid in cash	Total amount
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above:			
Promoting education	37.91	-	37.91
Promoting health care including preventive health care	34.08	-	34.08
Reducing child mortality and improving maternal health	134.95	-	134.95
Training to promote olympic sports	73.02	-	73.02
Administrative expenses	1.90	-	1.90
Total	**281.86**	**-**	**281.86**

Note 36- Risk Management Objectives and Policies

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

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

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

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

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

The Group's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

Foreign Currency sensitivity

The overseas entities of the Group operate in different countries. The functional currency of such entities is the currency being used in that particular country. The bulk of contributions to the Group's assets, liabilities, income and expenses in foreign currency are denominated in US Dollar and EURO. Apart from US Dollar, foreign currency transactions are entered into by entities in several other currencies as applicable in the country in which the particular entity operates. However, the size of these entities relative to the total Group and the volume of transactions in such currencies are not material.

(All amounts in million of Indian Rupees, unless otherwise stated)

Thus, the foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR).

US Dollar conversion rate was ₹ 69.32 at the beginning of the year and scaled to a high of ₹ 76.12 and to low of ₹ 68.24. The closing rate is ₹ 74.74. Considering the volatility in direction of strengthening dollar upto 10%, the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2020		31 March 2019	
	USD (million)	INR	USD (million)	INR
Short-term exposure				
Financial assets	100.19	7,487.97	77.65	5,382.84
Financial liabilities	(72.25)	(5,400.31)	(55.08)	(3,818.53)
Total	**27.94**	**2,087.66**	**22.57**	**1,564.31**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	(424.33)	(31,714.47)	(427.13)	(29,609.01)
Total	**(424.33)**	**(31,714.47)**	**(427.13)**	**(29,609.01)**

If the INR had strengthened against the US Dollar by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	2,962.68	2,804.47
Equity	-	-

If the INR had weakened against the US Dollar by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(2,962.68)	(2,804.47)
Equity	-	-

EUR conversion rate was ₹ 77.76 at the beginning of the year and scaled to a high of ₹ 84.96 and to low of ₹ 76.28. The closing rate is ₹ 82.21. Considering the volatility in direction of strengthening EUR upto 10%, the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2020		31 March 2019	
	EUR (million)	INR	EUR (million)	INR
Short term exposure				
Financial assets	10.93	898.76	9.39	730.14
Financial liabilities	(10.96)	(901.05)	(8.73)	(679.20)
Total	**(0.03)**	**(2.29)**	**0.66**	**50.94**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

(All amounts in million of Indian Rupees, unless otherwise stated)

If the INR had strengthened against the EUR by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	0.23	(5.09)
Equity	-	-

If the INR had weakened against the EUR by 10% then this would have the following impact:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(0.23)	5.09
Equity	-	-

Interest rate sensitivity

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

The Group has outstanding borrowings of USD 173.25 million (2019 - USD 212.22 million) which are linked to LIBOR/ Benchmark prime lending rate (BPLR). Increases by 25 basis points then such increase shall have the following impact on:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	(32.37)	(36.78)
Equity	-	-

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact on:

Particulars	31 March 2020 INR	31 March 2019 INR
Net results for the year	32.37	36.78
Equity	-	-

The bank deposits are placed on fixed rate of interest of approximately 0.25% to 6.50%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised as at the date of the balance sheet is summarised below:

Particulars	As at 31 March 2020	As at 31 March 2019
Cash & cash equivalents	11,102.75	9,362.78
Bank balances other than cash and cash equivalents	9.67	14.87
Trade receivables	24,089.62	21,945.90
Investments	245.91	296.59
Other current financial assets	1,249.44	2,802.66
Other non-current financial assets	655.79	501.87
Total	**37,353.18**	**34,924.67**

(All amounts in million of Indian Rupees, unless otherwise stated)

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for customers.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding for more than 6 months	2,687.47	2,756.77
Others	21,402.15	19,189.13
Total	**24,089.62**	**21,945.90**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired at each of the reporting dates and are of good credit quality, including those that are past due. None of the Group's financial assets are secured by collateral or other credit enhancements.

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

Liquidity risk analysis

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

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

(All amounts in million of Indian Rupees, unless otherwise stated)

As at 31 March 2020, the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current Within 1 year	Non-Current 1to 5 years
Trade payable	21,258.43	-
Financial liabilities	4,753.23	-
Short term borrowings	4,425.97	-
Long-term borrowings	3,830.43	40,429.94
Other non-current financial liabilities	-	4,288.01
Total	**34,268.06**	**44,717.95**

For Long term borrowings refer Note 14 and for Lease obligations refer Note 32 for further details

Note 37 - Capital Management Policies and Procedures

The Group objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Net Debt = total borrowings less cash and cash equivalent. Total 'equity' as shown in the the balance sheet including non-controlling interest

Particulars	31 March 2020	31 March 2019
Total debt	48,686.34	44,486.67
Less: Cash & cash equivalents	11,102.75	9,362.78
Net debt (A)	**37,583.59**	**35,123.89**
Total equity (B)	**60,701.13**	**56,048.07**
Net debt to equity ratio (A/B)	**61.92%**	**62.67%**

Dividends	31 March 2020	31 March 2019
(i) Equity shares		
Final dividend paid during the year ended	680.34	680.33

(ii) Dividends not recognised at the end of the reporting period.
In addition to the above dividends, since year end the Board of Directors have recommended the payment of a final dividend of ₹ 2.50 (31 March 2019 - ₹ 2) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(All amounts in million of Indian Rupees, unless otherwise stated)

Note 38 - Additional Information Required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liablities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Glenmark Pharmaceuticals Limited	217.88%	132,262.64	174.56%	13,545.48	2.21%	(54.22)	254.43%	13,491.26
Glenmark Therapeutics AG	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Glenmark Pharmaceuticals (Kenya) Limited	0.26%	156.62	-0.22%	(17.08)	-0.21%	5.28	-0.22%	(11.80)
Glenmark Pharmaceuticals (Australia) Pty.Ltd.	0.00%	0.01	-0.01%	(0.51)	0.00%	(0.01)	-0.01%	(0.52)
Glenmark Impex L.L.C	4.35%	2,640.46	2.56%	198.51	12.30%	(302.32)	-1.96%	(103.81)
Glenmark Pharmaceuticals Malaysia Sdn Bhd	0.28%	172.94	0.22%	17.25	-0.14%	3.42	0.39%	20.67
Glenmark Pharmaceuticals (Nigeria) Ltd	-0.26%	(157.29)	-0.33%	(25.76)	0.32%	(7.84)	-0.63%	(33.60)
Glenmark South Africa (pty) Ltd	0.77%	467.60	0.00%	(0.19)	2.35%	(57.72)	-1.09%	(57.91)
Glenmark Philippines Inc.	0.55%	334.84	1.39%	107.80	-0.67%	16.42	2.34%	124.22
Glenmark Pharmaceuticals FZE	0.53%	324.40	0.49%	37.99	-0.96%	23.64	1.16%	61.63
Glenmark Pharmaceuticals Egypt S.A.E.	-0.04%	(23.46)	-0.12%	(9.49)	0.32%	(7.87)	-0.33%	(17.36)
Glenmark Pharmaceuticals South Africa (pty) Ltd	-0.48%	(290.09)	-0.14%	(10.74)	-2.13%	52.38	0.79%	41.64
Glenmark Pharmaceuticals S.R.L	0.06%	34.89	-0.45%	(34.67)	0.04%	(0.99)	-0.67%	(35.66)
Viso Farmaceutica S.L.U., SPAIN	0.14%	84.36	0.32%	24.81	0.14%	(3.48)	0.40%	21.33
Glenmark Therapeutics Inc.	0.85%	517.01	-9.69%	(752.27)	-1.02%	25.00	-13.72%	(727.27)
Glenmark Pharmaceuticals (Europe) R&D Ltd.	0.51%	307.18	0.24%	18.31	-0.30%	7.39	0.48%	25.70
Glenmark Uruguay S.A.	1.23%	745.76	-0.02%	(1.23)	-2.20%	54.10	1.00%	52.87
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	0.84%	510.67	-0.29%	(22.37)	2.27%	(55.80)	-1.47%	(78.17)
Glenmark Pharmaceuticals Venezuela, C.A	-2.72%	(1,653.49)	0.00%	-	0.00%	-	0.00%	-
Glenmark Pharmaceuticals Peru SAC	0.10%	57.87	-0.98%	(75.82)	-0.04%	1.09	-1.41%	(74.73)
Glenmark Farmaceutica Ltda	4.38%	2,657.37	-6.21%	(482.17)	20.20%	(496.34)	-18.45%	(978.51)
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.) (GPSA)	19.17%	11,638.49	-44.04%	(3,417.47)	-32.75%	804.79	-49.27%	(2,612.68)
Glenmark Holding S. A.	-0.31%	(186.93)	-97.95%	(7,600.62)	217.51%	(5,344.57)	-244.13%	(12,945.19)
Glenmark Pharmaceuticals Nordic AB	0.15%	88.17	0.09%	7.04	0.02%	(0.50)	0.12%	6.54
Glenmark Pharmaceuticals SP z.o.o.	0.01%	8.08	0.50%	39.03	0.05%	(1.28)	0.71%	37.75
Glenmark Pharmaceuticals SK, S.R.O.	0.13%	77.75	0.37%	29.01	0.17%	(4.18)	0.47%	24.83
Glenmark Pharmaceuticals S.R.O.	5.91%	3,590.58	0.31%	24.33	0.52%	(12.81)	0.22%	11.52
Glenmark Pharmaceuticals Colombia SAS	0.15%	89.28	-0.76%	(59.24)	0.45%	(10.99)	-1.32%	(70.23)
Glenmark Pharmaceuticals (Thailand) Co. Ltd	-0.01%	(7.69)	0.00%	0.06	0.01%	(0.36)	-0.01%	(0.30)
Glenmark Dominicana SRL	0.00%	(0.16)	0.00%	(0.02)	0.00%	0.02	0.00%	(0.00)

(All amounts in million of Indian Rupees, unless otherwise stated)

Name of the entity in the group	Net assets (total assets minus total liablities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Glenmark Pharmaceuticals Inc.	44.87%	27,237.98	7.08%	549.29	-79.93%	1,963.92	47.40%	2,513.21
Glenmark Pharmaceuticals Europe Ltd.	1.89%	1,144.40	1.45%	112.46	-0.14%	3.48	2.19%	115.94
Glenmark Pharmaceuticals B.V.	0.13%	78.89	0.38%	29.11	0.26%	(6.33)	0.43%	22.78
Glenmark Arzneimittel Gmbh	1.02%	620.07	3.38%	262.60	0.19%	(4.60)	4.87%	258.00
Glenmark Generics SA	1.85%	1,121.80	-10.60%	(822.28)	-10.65%	261.67	-10.57%	(560.61)
Glenmark Pharmaceuticals Distribution S.R.O.	3.19%	1,934.19	1.14%	88.79	0.26%	(6.48)	1.55%	82.31
Glenmark Specialty SA	2.55%	1,549.83	-2.95%	(228.66)	-4.77%	117.12	-2.10%	(111.54)
Glenmark Ukraine LLC	0.40%	241.51	1.36%	105.77	-0.04%	1.09	2.02%	106.86
Glenmark-Pharmaceuticals Ecuador S.A.	0.12%	72.63	-0.25%	(19.21)	-0.24%	5.85	-0.25%	(13.36)
Glenmark Pharmaceuticals Singapore Pte. Ltd.	0.07%	45.46	0.09%	7.25	-0.04%	1.10	0.16%	8.35
Glenmark Life science Ltd	6.62%	4,016.92	40.35%	3,130.98	-0.19%	4.69	59.14%	3,135.67
Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA)	0.23%	137.67	1.02%	79.51	-0.34%	8.33	1.66%	87.84
Ichnos Sciences Inc.	0.09%	53.71	-4.00%	(310.40)	-0.22%	5.32	-5.75%	(305.08)
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda.	0.12%	72.26	0.00%	-	0.59%	(14.42)	-0.27%	(14.42)
Glenmark Pharmaceuticals Canada Inc.	0.15%	88.86	0.07%	5.27	-0.03%	0.77	0.11%	6.04
Subtotal		**192,864.04**		**4,530.45**		**(3,026.24)**		**1,504.21**
Intercompany elimination and consolidation adjustments		(132,158.99)		3,229.25		569.09		3,798.34
Grand total		**60,705.05**		**7,759.70**		**(2,457.15)**		**5,302.55**
Minority interest in subsidiary		(3.92)		0.03		-		0.03

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

Note 39 - Impact of Covid -19

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Even in India the outbreak has been declared an epidemic or pandemic and on 24 March 2020, the Government of India ordered a nationwide lockdown, limiting movement of population of India as a preventive measure against the COVID-19 pandemic. As a result most of the businesses are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organisations.

However, as the Group operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

(All amounts in million of Indian Rupees, unless otherwise stated)

The Group considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Group considered internal and external sources of information up to the date of approval of these financial statements. The Group has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.

Note 40 - Comparatives

Certain prior year amounts have been reclassified for consistency with the current year presentation. As a result, certain line items have been amended in the financial statements. These reclassifications had no effect on the reported results of operations. Comparative figures have been adjusted to conform to the current year's presentation.

Note 41 - Exceptional Items

During the year ended 31 March 2020, the Group sold its Gynecology business for a gross consideration of ₹ 1,150 to Integrace Private Limited by way of a slump sale and recognised gain of ₹ 185.54 in Consolidated Statement of Profit and Loss. The Group also sold of certain brands with net proceeds of ₹344.49 and recognised net gain of ₹143.22 (net of expense of ₹ 924.98 in relation to de-prioritization of certain brands) in Consolidated Statement of Profit and Loss.

During the year ended 31 March 2019, the Group sold of its Orthopedic and Pain management India business for a gross consideration of ₹ 6,350 to Integrace Private Limited by way of a slump sale and recognized gain of ₹ 3,451.85 and effect of de-prioritization of certain intangibles aggregating to ₹ 1,780.03 in Consolidated Statement of Profit and Loss

Note 42 - Authorisation of Financial Statements

The consolidated financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 26 June 2020.

As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date : 26 June 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance officer

Place: Mumbai
Date : 26 June 2020

Notes

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www.linkedin.com/company/glenmark-pharmaceuticals/

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