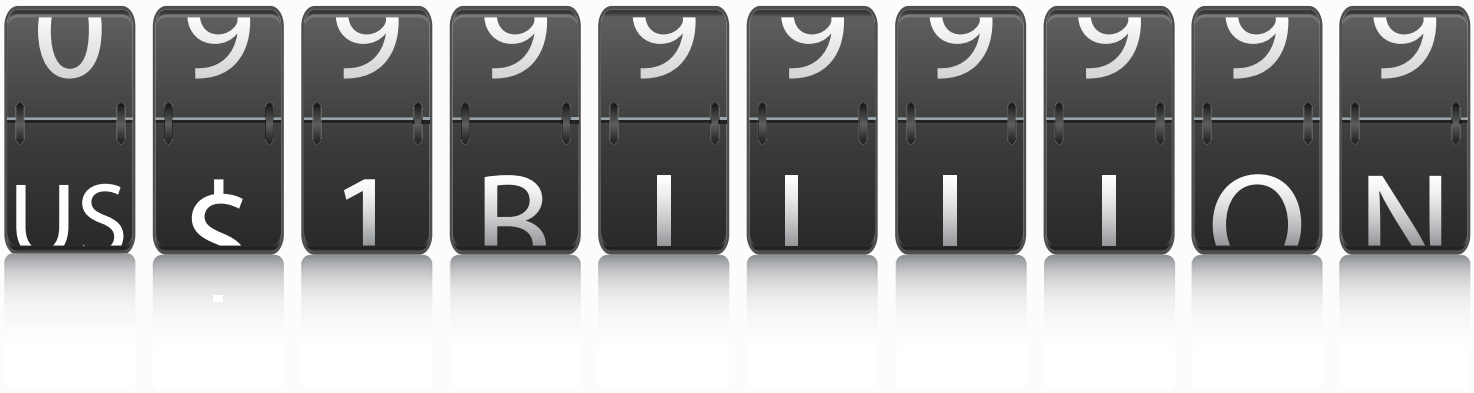
Glenmark
A new way for a new world

A MILESTONE IN THE MAKING



ANNUAL REPORT | 2012-13

A tribute to our founder

Late Mr. Gracias Saldanha
(1938- 2012)

In all the world, we shall not find
A heart so loving and so kind
A soul so humble, so warm a smile
An inspiration, you made your life worthwhile
For everyone in everything – you did your best
May God grant you Eternal rest

A dream, a belief and one million rupees. Only a visionary like Mr. Gracias Saldanha could build one of India's leading pharmaceutical companies with nothing more than these.

On 18th November 1977, Mr. Saldanha established Glenmark with a staff of just three people. He built Glenmark brick by brick, juggling most of the responsibilities of the growing organization all alone. He was an innovator who came up with products that doctors and patients needed. His visionary thinking is echoed by the fact that today, even after over 3 decades, a number of brands he introduced are still leaders in their categories not only in India, but in several international markets.

Integrity, Knowledge, Respect and Trust were the pillars on which he built Glenmark. Today, the organization has indeed come a long way from its humble beginnings. From a small firm established in Mumbai, Glenmark is now ranked among the top 100 pharmaceutical companies of the world. But the seed of this phenomenal growth story lies in the values instilled by our founding father. And, it is these values which will help the company achieve greater heights going ahead.

Mr. Gracias Saldanha was a man of many achievements and virtues who led a truly inspirational life. In the eyes of the world, he was a visionary entrepreneur. But in the eyes of all who knew him, he was a great human being.

May his soul rest in eternal peace!

Contents

A Milestone in the Making

Innovation

2004
1st out-licensing deal. Outlicenses to Forest Laboratories, Ogelmilast - a PDE4 Inhibitor for Asthma & COPD

2005
Collaborative agreement with Napo pharmaceuticals Inc. for its proprietary anti-diarrheal compound- Crofelemer

2005
Collaborative agreement on Oglemilast with Teijin Pharma for Japan

2006
Outlicensing deal with Merck KGaA for its diabetes molecule, Melogliptin

2007
Outlicenses GRC 6211 for potential treatment of pain to Eli Lily

2010
Discovers 'GRC 17536', a potential first-in-class NCE* globally - TRPA1 inhibitor for pain & respiratory disorders

Outlicenses GRC 15300 – a first-in-class TRPV3 antagonist for treatment of pain to Sanofi

2011
1st NBE out-licensing deal for GBR 500 - a Novel Monoclonal Antibody to Sanofi for Crohn's Disease & other anti-inflammatory conditions

2012
Option Agreement with Forest Laboratories for Worldwide Collaboration on Novel Agents to treat Chronic Inflammatory Conditions

2013
USFDA approves Crofelemer 125mg delayed release tablets for the symptomatic relief for HIV related diarrhea paving the way for the first NCE (New Chemical Entity) launch by an Indian company across multiple geographies

*Novel Chemical Entity
** Novel Biologics entity

Manufacturing facilities

2000
Initial Public Offer - lists on the BSE and NSE in India

2002
Acquires API manufacturing facility at Ankleshwar, Gujarat from GlaxoSmithKline Pharmaceuticals Ltd.

2004
Formulations manufacturing plant at Goa built to US FDA specifications for exports

Acquires Laboratorios Klinger & its ANVISA approved manufacturing facility in Brazil

2005
Commissions a new manufacturing facility at Baddi, Himachal Pradesh India

2009
Commissions Nalagarh manufacturing facility

2011
Oncology facility in Argentina inaugurated by Minister of Industry, Argentina and Minister of State for Commerce & Industry, India

2012
Commissions its Formulations manufacturing facility in Sikkim, India

Glenmark has 13 manufacturing facilities, world over, which are approved by various regulatory bodies such as the US-FDA, UK-MHRA, WHO-GMP, Canadian TPD, South African MCC and ANVISA of Brazil

US $ 1 Bn

R&D centres

1999
R&D facility commissioned at Sinnar, Maharashtra for formulations development

2000
Set up the first NCE R&D centre at Navi Mumbai, India

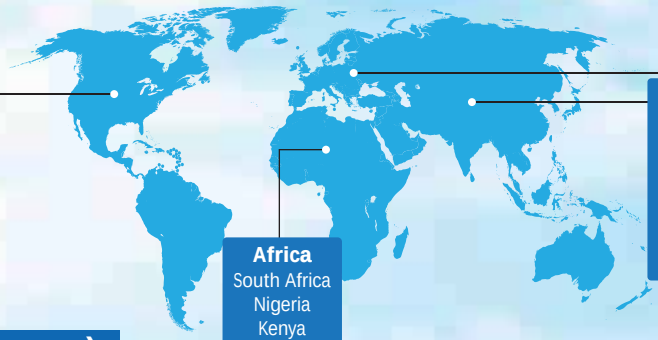
2006
Commissions India's first R&D centre for NBE research in Switzerland

2008
Establishes its first clinical R&D centre in United Kingdom

2009
Commisions first exclusive R&D centre in Taloja, Maharashtra for developed markets

Sales/ Marketing Presence across geographies

America
US
Brazil
Venezuela
Peru
Mexico
Ecuador
Caribbean



Africa
South Africa
Nigeria
Kenya
Egypt

Asia
India
Malaysia
Phillippines
Vietnam
Thailand
UAE
Kazakhstan

Europe
UK
Russia
Czech Republic
Slovakia
Poland
Romania
Netherlands
Germany
Ukraine

Recognitions (last 5 years)

2008
SCRIP crowns Glenmark as 'Best Pharma Company in the World – SME' & 'Best Company in Emerging Markets'

2009
Won Thomson Reuters Innovation Award for 'India's Most Innovative SME in Life Sciences'

2010
Recognized as 'Indian Innovator Pharmaceutical Company of the Year' by Frost and Sullivan

2011
Glenmark wins two SCRIP Awards – 'Best Company in Emerging Markets' and 'Best Overall Pipeline'

2012
Glenmark is one of the 'Top 100 Pharma and Biotech Companies in the World'

Ranks among the 'Top 5 Fastest Growing Generics Companies in the World'

US $ 1 Bn

Chairman's Letter

The skills and capabilities that we have built in the innovation business are helping us leverage our intrinsic wealth of knowledge and formulate complex generics which can be launched in emerging and regulated markets. The regulatory expertise that we have built over the years in the NCE/NBE space will enable us file more differentiated products across emerging markets.

Glenn Saldanha
Chairman & MD

Dear Shareholder,

Your organization is set to achieve a momentous milestone. We will reach a billion dollars in sales shortly as we have crossed the ₹ 5000 crore mark during the year under review. You may recall that as recently as a decade ago, our revenue was only around ₹ 260 crores (USD 53 million). This just indicates the progress your organization has made in a short period of time. More importantly, our revenue base is now strategically diversified and hence our business not only has the breadth but we also have multiple growth drivers where we would leverage our investments in the years ahead.

I would like to emphasize here that Glenmark has consciously chosen "the path less traveled" - the more challenging route – to transform the business by focusing on innovation very early. The traditional approach across companies in emerging markets has been built on a cost-based model while starting the business and thereafter transitioning up the value chain. Your organization, however, took a bold step and chose the path of innovation first and then subsequently looked at other opportunities down the value chain. This is a high risk strategy for a mid-size organization that doesn't have the security blanket of unlimited funds and resources. However, we believed that if we stick to our strategy and follow through with efficient execution, then the rewards would be promising. Retrospectively, our strategy has paid off. By taking the innovation path early on, we have built enormous capabilities and competencies that we are now able to leverage across our businesses. The innovation business has achieved credible success in the pharmaceutical world and today clearly we have not seen many companies in the world monetise their their own intellectual property in the area of drug discovery.

The other advantage is that the organization model is shaped in a way that we can only progress and growth can be continuous. The skills and capabilities that we have built in the innovation business are helping us leverage our intrinsic wealth of knowledge and formulate complex generics which can be launched in emerging and regulated markets. The regulatory expertise that we have built over the years in the NCE / NBE space will enable us file more differentiated products across emerging markets.

In contrast, we have seen that organizations going up the value chain from a cost based model to an innovation based model are

finding it extremely challenging and difficult. The risks in the short term for the cost based business model may be less but the skills and competencies that you build are very limited and as a result transitioning to an innovation company would be fraught with numerous challenges. So, when we look at our organization and where we are today in comparison with the industry, we know that our strategy has been validated. With now, our base business achieving significant size, our business model will only help us remain on this path of high growth.

"I would like to emphasize here that Glenmark has consciously chosen "the path less traveled" - the more challenging route – to transform the business by focusing on innovation very early."

However, we cannot afford to be complacent. In the aftermath of the debt crisis, the economic and business milieu across the world continues to be challenging. In addition, the regulatory environment across markets is dynamic and evolving. We are witnessing a new set of regulations and guidelines across all emerging markets including India. In the short to medium term run, these changes will create significant delays in new products approvals which is the lifeline of the industry. The pricing dynamics across emerging markets is constantly in a flux. High healthcare cost is putting pressure on economies like Brazil, Russia and India. Further every government around the world would like to protect its own local industry and is also seeking localized investments. Further a number of regulators in the emerging economies are moving towards adopting standards of the USFDA and Europe. While in the long run this is beneficial for the citizens, the present scenario is of confusion and chaos as processes, systems and resources will be needed, as these economies transition to the more evolved regulatory standards. Simultaneously, the developed markets are also getting more challenging. The number of companies targeting the U.S are increasing every year. In addition, in the U.S market we are seeing consolidation of the channel which will create enormous pricing pressure.

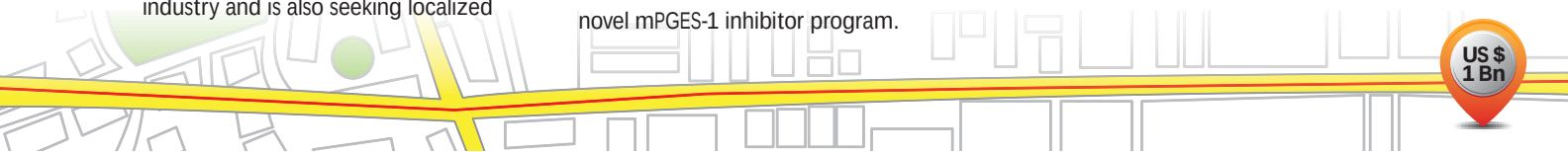
On the innovation side, more MNCs are risk averse and are looking at validated targets with proof of concept data which means additional investments for companies focusing on early stage discovery. Most MNCs are cutting back on their early stage discovery and focusing on generic/emerging markets. In the area of drug discovery and development, biologic assets have more value in today's world than NCEs.

Despite all these challenges, your company has persevered and progressed. In the last financial year, we spoke about how your organization has created a strong foundation for continued growth. We have always wanted to achieve size so that we can derive economies of scale and also power ourselves further. This year, I am glad to inform you that we have crossed the ₹ 5000 crores (₹ 50,000 million) and are nearing a USD billion mark. Not only have we done very well in the specialty and the generics business, but the innovation pipeline has also progressed further. And during the year under review we concluded an option agreement with Forest laboratories for our novel mPGES-1 inhibitor program.

"On the drug discovery side, we achieved another milestone when we entered into an option agreement with Forest Laboratories, USA on collaboration for the development of novel mPGES-1 inhibitors"

For the year under review, we recorded sales growth excluding out-licensing income of 28%. During the year under review, the India, ROW including Russia, US, Western Europe and API performed exceptionally well. With all the three regions i.e. India, ROW and US which contribute around 75% of the overall revenue performing well recording growth in excess of 30% respectively.

On the drug discovery side, we achieved another milestone when we entered into an option agreement with Forest Laboratories, USA for collaboration of the development of novel mPGES-1 inhibitors to treat chronic inflammatory conditions, including pain. Glenmark has received USD 9 million and Forest will make another future payment in FY 2014 to support the advancement of the ongoing program. Besides this, our partner Salix Pharmaceuticals received USFDA approval for the launch of Crofelemer in the USA. This approval is significant as it will pave the way for our launch in emerging markets. The regulatory filing in some of these emerging markets has commenced and we are targeting to launch Crofelemer



in next couple of years. This will be the first NCE launch by Glenmark across multiple geographies. In the current financial year i.e. FY 2014, we have three data points coming from GBR 500, GRC 15300 and the mpges-1 inhibitor program.

On the other hand, the Revamilast – Rheumatoid arthritis study did not meet the primary endpoint and thus we took a strategic decision to terminate the program. The asthma program is ongoing but, as is often the case in drug discovery, our quest for the perfect molecule is proving to be elusive. At such junctures, we have to take hard decisions such as terminating programs like we have done in the case of Revamilast. The drug discovery business is tough but we still strongly believe that this is the only way to transform the business and thus truly build a global pharmaceutical organization. Even after this result, it is clearly evident that we have been by far the most successful company across emerging markets which managed to out-license their own intellectual property and create a business model out of drug discovery. Even till date, we have spent less than what we have earned in this area. Going ahead, our model remains the same where we will pick targets and molecules which are licensable and take them to early human trials or POC and then look at partnering these molecules.

Once again in this financial year, we have improved our balance sheet. The net working capital in number of days has reduced. This is a significant improvement considering that we are spread across many geographies and sales growth has been strong. The Net debt: EBITDA and Net debt: equity ratio has shown improvement, another good indicator on how we have strengthened the balance sheet. The base bussiness generated free cash once again and will continue to make an effort to reduce the Net Debt : EBITDA ratio year on year. With limited capital expenditure and no significant acquisition plans, we expect the balance sheet to strengthen every year.

“The US market remains one of the most critical markets for us and we continue to invest significant resources to bolster that business. The Russia and the LatAm region has also witnessed increased investments particularly in filing differentiated products as these products are not only tough to formulate but the filing for these products is expensive as compared to general immediate release products.”

Summing up, I would say that the business is well positioned. Each of the individual business is built in a way that we are not geography or product dependant. We have achieved critical mass in a number of our operating geographies and we are well positioned to capture growth in these markets. The US market remains one of the most critical markets for us and we continue to invest significant resources to bolster that business. The Russia and the LatAm region has also witnessed increased investments particularly in filing differentiated products as these products are not only tough to formulate but the filing for these products is expensive as compared to general immediate release products. We believe that only a differentiated product portfolio across markets, whether emerging markets or developed markets, will improve patient compliance and treatment will enable us add enormous value to the organization. Looking ahead, I am confident that your organization will make greater strides in much lesser time. I believe that the next billion dollar leap is not too far into the future. We have our fundamentals in place – a presence in key geographies, a diverse product portfolio, a sound R&D programme and an able & dedicated team. These will be our drivers for sustained growth in the coming years. We will continue to grow our sales revenue by bringing more innovative products to market, maximizing our portfolio and expanding our presence across the world.

Your company’s Founder and Chairman Emeritus, Late Mr. Gracias Saldanha, had an abiding belief that Glenmark would grow from strength to strength. This is a belief that many of our shareholders have shared over the years. As we move forward, I would like to thank you for your support. I would also like to emphasize that we remain steadfast in our commitment to making Glenmark one of the leading global innovation led pharmaceutical organisations and with your support I look forward to another successful year with many more milestones

Regards,

Glenn Saldanha
Chairman & MD

Board of Directors

Mr. Glenn Saldanha
Chairman & Managing Director

Mrs. Cherylann Pinto
Director - Corporate Affairs

Mr. Rajesh Desai
Executive Director & CFO

Mrs. B. E. Saldanha
Non-Executive Director

Mr. D. R. Mehta
Non-Executive Director

Ex Deputy Governor, Reserve Bank of India and Ex Chairman, Securities and Exchange Board of India, he has over 4 decades of rich experience in civil services.

Mr. Bernard Munos
Non-Executive Director

The Founder, InnoThink Center for Research in Biomedical Innovation served Eli Lilly and Company, USA as Advisor - Corporate Strategy. He has presented his findings at numerous meetings sponsored by academies, foundations and universities in the US and Europe.

Mr. J. F. Ribeiro
Non-Executive Director

A retired Government Officer, he has served the country under various assignments like Commissioner of Police, Mumbai and Special Secretary to Government of India, Ministry of Home Affairs.

Dr. Brian W. Tempest
Non-Executive Director

A CSCI, CCHEM, FRSC, BSC, PHD, he has worked in the Pharmaceutical Industry for the last 40 years and managed healthcare businesses across numerous regions. He is a Fellow of the Royal Society of Chemistry and a Fellow of the Royal Society of Medicine.

Mr. Sridhar Gorthi
Non-Executive Director

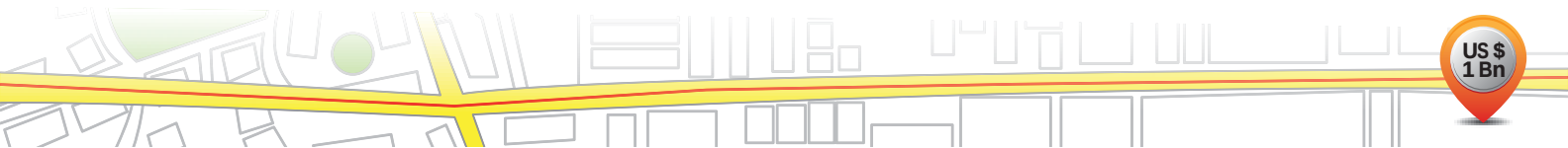
Presently a partner at Trilegal, he has been involved in legal advisory services to various multinational and domestic corporations on restructuring, debt finance, joint ventures, acquisition/mergers etc.

Mr. Hocine Sidi Said
Non-Executive Director

Founder & Director, Bio-nAbler - an investment company, he has over two decades of experience in global pharma industry having been associated with companies like Pfizer and UCB.

Mr. N. B. Desai
Non-Executive Director

Founder of Equitorial Bank PLC, UK, he has rich experience of over four decades in the Banking sector globally, having assumed leadership positions like Chairman, Bank of Baroda Uganda Ltd.

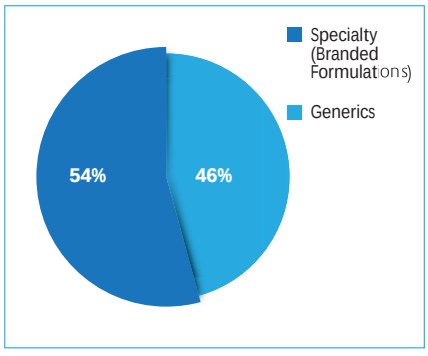


Key Financials

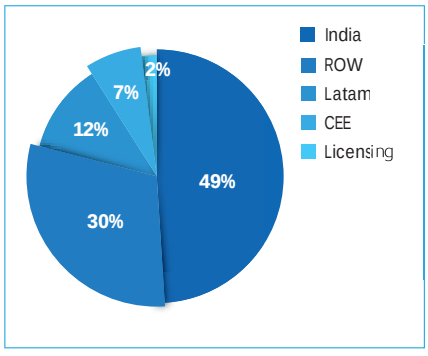
Consolidated Financial Highlights (In INR Mn, unless otherwise stated)	2012-13	2011-12	2010-11	2009-10	2008-09
Total Revenue	50,188.27	40,299.04	30,895.88	25,496.10	22,900.45
Earning before Depreciation, Finance cost, and Tax expenses [EBDIT]	10,164.73	7,236.24	7,327.89	6,685.29	6,289.95
Depreciation and Amortisation	1,270.09	978.78	946.78	1,206.10	1,026.83
Profit for the year	6,230.00	4,643.07	4,578.33	3,310.32	1,934.73
Equity dividend%	200%	200%	40%	40%	40%
Equity Share Capital	270.85	270.53	270.27	269.84	250.52
Reserve and Surplus	27,359.40	23,745.77	20,102.10	23,282.49	15,731.04
Net Worth	27,630.25	24,016.30	20,372.37	23,552.33	15,981.56
Total Debt	27,648.69	22,445.01	21,084.62	18,693.91	20,943.47
Gross Fixed Assets	32,968.40	28,384.24	24,685.23	27,763.12	23,839.86
Net Fixed Assets	27,682.09	24,247.59	21,517.50	23,880.78	21,116.52
Total Assets	71,710.03	58,834.27	50,977.77	43,651.32	37,525.84
Market Capitalisation	125,283.36	83,230.25	76,649.15	71,844.25	39,532.02
Closing market price as on 31 March	462.55	307.65	283.60	266.25	157.80
Key Indicators					
Earning Per Share (₹)	22.71	17.03	16.78	12.40	7.70
Debt : Equity ratio	1.00	0.93	1.03	0.79	1.31
Return on Equity [PAT / Net Worth]	22.55%	19.33%	22.47%	14.06%	12.11%

Note: It must be noted that the financial information for FY 11 onwards has been prepared under International Financial Reporting Standards (IFRS), where as prior years' financial information have been prepared under Indian Generally Accepted Accounting Principles (I-GAAP); accordingly FY 11-13 information is not strictly comparable with prior years' information.

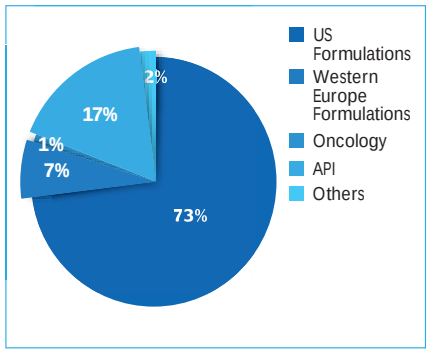
Revenue Split



Speciality Business
Geography Split



Generics Business
Geography Split



Innovation

Innovation has always been at the core of Glenmark's existence and growth philosophy. For us, innovation is not just about doing things differently, but about making a transformational difference to the world through our belief that there is an answer for every unmet medical need.

From its humble beginnings in Discovery Research in 2000, Glenmark has covered ground at a rapid pace and today boasts of a robust innovation pipeline, the best minds in the business, landmark licensing deals with Big Pharma and a global infrastructure. Today, Glenmark's global R&D footprint spans through India, UK and Switzerland, which house its NCE R&D centre, Biopharmaceutical R&D centre, Clinical R&D centre and 3 Generics R&D centres.

Glenmark's ground-breaking drug discovery effort is focused in the therapeutic areas of Inflammation, Pain and Oncology. Today, Glenmark has a pipeline of four molecules in clinical development - both Novel Chemical Entities and Monoclonal Antibodies and most being first-in-class globally. Glenmark has followed the strategy of developing and out-licensing its own molecules in various stages of clinical development to large global multinationals like Sanofi- Aventis, Eli Lily, Merck KGaA, Teijin Pharma and recently Forest Labs.

FY 2012 - 13

Glemnmark signs Option Agreement with Forest Labs of the US for the development of novel mPGES-1 Inhibitors to treat chronic inflammatory conditions, including pain.

Glenmark

- Identified clinical candidates
- Currently conducting pre-clinical studies and other development activities to support the initiation of first-in-human dosing

Mpges – 1 Inhibitors

Microsomal prostaglandin E synthase 1 (mPGES-1) is a key enzyme in the pathway responsible for inflammation. This provides a strong rationale for exploring inhibitors for mPGES-1 in the treatment of chronic inflammatory conditions, including pain

Forest Labs

- Forest has made $6 Mn upfront payment and an additional $3 Mn for the next phase
- Likely to make payments in FY 2014 for further advancement
- Has an exclusive option to obtain license rights to the program upon the completion of Phase 1 clinical trials

1st NCE to be launched by Glenmark across multiple geographies

Crofelemer

In FY 2013, Glenmark's New Chemical Entity (NCE) - 'Crofelemer' received the USFDA approval for HIV associated diarrhea. It will enable the first NCE launch by Glenmark across emerging markets

Glenmark has exclusive Crofelemer rights for diarrhea indications in 140 countries including India; and the approval will accelerate filing and launch preparations across its territories

Glenmark is the sole API supplier globally for Crofelemer (ex-China)

This will be the first NCE (New Chemical Entity) launch by an Indian company across multiple geographies

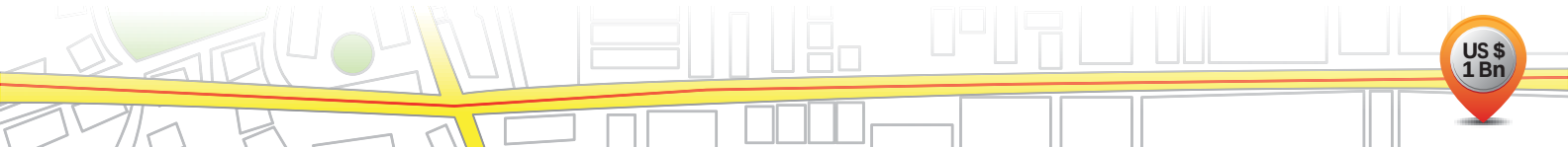
This is a significant step forward in addressing the unmet medical need of people with HIV/AIDS on ART who experience non-infectious diarrhea, which often can lead to reduced treatment compliance

US $ 1 Bn

Innovation Research Pipeline

* In-licensed from Napo Pharmaceuticals

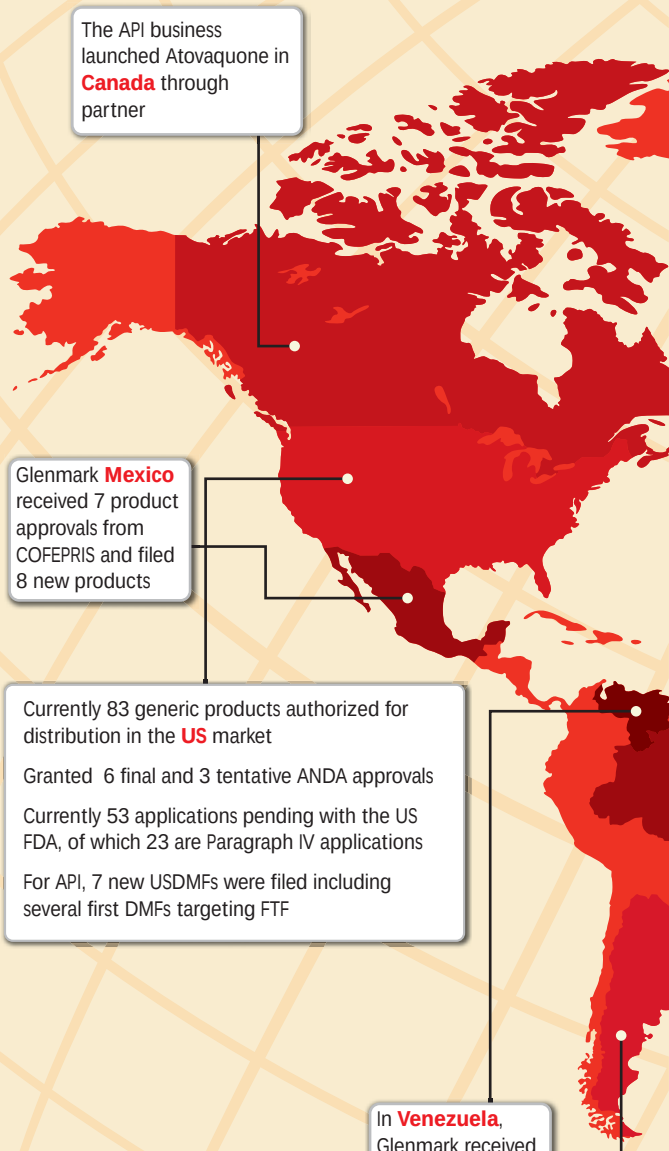
Highlights of Program	Disease Incidence / Market
• First-in-class molecule for symptomatic relief of non infectious diarrhea in patients with HIV/AIDS on anti retro viral therapy • Salix obtained USFDA approval for marketing authorization in the US on 31st Dec 2011 • Initiated regulatory filings in ROW markets	10 Mn patients globally
• Progressing on the pivotal trial with recruitment ongoing in India and Bangladesh • Putting in place a clinical development plan for the product in the pediatric acute watery diarrhea setting	Diarrheal disease incidence in emerging markets is estimated at 3870.20 Mn episodes
• Has shown good safety in the Phase I enabling GLP safety pharmacology and toxicology studies performed • Completed Phase I study in Netherlands • Multi country Phase II proof of concept study is ongoing in Europe and India	> 40 Mn patients worldwide Market: USD 2 Bn
• Shows promising efficacy in animal models of asthma, cough and COPD • No safety concerns in Phase I enabling toxicity studies via inhalation route • Phase I/IIa for respiratory indications ongoing in the UK	300 Mn patients globally Market: USD 15 Bn
• Potential first-in-class opportunity • Globally the only reported TRPV3 antagonist molecule to complete Phase I • A Phase IIa proof of concept study has been initiated by Sanofi	> 40 Mn patients worldwide Market: USD 5 Bn
• Identified potential clinical candidates and currently conducting preclinical studies • Glenmark has entered into a collaboration agreement with Forest Laboratories Inc. for the development of novel mPGES-1 inhibitors to treat chronic inflammatory conditions including pain	---
• Novel mechanism with broad anti-Inflammatory potential • First-in-class opportunity: No other monoclonal antibody against the same target • Phase I studies completed in the US. A Phase IIa proof of concept study in ulcerative colitis has been initiated in Q2 FY 2012 -13 and is currently ongoing	> 1.5 Mn patients globally with about 750,000 in the US alone Market: USD 3 Bn
• First-in-class opportunity with a novel pain receptor system for treatment of chronic pain • Phase I enabling studies completed • Plans to file for a Phase I study in Q4 FY 2013-14	> 100 Mn chronic pain patients globally Pain Market: > USD 3 Bn
• Potential global first-in-class molecule • Phase I enabling studies completed • Plans to file for a Phase I study in Q4 FY 2013-14	---

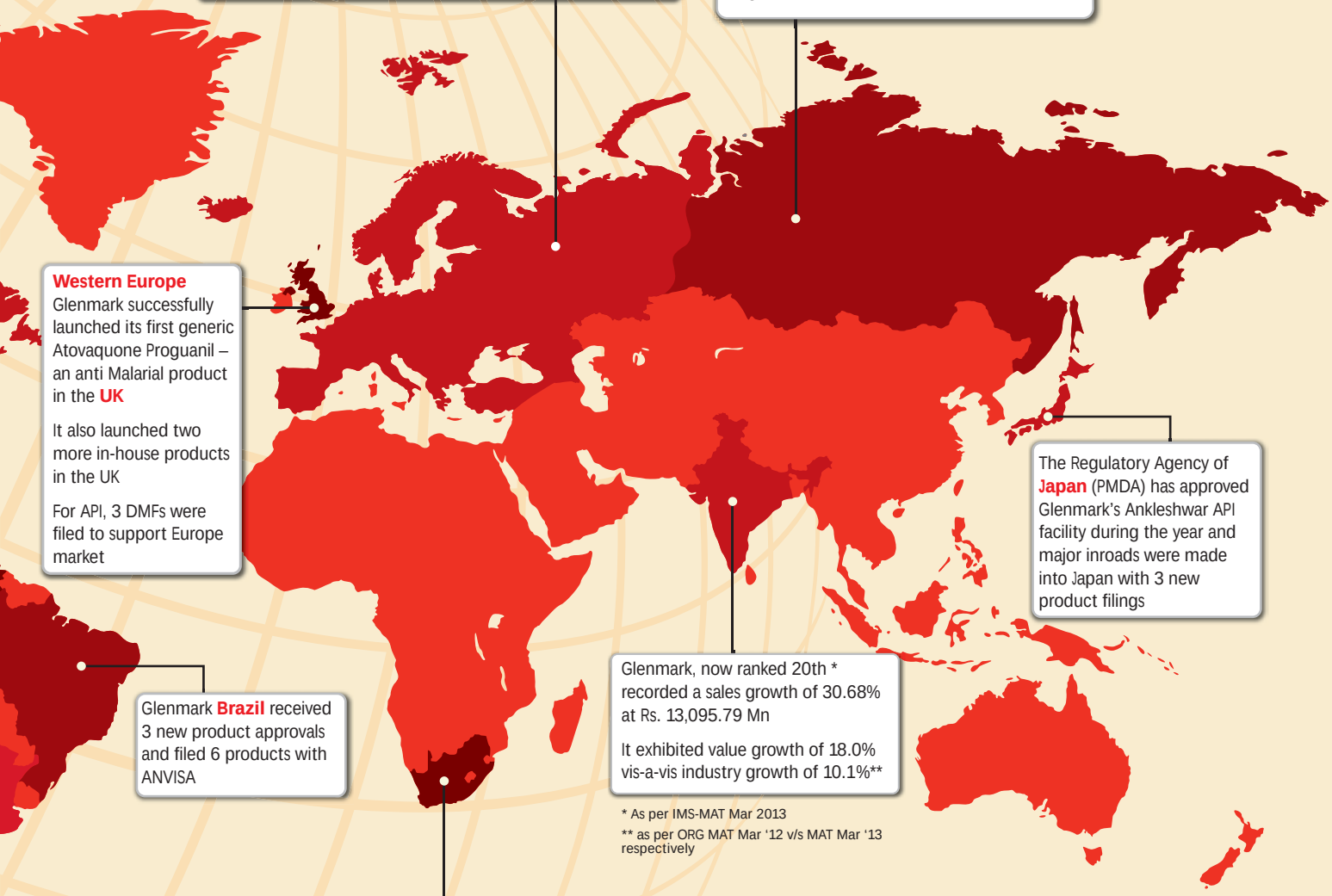


Highlights

Research and Development

- **Crofelemer**, a First-in-class anti diarrheal drug, obtained USFDA approval for marketing authorisation in the US for symptomatic relief of non-infectious diarrhoea in patients with HIV/AIDS on anti retro viral therapy. Glenmark is the sole API supplier globally for Crofelmer (ex China) with marketing rights in 140 countries including India
- Glenmark discovers **GBR 830**, an anti-OX40 monoclonal antibody, a potential global first-in-class molecule. GBR 830 shows great promise to emerge as a valuable therapeutic option to treat patients suffering from autoimmune diseases. Phase 1 enabling toxicity studies for GBR 830 have been completed
- Glenmark has entered into an option agreement with Forest Laboratories Inc. on a collaboration for the development of novel **mPGES-1 inhibitors** to treat chronic inflammatory conditions, including pain
- Glenmark announces the initiation of Phase II study for **Vatelizumab (GBR 500)** - a first-in-class monoclonal antibody therapeutic for Ulcerative Colitis
- A Phase IIa proof of concept study in neuropathic pain is ongoing for **GRC 15300** - a TRPV3 Antagonist for Neuropathic pain, Osteoarthritic pain and other inflammatory pain
- Having completed Phase 1 study in the Netherlands for **GRC 17536**, Glenmark has obtained approval for Phase II proof of concept study in pain indication in the UK (MHRA), Germany (BfArM), and India (DCGI) and recruitment has been initiated for the study. Additionally, Glenmark has initiated a Phase I/IIa study for respiratory indications in the UK (MHRA)





Glenmark CEE **(Central Eastern Europe)**: The secondary sales grew by over 20% in the region while the industry growth declined by 3%

Launched Diosmin + Hesperedin in Czech (CZ), Slovakia (SL), Romania (RO) a project completed end to end at the local Vysoke Myto facility

Glenmark started its 3rd business unit - OTC Business in **Russia**

Four of Glenmark's plants were certified by the Regulators in Ukraine

Western Europe
Glenmark successfully launched its first generic Atovaquone Proguanil – an anti Malarial product in the **UK**

It also launched two more in-house products in the UK

For API, 3 DMFs were filed to support Europe market

The Regulatory Agency of **Japan** (PMDA) has approved Glenmark's Ankleshwar API facility during the year and major inroads were made into Japan with 3 new product filings

Glenmark **Brazil** received 3 new product approvals and filed 6 products with ANVISA

Glenmark, now ranked 20th * recorded a sales growth of 30.68% at Rs. 13,095.79 Mn

It exhibited value growth of 18.0% vis-a-vis industry growth of 10.1%**

* As per IMS-MAT Mar 2013

** as per ORG MAT Mar '12 v/s MAT Mar '13 respectively

In **South Africa**, Glenmark has emerged among the top 50 pharmaceutical companies in the country

Glenmark is ranked among the 'Top 5 Fastest Growing Generics Companies in the World'*

Mr Glenn Saldanha, CMD, Glenmark Pharmaceuticals Ltd. was conferred 'Swiss Ambassador's Award' for 'Exceptional Innovation' by Glenmark in the area of novel drug discovery research for global unmet medical needs, knowledge sharing and business ties between India and Switzerland

*As per Evaluate Pharma – a leading global research and market intelligence agency for the pharma and biotech sector.

US $ 1 Bn

Corporate Social Responsibility

At Glenmark, we regard the community as one of our prime stakeholders. Our community based interventions address the cause of Child Health and Sustainable livelihood for the marginalized and vulnerable sections of our society. At present, our interventions are instrumental and active in the states of Rajasthan, Madhya Pradesh, Maharashtra, Himachal Pradesh and Odisha. Last year we started our first global CSR project on Child Health in Nairobi, Kenya.

Child Health:

Child Health is the flagship programme of Glenmark Foundation. Under this programme we are committed to the Millennium Development Goal - 4 'Reducing Child Mortality' with a focus on reducing malnutrition & under nutrition and increasing immunization & sanitation. In India our projects are located in Khandwa, Madhya Pradesh; Jaipur, Rajasthan; Solan, Himachal Pradesh and Mumbai, Maharashtra. The interventions follow a strategy of encouraging positive health seeking behaviour among pregnant mothers and mothers with infants and caregivers, towards right nutrition, inculcating good hygiene practices and ensuring complete immunization for children between the age group 0-5 years. We work very closely with the 'Aanganwadis' (Day Care centres) and 'Panchayats' (village level local governance structure) and, in that sense our efforts complement the Integrated Child Development Scheme (ICDS) of the Government of India. Our efforts include capacity building of caregivers and pregnant mothers, health care providers and sarpanchas on reproductive, maternal and child health issues (RCH, MCH) and empowering communities to develop monitoring mechanisms which can help us achieve objectives of our child health programme.

Impact:

Our efforts have begun to show impact in communities. In Madhya Pradesh, where we work in about 100 villages, we can say that nearly 30% of the 1,006 malnourished children have moved up to the stage of normalcy. In Rajasthan, where we work in 150 villages, malnourished children identified were around 3,421 out of which nearly 35% moved up the nutrition grade. In Mumbai, in 2,000 households, we impacted 9,000 women and children through focused health sessions and de-wormed around 500 children. Through the health camps we impacted 600 women and children on RCH and MCH issues.

New Projects:

Nairobi, Kenya: Glenmark Foundation initiated its first global project in Nairobi, Kenya. The project is located in Kibera slum, and focus of the project is addressing malnutrition amongst 0-5 year olds. We are aiming to reach out to and impact around 10,000 households in the 3 villages of the slum. A unique nutrition / education centre for 200 severely acute malnourished (SAM) children is being developed which will take care of their nutrition and healthcare requirements.

Baddi & Nalagarh, Himachal Pradesh: This year, another child health project was started in Solan district of Himachal Pradesh, India. The project is located near Glenmark's facilities of Baddi and Nalagarh. The intervention is for five villages (Nalagarh block), having a population of around 1,55,619. The objective of the project is to improve infant and child health amongst the poor and marginalised by improving nutrition and healthcare environment of children and their mothers.

Sustainable Livelihood:

Glenmark Foundation also implements livelihood projects for the less privileged. Currently, we are implementing three projects in the states of Maharashtra, Odisha and Rajasthan.

Nashik, Maharashtra: The project is focused towards skill development and employment of school drop outs. During the year, we have skilled 838 youth from the less privileged communities out of which nearly 70% were able to get a sustainable livelihood.

Rayagada, Odisha: The project is aimed at providing a secure and sustainable livelihood to 2,000 below-poverty-line tribal families over a period of five years. The objective is to teach Integrated Natural Resource Management (INRM) to the farmers and women self help groups enabling them to ensure food security and earn additional income.

Jaipur, Rajasthan: In this financial year we have been able to support 2,727 differently abled individuals through our association with the 'Jaipur Foot'.

Employee Volunteering:

Our employees are committed and eager to contribute in CSR activities. Over 650 employees volunteered 3,250 hrs of their time towards the cause of child health this year.

Joy of Giving:

Through the 'Joy of Giving' campaign employees of Glenmark raised around ₹ 534,000 and contributed by providing clothes, utensils, toys and stationary items towards addressing the cause of malnutrition amongst the tribal children in the state of Madhya Pradesh.

Other Initiatives:

We have been providing medical aid by donating medicines to the less privileged population and those in the disaster struck areas through our partner NGO – Americares.

School rally at child health project Rajasthan, India

Community health worker at Kibera slum, measuring nutrition grade for child, Nairobi, Kenya

Children at role model day care center at Khandwa district, Madhya Pradesh, India

Differently abled child with Jaipur Foot, Rajasthan, India

Corporate Information

Registered Office

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

Corporate Office

Glenmark House, HDO – Corporate Building, Wing A, B D Sawant Marg, Chakala, Off Western Express Highway, Andheri (East), Mumbai – 400099, India,
Tel. : +91 22 40189999,
Site: www.glenmarkpharma.com
Email: complianceofficer@glenmarkpharma.com

Auditors

- Walker, Chandiok & Co.
  Chartered Accountants, Mumbai

Cost Auditors

- Sevekari, Khare and Associates, Cost Accountants, Mumbai

Solicitor

- Kanga and Co. Mumbai
- Trilegal, Mumbai

Registrar and Transfer Agents

- Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081
  Tel.: 040 – 23420815; 23420818 – 828
  Fax: 040 – 23420814

Banker

- Bank of India

Company Secretary

- Mr. Sanjay Kumar Chowdhary

Manufacturing Facilities

Formulations

- E 37, MIDC Industrial Area, D Road, Satpur, Nasik – 422007 Maharashtra
- Plot No. 7, Colvale Industrial Estate, Bardez – 403115, Goa
- D 42, Plot No. 50, Kundaim Industrial Estate, Kundaim – 403115, Goa
- Unit - I, Village Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan, HP, Pin - 174101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh, Dist. - Solan, HP, Pin - 174101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road, Dist. - Solan, HP, Pin - 174101
- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454775, Madhya Pradesh
- Rua Assahi, 33-1 Andar CEP 09633-0110, Rudge, Ramos Sao Bernardo Do Campo, Sao Paulo, Brazil
- Rua Frei Liberato De Gries, 548, Jardim Arpoadar, CEP : 05572-210, Sao Paulo, Brazil
- Glenmark Pharmaceuticals S.R.O., Fibichova 143, 56617, Vysoke Myto, Czech Republic
- Calle 9 Ing Meyer Oks N 593, Parque Industrial Pilar, B1629MX Buenos Aires, Argentina
- Growth Centre, Samlik-Marchak, Dist. - East Sikkim, Sikkim

API

- 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*
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra*

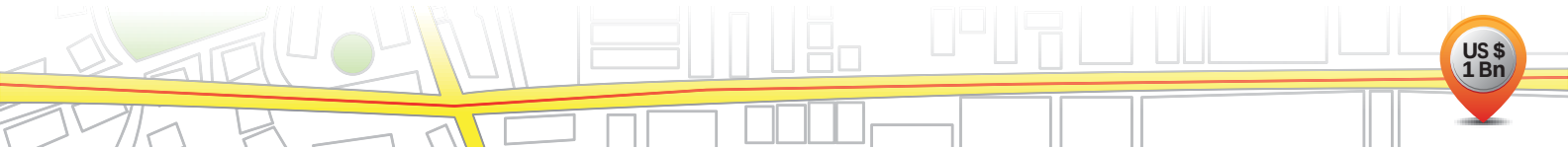
R&D Centres

- Plot No. A 607, TTC Industrial Area, MIDC Mahape, Vashi, Navi Mumbai – 400705, Maharashtra
- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland
- Plot No. C 152, MIDC Sinnar Industrial Area, Malegaon, Dist. - Nasik – 422113, Maharashtra
- Plot No. M4, Taloja Industrial Area, MIDC Taloja, Taluka Panvel. 410208, Dist. - Raigad, Maharashtra

Clinical Research Centres

- Plot No. D 508, TTC Industrial Estate, MIDC, Turbhe, Navi Mumbai – 400705, Maharashtra
- Building 2, Croxley Green Business Park, Merlins Meadow, Watford, Hertfordshire, UK

*Manufacturing Facilities under construction



Management Discussion & Analysis

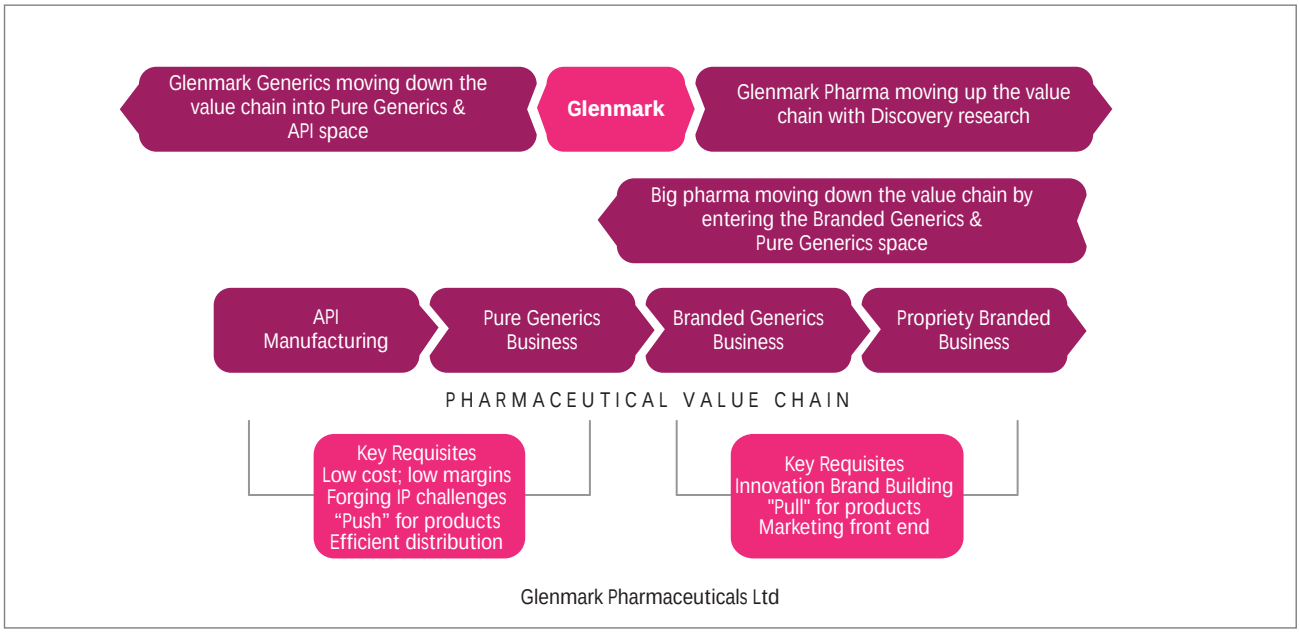
Global Environment

The global economy continues to be challenging and global economic growth is projected to be lower than the previous year. Despite improved global financial conditions and reduced short-term risks, the world economy continues to expand at a subdued pace. After a marked downturn over the past two years, global economic activity is expected to slowly gain momentum in the second half of 2013 and 2014 on the back of accommodative monetary policies in developed and developing economies. Short-term risks stemming from the euro area crisis, fiscal adjustment in the United States and a further slowdown in large developing countries have diminished, but not disappeared. Enhanced international policy coordination is needed to mitigate negative policy spillovers and foster robust and balanced growth. At the same time, new medium-term risks have emerged, including possible adverse effects of unconventional monetary measures in developed economies on global financial stability. These risks have the potential to once again derail the feeble recovery of the world economy. International policy coordination needs to be enhanced to mitigate negative policy spillovers, promote cooperation in reforming the international financial system, and ensure sufficient resource flows to developing economies, and in particular the least developed countries.

Global Pharma Scenario

The Global Pharma scenario remains dynamic and challenging. We are witnessing various new developments that make one believe that the ensuing years for pharma companies will be challenging. We would also witness significant changes in strategies by Pharmaceutical companies to take into consideration the dynamic environment that is surrounding the industry. An important trend that is being witnessed is the regulatory environment in developed and developing countries. While developed countries are constantly raising the bar, the developing countries are rapidly changing guidelines to bring them on par with the developed countries' regulatory framework. This evolution has resulted in confusion in many markets as Pharma companies operating in these markets are constantly trying to assess the standards for getting their products approved. The increased scrutiny from regulators will continue to enforce renewed commitment to quality from the industry. Some of the other trends that are being witnessed are the continuous shift of share of healthcare spends from treatment of disease to prevention and diagnosis. Further, the disease burden shift towards chronic diseases is rapidly happening. The patients are becoming increasingly empowered and going ahead, will be responsible for an increased portion of healthcare costs due to ever increasing pressure on governments. The value of patent expiries will increase, but the composition of value will shift from small molecule to biologics.

Glenmark Value Proposition



Financial Summary

Material Consumed and Purchase of traded goods:

Cost of Material consumed including Finished goods purchased were at ₹ 16,536.02mn as against ₹ 13,453.97mn in the previous year.

Employee Cost:

Employee Cost was at ₹ 7,882.38mn as against ₹ 6,288.95mn an increase of 25.34% mainly attributed to increase in head count due to expansion of business and inflationary trends prevailing in the markets in which the Company operates.

Other Expenses:

Other Expenses includes Manufacturing Overheads, Selling and Marketing Expenses, Administrative and General Expenses, R&D Expenses.

The Expenditure increased to ₹ 15,605.14mn as against ₹ 12,003.08mn (excludes ₹ 1,316.80mn payment made to Paul Capital) an increase of 30.01%.The increase in expenditure was mainly attributable to increase in selling & marketing expenditure to support growth, R&D expenditure to provide strong Product Portfolio.

Depreciation and amortisation:

Depreciation and amortisation increased to ₹ 1,270.09mn as against ₹ 978.78mn during the year.

Finance Costs:

Interest Expenses showed an increase of 9.17% at ₹ 1,600.11mn as against ₹ 1,465.67mn. The increase in interest cost is mainly due to increase in borrowings.

Profit after tax:

Profit after tax for the year was ₹ 6,230.00mn as against ₹ 4,643.07 mn in the previous year.

Dividend:

The Board of Directors have recommended a final dividend of 200% (₹ 2 per equity share of ₹ 1 each) on the equity share capital as at 31 March 2013 subject to the approval of shareholders.

Equity Capital:

The equity capital has increased from ₹ 270.53mn in FY 11-12 to ₹ 270.85mn in FY 12-13 due to allotment of equity shares on conversion of 318,150 stock options.

Accounts Payable:

Accounts Payable increased to ₹ 10,455.53mn (PY ₹ 7,888.29 mn) on account of the increase in the consumption of materials, purchase of Finished Goods and expenditure.

Current Tax Liabilities:

Current Tax Liabilities increased to ₹ 678.58mn (PY ₹ 256.63 mn).

Short Term Borrowings:

Short Term Borrowings decreased to ₹ 3,678.21mn (PY ₹ 6,874.57 mn).

Current portion of Long Term Liabilities:

Re-classification of long term debts due for payments during next year has been considered under current portion of long term liabilities resulting in increase in current portion of long term debts to ₹ 4,767.52mn (PY ₹ 2,445.74mn)

Other Current Liabilities:

Other Current Liabilities includes Statutory dues of ₹ 202.23mn (PY ₹ 179.02mn); Employee dues of ₹ 126.38mn (PY ₹ 130.64mn); Accrued expenses of ₹ 324.64mn (PY ₹ 509.10 mn); Other liabilities of ₹ 1,443.41mn (PY Rs.623.49mn) and Unclaimed dividend of ₹ 5.21mn (PY ₹ 3.68mn) resulting in an increase to ₹ 2,101.87mn in FY 12-13 compared with ₹ 1,445.93mn in FY 11-12.

Provisions:

Provisions increased to ₹ 123.14mn (PY ₹ 106.26mn).

Long Term Liability (excluding Current portion of borrowings):

Long Term Liability includes Notes payable of ₹ 2.62mn (PY ₹ 1.70mn) and term loan from Banks of ₹ 19,200.34mn (PY ₹ 13,123.00 mn)

Other Non-Current Liabilities:

Other Non-Current Liabilities includes Income received in advance of ₹ 817.26mn (PY ₹ 743.89) and Security deposit of ₹ 33.63mn (PY ₹ 35.93mn), resulting in overall increase to ₹ 850.89mn (PY ₹ 779.82 mn).

Employee Obligations:

Employee Obligations includes Provisions for gratuity benefit plan of ₹ 185.38mn (PY ₹ 132.63mn) and Others of ₹ 23.68mn (PY ₹ 13.14mn), resulting in overall increase to ₹ 209.06mn (PY ₹ 145.77mn).

Cash and Bank Balance:

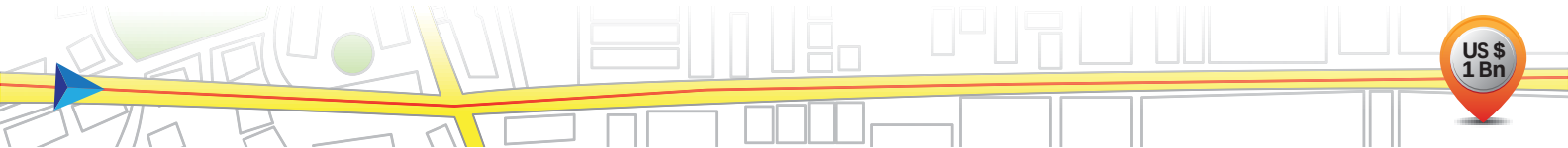
Cash and bank balance increased to ₹ 6,110.29mn (PY ₹ 3,253.46mn).

Account Receivables (Net):

Accounts Receivables increased to ₹ 16,400.49mn (PY ₹ 12,436.07mn) was mainly attributable to the increased revenue in the various overseas markets.

Inventory:

Materials inventory increased to ₹ 2,894.04mn (PY ₹ 2,544.07mn) mainly to support the increase in sale of formulation and API business. Finished goods and work-in-process inventory increase to ₹ 5,541.28mn (PY ₹ 5,332.63mn).



Other Current Assets:

Other Current Assets includes input taxes receivables ₹ 830.99mn (PY ₹ 661.83mn); Advances to vendors ₹1,732.38mn (PY ₹ 1,266.48mn); Short Term Deposits ₹ 141.89mn (PY ₹ 109.13mn); Other receivables ₹ 80.10mn (PY ₹ 88.69mn); Deposits and Advances receivable in cash & kind ₹ 3,573.78mn (PY ₹ 3,245.35 mn).

Property, Plant & Equipment:

The gross block increased to ₹ 19,315.98 mn (PY ₹ 15,974.93 mn) on account of addition to the tune of ₹ 3,385.70mn and translation adjustment of ₹ (44.65)mn.

Intangible Assets:

The value of Intangible Assets increased to ₹ 13,652.42mn (PY ₹ 12,409.31 mn).

Business Review

Specialty Business

The specialty formulations business is organized around four regions – India, Latin America, Central Eastern Europe and Markets of Africa/Asia/CIS.

During the year under review, the specialty formulations business performed well, with the business growing by 27.52% to 26514.43 (USD 486.06 Mn) as compared to ₹ 20792.42 (USD 428.44 Mn) for the previous corresponding financial year (excluding out-licensing income). The specialty business is now 53.88% of the overall base business as compared to 58.02% for the previous financial year.

India

The India formulations business outperformed during the year under review registering revenue of ₹ 13095.79 Mn (USD 240.07 Mn) as compared to 10021.30 Mn (USD 206.50 Mn) in the previous corresponding year, recording growth of 30.68 % in ₹ term.

As per IMS-MAT Mar 2013, Glenmark gained 3 ranks from 23rd to 20th as compared to MAT Mar 2012 exhibiting value growth of 18.0% vis-a-vis industry growth of 10.1%. Market share for the India business moved up from 1.69% to 1.82% during the same period and the India business was the 2nd fastest growing company among top 20 players in the industry. During the last two financial years the India business gained five ranks in the Indian market place. The growth is once again driven by strong performance of leading brands resulting in market share improvement across core therapeutic areas. To further strengthen its presence in India, the company has entered into two new businesses i.e. the OTC business and pure generics business.

Progress in Operating Therapeutic areas:

In Cardiology, market share increased from 2.86% to 3.30%, Respiratory market share increased from 2.84% to 3.33%, Anti-infective – MS increased from 1.35% to 1.60% and Gynaecology – MS increased from 1.26% to 1.38% and in Dermatology market share was maintained at 8.69%.

Market share gains also led to two (2) ranks gain in the Cardiac and Respiratory segments attaining 13th and 7th position in respective segments and one (1) rank in Gynaecology segment with current rank at 22nd. In Dermatology, we maintained 2nd rank and increased the value gap with respect to 3rd position.

Brands in IPM TOP 300:

- Telma (Telmisartan) is now ranked 62 gaining 18 ranks during the year recording growth of 25.7%. 'Telma' won Marketing Excellence Award for being Leaders in ARB Management at an Industry gathering of distinguished Pharma companies of India organized by CMARC a Pioneer in Prescription Research study held at Kolkatta on the 18th of December 2012.
- Telma-H (Telmisartan, Hydrochlorothiazide) has broken into the top 100 brands in the country and has gained 16 ranks to be ranked 90th recording growth of 29.3%
- Candid B (Clotrimazole + Beclomethasone) was ranked at 136 growing by 6.8%

Glenmark awarded Marketing Excellence Award for brand Telma by Institute of Pharmaceutical and Healthcare Mgmt and Research

Members of Glenmark India Formulations team with the CMD Mr. Glenn Saldanha

New Products Launches which have attained market leadership in their segments

Bon K2

BONE K2
Calcium Citrate Malate + Calcitriol + Vitamin K_2-7
INDIA's First Complete Calcium Therapy

MiliximO

Ascoril LS

Colymonas

- Candid (Clotrimazole) gained 20 ranks to be ranked at 211, recording growth of 15.8 % as per IMS
- Ascoril (Expectorant + Mucolytic) was ranked 103rd in IPM (Source: IMS MAT Mar 2013)

Brands Performance:

Apart from TOP 300 brands, Alex Plus stood at 304 & Telma AM at 407. Ascoril L and Razel have made in the Top 1000 brands list of the IPM. Moreover brand leadership is maintained by all the 32 brands over last year in respective molecular market.

New Product Launch Highlights:

Brand 'Hair 4U' in androgenic alopecia has attained clear market leadership with value of more than ₹ 10Cr. Other products which have accomplished similar feat are Bon K2 which addresses Vitamin D deficiency & Milixim O (Cefexime & Ofloxacin) has attained market share (MS) of 2.62% and 4.14% respectively. Ascoril-LS (cough preparation) has entered into the top 10 of highly fragmented market and attained MS of 2.18%. Similarly Colymonas is No.2 brand in colistin market with 28 % market share.

Marketing Initiatives:

Taking a step beyond product promotion, company has taken various initiatives to enhance the knowledge of doctors on various therapy areas and conducted awareness programs for patient education

Doctor Education Programs:

Numerous programs were organised for Doctors in order to broaden their learning horizon. The Respiratory division organised campaigns such as "One airway One disease" to increase awareness on allergic rhinitis and asthma along with better treatment protocols. The division reached 600 primary care physicians through the campaign.

The Onkos and G&G division collaborated to launch "Project Jagruti" to create awareness related to cancer so that cancer can be detected early and thus treatment could be faster.

The Derma division conducted skin type determination camps enrolling more than 4000 patients to support Doctors for prevention and appropriate treatment for skin disorders. One of the divisions - 'Gracewell Specialty' extended Derma knowledge to more than 200 general practitioners by conducting special CME program through eminent dermatologists elaborating on diagnosis and treatment protocols for Melasma.

Onkos organized Prerna (Nurses training program) to address the growing learning needs for Onco Paramedics staff. The course comprises of classroom training and online education. More than 150 nurses were enrolled in Prerna program.

Webcasting: Usage of technology was instrumental in organising meeting of 1000 doctors through 44 centres with internationally acclaimed doctor using webcast for increasing the awareness and discussing treatment guidelines of Vitamin D deficiency

Doctor learning program was enhanced with Cardiac Drugs Handbook, which was the first time release in India (1st edition).

Patient education programs

- Patient awareness and detection camps were conducted for disorders impacting larger population and gaining epidemic proportion. To increase patient awareness, 1,585 Bone Mineral Density camps were conducted to reach 95,000 patients across India. Similarly almost 5,000 patients were tested for Vitamin D deficiency so as to increase the awareness levels amongst Doctors and Patients

Glenmark bags Gold Patent award – NCE/ Drug Discovery category and Silver for Outstanding Exports Performance Award: Formulations - Mega

- 2500 patients were screened for peripheral vascular disease through 250 camps
- Mass awareness program against tobacco use, titled Disha was launched targeting school children. A total of 13 Disha programs were conducted in 2012-13 covering over 3000 school children.
- Organized media campaigns titled "Freedom of Cancer" for creative awareness about cancer through various forms of media like Print, Radio, Television and Press Conferences
- Executed hypertension awareness program by conducting rallies and radio interviews program with top Cardiologist on World Heart Day

Glenmark employees at the newly inaugurated Sikkim facility

Glenmark stall at ASCO 2012 Annual Meeting

ROW Markets

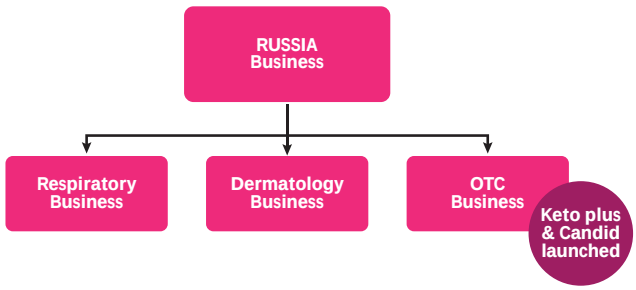
Russia / CIS

The Russia/ CIS region recorded strong growth for the third consecutive financial year. The entire Russia/CIS region recorded secondary sales growth of 47% for the entire financial year. This was led by Russia which recorded secondary sales growth of 44% for the financial year. According the IMS MAT March 2013 data, the Russia subsidiary has registered value growth of 39.5% vis-a-vis that of the industry 13.1% (on a MAT basis). As per IMS, in the respiratory segment Glenmark grew by 46.5% against segment growth of 19.6%. In the dermatology segment, Glenmark grew by 34.9% as against segment growth of 13.2%. Glenmark Russia business gained 8 ranks and is ranked 51 as per IMS MAT 13 data.

Glenmark Ukraine business also recorded strong secondary sales growth of 91.5% as per IMS MAT Mar 13 data vis-à-vis industry growth of 20%. Glenmark Ukraine is now among the top 100 companies in the country.

During the year under review, the Russia business started a third business unit i.e. OTC business in addition to the other two business units i.e. for respiratory and dermatology segment. The OTC business launched two brands Keto Plus and Candid through a nationwide advertising campaign which included print, electronic and the internet. The OTC business made an impressive start and aided the strong growth for the business. The Russia business also set up a new Market Access team to target hospital business with the goal of ensuring successful entry into the high potential institutional business. The Glenmark Ukraine business achieved a significant milestone when four of its plants were certified by the country's regulator. This will enable the business to continue its strong performance as it will be able to service the market from any of these plants. The regulator also inspected the Pilar plant in Argentina which will pave the way for filing and selling of oncology injectables in the Ukraine market.

Glenmark Ukraine Team at the scientific congress organized in Krakow, Poland.



Glenmark Russia forayed into the OTC business this year

Africa & Middle East

The Africa and the Middle East region performance was moderate for the year under review. The region recorded secondary sales growth in excess of 20 % over the previous corresponding year. The South Africa unit performed well and was one of the major reasons for the good performance of the region. Because of its strong performance, the South Africa unit emerged among the top 50 companies in the country.

Some of the industry leading concept like "I-pad detailing" was well received in South Africa, Mauritius, Kenya & UAE . The business developed specially designed apps for its key brands thereby substantially improving in-clinic time of reps and image of the company.

The South Africa unit launched a niche cosmetology range of pH formula from a Spanish company with a dedicated task force. Flexilor(Lornoxicam) was launched in Nigeria; Telma(Telmisartan) was launched in Tanzania; Egypt launched Wunder Eye and the UAE team launched Clariglen, Glenvir, and Lisinoglen.

The "Emerald League" - a dedicated customer relationship management program based on scientific platform gained very good acceptance across the region.

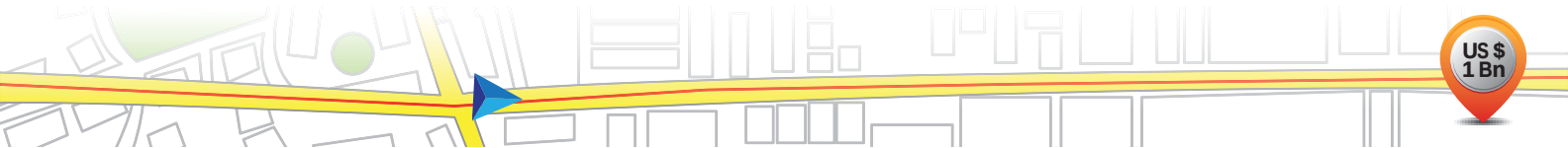
Asia

The Asia region as a whole, broadly met the financial objectives of net cash flow and a healthy growth in EBITDA. Further, overall secondary sales for the region grew in excess of 20% for the year.

In Malaysia, secondary sales grew by 29%, further consolidating our presence in the retail segment of the market. The second half of the year saw consistent and increased secondary sales. In Vietnam, secondary sales grew by 29% for the full year.

The Philippines Subsidiary showed growth of 22% in top line primary sales, against a market growth of between 2-3% as per the IMS during this period. Glenmark Philippines enhanced its presence in the Respiratory segment with the launch Glemont (Montelukast tablets) in the fourth quarter. Besides, in December 2012, the Philippine Dermatological Society recognized and awarded Glenmark amongst top six companies in the Philippines as a company which significantly added value to their practice through a campaign on impetigo.

Members of Glenmark's Vietnam team



Participants of I-LEAD (International League of Experts for Advancement of Dermatology) conference organized by Glenmark Asia

Latin America

In the year under review; Glenmark's revenue from its Latin America and Caribbean operations was at ₹ 3279.39 Mn (USD 60.12 Mn) as against ₹ 2869.13 Mn (USD 59.12 Mn); a growth of 14.30% over previous corresponding year.

For the entire year, the Brazil subsidiary's performance was hampered due to the port strike by ANVISA and few product approvals received by the unit. As Brazil is the largest subsidiary in the region, the relatively poor performance by the subsidiary ensured a lackluster performance by the Latam region. This was further compounded by a significant devaluation of the Venezuela currency in the fourth quarter which further impacted the performance of the unit.

During the year, we received three new product approvals in Brazil and filed six products with ANVISA. For the Mexico subsidiary, we received seven product approvals from COFEPRIS and filed eight new products in the country. In Venezuela, we received seven product approvals and filed nine products with the regulator. In Peru & Ecuador, we received eight approvals and we filed 16 products in those markets. Most of the products that we have received approval for, are in the areas of dermatology, respiratory and oncology in the region. We continue to remain focussed on these three therapeutic areas in this region.

A glimpse of Glenmark's 'Obstetricians Regional Congress' held in Peru

Members of the Dominican Republican Sales Team

Glenmark's Venezuela team

Central Eastern Europe

Glenmark Europe's operations revenue for the entire financial year was 2016.86 Mn (USD 36.97 Mn) as compared to ₹ 1976.47 Mn (USD 40.73 Mn) for the previous corresponding financial year, an increase of 2.04%.

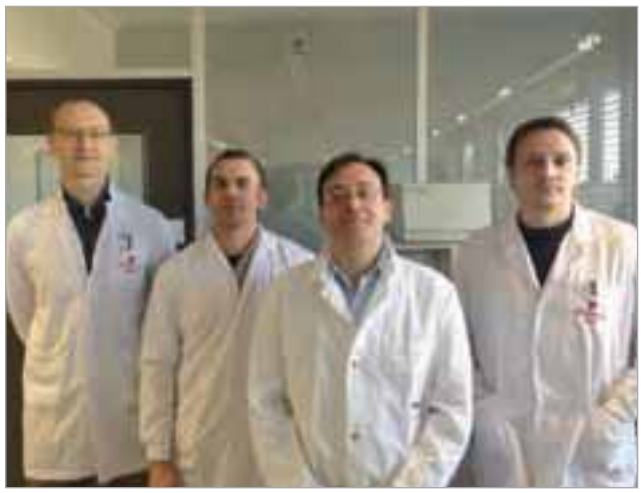
During the year under review, the CEE region as a whole broadly met its financial objectives with secondary sales growing by 25% in the fourth quarter and nearly 20% in the year in a region where the industry growth declined by 3%.

In the Czech market, the secondary sales grew by 15% in a 6% de-growing market, further increasing the market share to 5.2% in value and 6.6% in units of the covered market. The sales in the market increased significantly in Slovakia, clocking a 24% increase over last year. In Poland, the business recorded growth of 12% in sales in a - 4% declining market. The company implemented new sales structure at Poland, meeting good success in most parameters. In Romania, Secondary sales clocked growth of 26% vs. Market growth of 5%. The business performed well despite severe strain of the unbudgeted 'Clawback Tax' imposed by the ministry

Overall, there were several new successful launches in the markets. An important launch across Czech (CZ), Slovakia (SK), Romania (RO), was of "Diosmin + Hesperedin". This was a project taken up and completed end-to-end at the local Vysoke Myto facility. Several products were launched in the Oncology area across the region including Temozolamide, Zolderonic acid etc.

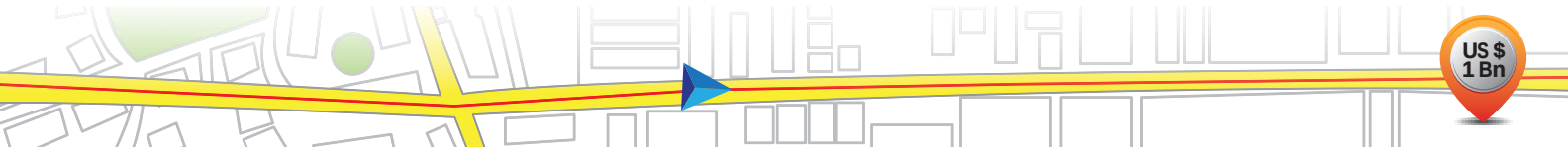
The year also saw the implementation of a new project of shifting of 'Bulk Packaging' from Goa plant to Vysoke Myto plant in Czech Republic. The CEE region also successfully implemented ERP across all countries.

During the year, the Central Eastern Europe inlicensed 12 products for various operating subsidiaries. These products included Anastrozol [for CZ, SK, RO], Escitalopram [for CZ, SK, Poland (PL)], Levetiracetam [for CZ, SK, RO, PL] Temozolomide] for CZ, SK, RO] Betahistin [for RO] Revitanerw [for RO, PL], Tramadol/Paracetamol [for PL] Nutrifriend [for RO], Zoledronic Acid 4mg/5ml [for CZ, SK, RO, PL], Desloratadin oral sol [for RO & PL], Ibandronic Acid 50mg [for CZ, SK, RO], and Omega 3 [for RO]



Glenmark's Scientists at its NBE Research centre in Switzerland

Members of the Glenmark CEE (Central Eastern Europe) team



US Formulations

Glenmark Generics Inc., U.S.A. registered revenue from sale of finished dosage fomulations of ₹ 16887.40 mn (USD 309.58 Mn) for FY'13 as against revenue of ₹ 12136.93 mn (USD 250.09 Mn) for FY'12, an increase of 39.14% in ₹ term over the corresponding previous year.

In the fiscal year 2013, Glenmark was granted approval of 9 Abbreviated New Drug Applications (ANDA), comprised of 6 final and 3 tentative approvals. During the year, Glenmark successfully launched two 'day-one' generic products which were Montelukast Sodium Tablets, 10mg and Rizatriptan Benzoate Tablets. Most importantly, Glenmark was able to garner significant market share in the first month after the launch.

During the year, Glenmark also began filing oncology injectables from its Argentina facility. The US business filed three oncology injectables with an overall market size of USD 1.7 billion cumulatively.

During the first quarter of the year under review, the business also launched fluticasone propionate 0.05% lotion, Glenmark's generic version of Cutivate® lotion. Under the terms of the Settlement Agreement, Glenmark would be able to market and distribute its Fluticasone propionate lotion under a royalty-bearing license from Nycomed US in March 2012, or earlier in certain circumstances. Glenmark believes that it is entitled to 180 days of exclusivity with respect to its fluticasone propionate lotion, as the first generic company to file an ANDA for the product.

In January 2013, the company initiated the exclusive launch of Mupirocin Calcium Cream USP, 2%. Based on IMS Health sales data for the 12 month period ending Dec 2012, Mupirocin Calcium Cream garnered sales of USD 56.5 million.

In March 2013, Glenmark Generics Limited confirmed that it has filed an Abbreviated New Drug Application (ANDA) for Azelaic Acid, Gel 15% Topical, with the U.S. Food and Drug Administration (FDA) with a Paragraph IV certification. Based on available information, Glenmark believes it may be a "first applicant" to file an ANDA for the generic version of FINACEA® and may be entitled to 180 days of generic market exclusivity.

In November 2012, Glenmark Generics announced the settlement of Paragraph IV litigation with Janssen Pharmaceuticals, Inc. Under the terms of the agreement, Glenmark will launch a generic version of ORTHO TRI-CYCLEN® LO tablets as early as December 31, 2015 or earlier under certain circumstances. ORTHO TRI-CYCLEN® LO is indicated for the prevention of pregnancy in women who elect to use oral contraceptives as a method of contraception. Total U.S. sales as reported by IMS Health for the 12 month period ending June 2012 were approximately USD 397 million.

Glenmark's marketing portfolio consists of 85 generic products authorized for distribution in the U.S. market. The Company currently has 53 applications pending in various stages of the approval process with, the US FDA, of which 23 are Paragraph IV applications.

Glenmark USA revenues cross the USD 300 Mn mark - Driving growth through focused presence in niche markets

Glenmark's Para IV Filings with Sole Exclusivity

Product	Brand Name	Plaintiff	Sales* (MAT Apr 2012)	Launch Timeline
Ezetimibe	Zetia	Schering Plough	USD 1.3 bn	Dec 2016
Hydrocotisone Butyrate Cream	Locoid Lipocream	Triax and Astellas	USD 38 mn	Dec 2013
Fluticasone Lotion 0.005%	Cutivate	Nycomed	USD 39 mn	Launched in Mar 2012
Atovaquone & Proguanil HCl	Malarone	Glaxosmith kline	USD 64 mn	Launched Sep'11

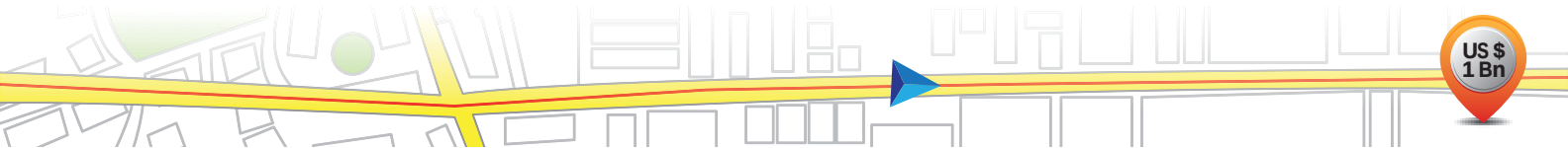
Glenmark's Product range in the US market

Niche Area Focus in ANDA Filings

Niche / Focus Area	Pending Approval	Authorized to Distribute	Total Filings	Market Size ($Mn)
Immediate Release	12	44	56	6667
Hormones	5	11	16	1493
Modified Release	5	7	12	691
Dermatology Products	5	20	25	1104
Para IV Filings	23	0	23	13285
Controlled Substances	0	3	3	95
Oncology injectables	3	0	3	1794
Total	**53**	**85**	**138**	**23335**

As per IMS Mar 2013 data

As on June 2013



Europe Formulations

The European business continued to steadily expand through product sales and licensing income and by expanding its presence through Distribution Partners in more European Countries.

In the UK, we also launched six more in-house products and inlicensed/ acquired five products from partners during this year. In Germany, we launched nine new In-house products and one in-licensed product. In the Netherlands, two in-house products were developed for the Netherlands and three products in Nordic Markets. Through products licensed out to partners, we also launched three additional products in several European Markets. The Netherlands and the Germany entity continued supplying products through the existing and new health insurance contracts. The out-licensing business successfully signed five new deals during the course of the year for licensing out and supply of product in EU market.

We filed five in-house products with European regulatory agencies this year and supplemented this with filings for two in-licensed products and a line extension for an existing product.

During the year, the Europe business announced the first generic launch of Atovaquone Proguanil in the UK following the revocation of the Malarone® patent in the High court in the UK. Judgement was handed down in the case of Glenmark Generics (Europe) Limited and Generics [UK] Limited t/a Mylan v The Wellcome Foundation & Glaxo Group Limited. The case involved the revocation of Glaxo's patent for its anti-malarial product Malarone®. Following proceedings in the High Court, Mr. Justice Arnold revoked Glaxo's patent on the basis that it was obvious.

Atovaquone Proguanil is indicated for the prophylaxis and treatment of acute, uncomplicated p. falciparum malaria particularly where there is likely to be resistance. Based on IMS Health sales data for the 12 month period ending Sept 2012, Atovaquone Proguanil garnered sales of Euro 20.69 million in the UK.

During the year, the EU formulations business in-licensed the following products: Itraconazole for UK, Octasa for UK, Acarbose for UK, Azithromycin for UK, Lymcycline for UK and Clopidogrel for Germany.

For the full year 2012-13, revenue was ₹ 1706.82 Mn (USD 31.29 Mn) against revenue of ₹ 1031.36 Mn (USD 21.25 Mn), an increase of 65.49%, over the previous year 2011-12.

Glenmark Europe business announced the first generic launch of Atovaquone Proguanil in the UK

Members of the Glenmark Europe Formulations Team

Oncology

The Oncology business based out of Argentina serves as a hub for the manufacturing and distribution of oncology products across Glenmark markets. During the year, the Argentina plant successfully concluded the audit of the facility by MHRA, UK, thus paving the way for oncology products to be exported to the United Kingdom. The plant also successfully concluded the audit of its facility by the regulatory authorities of Kenya as well as Mexico. During the year, the oncology unit based out of Argentina facilitated the filing of 5 product dossiers in Brazil, I oncology dossier in South Africa, 1 oncology dossier in Philippines, 2 Dossiers in Vietnam, 1 Dossier in Thailand, 1 Dossier in Venezuela, 1 Dossier in Dominican Republic, 1 Dossier in UAE, 1 dossier in Ukraine and one oncology dossier in Mexico.

During the year, the oncology plant facilitated its first filing of oncology products in the US market.

Active Pharmaceutical Ingredients (API)

The API business continued with its strategy of focusing on differentiated API products and also changing the business mix towards the regulated markets. During the year under review, the API business also recorded its first sales in Japan.

Revenue from sale of APIs globally was ₹ 3976.41 Mn [USD 72.90 Mn] in FY13 against ₹ 3094.44 Mn [USD 63.76 Mn] in FY12, recording an increase of 28.5% in ₹ term.

During the year, Ankleshwar API facility received approval from the Regulatory Agency of Japan (PMDA). The API business made inroads into Japan with 3 new product filings. Glenmark's API facility at Ankleshwar receives European cGMP certification post a joint inspection of USFDA & EMEA. Another seven new USDMFs were filed including several first DMFs targeting FTF and three DMFs to support Europe Market. The business continued its leadership position for Amiodarone, Lercanidipine, Adapalene, Perindopril, combined with launches of new products during the year viz, Atovaquone in Canada through partner and Levocetirizine in Europe through partner.

The development of a new state-of-the-art manufacturing facility of Glenmark is in progress at Dahej, Gujarat. This facility will cater to the manufacturing of intermediates and Active Pharmaceutical Ingredients for regulated markets and is expected to be commissioned in FY 2014.

Outlook

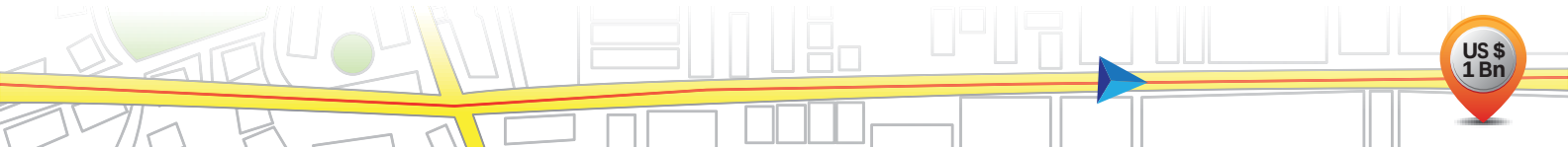
Glenmark's short-term and long-term outlook is encouraging for several reasons. On the discovery front, the pipeline is progressing well with 4 molecules in clinics.

The company will also continue with its approach of out-licensing its molecules. On the generics front, with high value patented drugs going off patent in the coming years, there is huge potential for the generics business. Glenmark is actively increasing its base in major generics markets of US and Western Europe.
At same time, the specialty business will continue to build differentiated pipelines in rest of the world markets, notably the 'Pharmerging' markets. Focus will be on building size and scale organically. The Company has also put multiple systems and processes in place to manage its complex operations and instill efficiencies across the value chain. Glenmark will also continue to build capabilities and nurture a talent pool with diverse skills sets to deliver continuous results.

Internal Control Systems

The company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. These ensure compliance with various policies, practices, regulations and statutes. The internal control systems are regularly checked by both statutory and internal auditors.

A snapshot of Glenmark's API Manufacturing facility in Ankleshwar, India



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 fac 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 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 hierarchial 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 global supply. In the EU, the new Falsified Medicines Directive is focused on security of supply.

In the USA, the passage of the Food Drug and Administration Safety and Innovation Act (FDASIA) will focus attention on reducing current levels of drug shortages in the marketplace, and 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 & 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 QMS 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.

Maintaining product supply

Risk description: Risk of interruption of product supply

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. 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 fulfil 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.

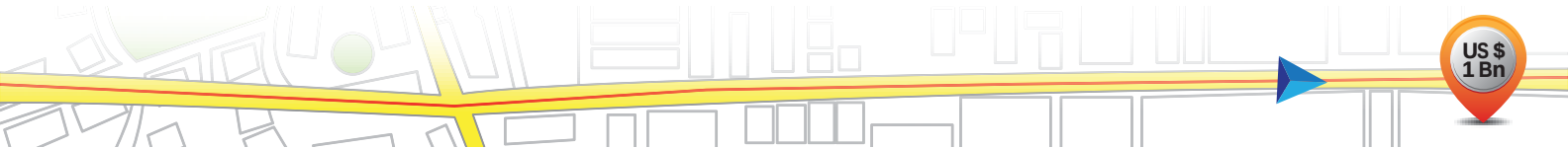
Safety stocks and backup supply arrangements for high revenue and critical products are in place to help mitigate this risk. In addition, the standing of manufacturing external suppliers is also routinely monitored in order to identify and manage supply base risks.

Where practical, dependencies on single sources of critical items are removed.

Securing adequate 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. 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.

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.

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 companywide 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. 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 uncertainty of 2011 continued into 2012, particularly in Europe. It is uncertain how long these effects will last, or whether economic and financial trends will worsen or improve. The austerity measures in certain countries in Europe have increased pressures on the payers in those countries to force healthcare companies such as the Company to decrease the price of its products. The debt crisis has given rise to concerns that some countries may not be able to pay for our products. Current 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 decline 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 and may cause the value of the Company's investments in its pension plans to decrease, requiring the Company to increase its funding of those pension plans.

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.

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.

The company will form a Committee who would be made responsible for driving implementation of the programme and the design and execution of the ABAC audit strategy and methodology. They would be supported by an extended team of functional experts within the legal Compliance and Audit & Assurance.

Potential Litigation

Risk description: Risk of substantial adverse outcome of litigation and government investigations

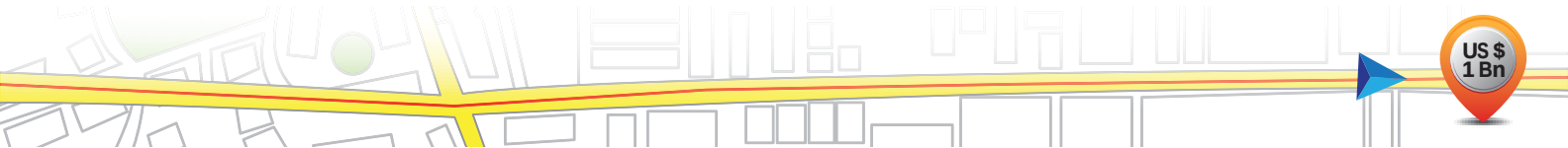
The Company operates globally in complex legal and regulatory environments that often vary among jurisdictions. The failure to comply with applicable laws, rules and regulations in these jurisdictions may result in legal proceedings. As those rules and regulations change or as governmental interpretation 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 clinical 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 attempts 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 include 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 Company 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.

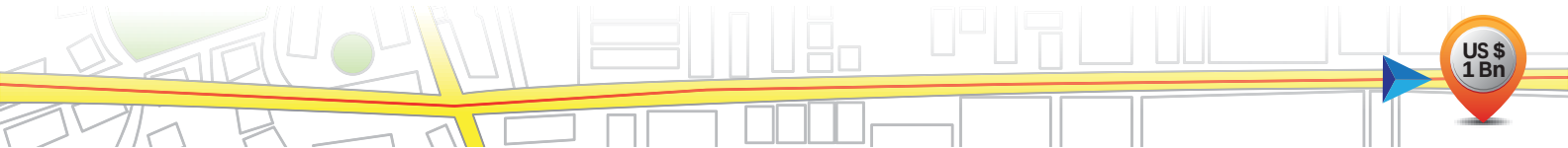
Information technology

Risk Description: Risk that the data is lost due to breakdown of systems or they are subject to intrusions

The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and random attack. While we have invested adequately in the protection of data and information technology, there can be no assurance that our efforts will prevent breakdown or breaches in our systems that could adversely affect our business.

Mitigating Activities include

The Company takes steps to have proper back ups and security systems in place so as to avoid loss or intrusion of data.



Profiles of Directors

Mr. Glenn Saldanha (Chairman & Managing Director)

Mr. Glenn Saldanha is a B. Pharm from Bombay University and was awarded the Watumall Foundation Award for overall excellence. His other educational qualifications include an MBA from New York University's Leonard N. Stern School of Business (US). He has worked for Eli Lilly in the US and was a Management Consultant with Price Waterhouse Coopers. His services have been used by Smithkline Beecham, Rhorer, Astra, Merck and Johnson and Johnson, among others.

Mrs. Cherylann Pinto (Director - Corporate Affairs)

Mrs. Cherylann Pinto is a graduate in Pharmacy from the University of Bombay. She has over 24 years of experience in the pharmaceuticals business.

Mr. Rajesh Desai (Executive Director & CFO)

Mr. Rajesh Desai is the Executive Director & CFO of the Company and has been with the Company for close to three decades. A Science graduate from Bombay University and a Chartered Accountant from Institute of Chartered Accountants of India, he is responsible for the Finance, Legal and IT function of the entire organisation. A member of the leadership team for over a decade, he has been responsible for charting the Company's growth in the domestic and overseas markets.

Mrs. B. E. Saldanha (Non-Executive Director)

Mrs. B. E. Saldanha has graduated in B.Sc., B.Ed., from Bombay University and was a Whole-time Director of the Company from 1982 to 2005. She was responsible to a large extent in developing the Company's export business.

Mr. D. R. Mehta (Non-Executive Director)

Mr. D. R. Mehta has graduated in Arts and Law from Rajasthan University. He also studied at Royal Institute of Public Administration, London, UK and the Alfred Sloan School of Management, Boston, USA. He has over 42 years of experience in civil services and has held various positions in the Government of Rajasthan and Government of India. He was the Deputy Governor of Reserve Bank of India and also the Chairman of the Securities and Exchange Board of India.

Mr. Bernard Munos (Non-Executive Director)

Mr. Bernard Munos is the founder of the InnoThink Center for Research in Biomedical Innovation. Prior to that, he was Advisor for corporate strategy at Eli Lilly and Company, a multi-billion dollar global pharmaceutical company. His research, which had been published in Nature and Science Journal and was profiled by Forbes Magazine, has helped stimulate a broad rethinking of the pharmaceutical business model worldwide.

He has presented his findings at numerous meetings sponsored by the National Academies, the Institute of Medicine, the President's Cancer Panel, the NIH Leadership Forum, the World Health Organisation, the OECD, the Kauffman Foundation, the US Patent and Trademark Office, as well as leading universities and think-tanks in the US and Europe.

An MBA from Stanford University, he holds other graduate degrees in economics and animal science from the University of California at Davis, and the Paris Institute of Technology for Life, Food and Environmental Sciences in France.

Mr. J. F. Ribeiro (Non-Executive Director)

Mr. J. F. Ribeiro is a retired Government official and has served the country under various assignments. Amongst the major positions held, he has been the Commissioner of Police, Mumbai, Special Secretary to Government of India, Ministry of Home Affairs, Director General of Police (Punjab), Adviser to the Governor of Punjab, Ambassador of India to Romania.

Dr. Brian W. Tempest (Non-Executive Director)

Dr. Brian W. Tempest is a CSCI, CCHEM, FRSC, BSC, PHD. He has worked in the pharmaceuticals industry for the last 40 years and has managed Healthcare Businesses in North America, South America, Europe, Africa, Middle East, Australasia, China, Japan and India.

A PhD in Chemistry from Lancaster University and Chairman of the Advisory Board for the Lancaster University Management School, he is a Fellow of the Royal Society of Chemistry and a Fellow of the Royal Society of Medicine.

Mr. Sridhar Gorthi (Non-Executive Director)

Mr. Sridhar Gorthi is a B.A., L.L.B. (Hons.) from the National Law School of India University. He is presently a partner in Trilegal and has worked with Arthur Anderson and Lex Inde, Mumbai. He is involved in legal advisory services to various multinational and domestic corporations on restructuring, debt finance, joint ventures, acquisition/mergers etc.

Mr. Hocine Sidi Said (Non-Executive Director)

Mr. Hocine Sidi Said has graduated in B.A. (International Marketing). He is the Founder & Director of Bio-nAbler, an investment company that partners with Sovereign Wealth Funds and Private Equity Firms across Asia and the MENA region to identify and execute product and company acquisitions. He has over 22 years of experience in the pharmaceuticals industry and has worked with companies like Pfizer and UCB. During his stint at UCB, he was incharge of the entire Emerging Markets Region and designated as Senior Vice President. Prior to joining UCB, he spent close to 17 years with Pfizer in various senior management and developmental roles in the Middle East, Central and Eastern Europe and Asia.

Mr. N. B. Desai (Non-Executive Director)

Mr. N. B. Desai is a retired General Manager of Bank of Baroda. He has over 48 years of experience in the Banking Sector. He has worked in India and overseas. He was Chairman of Bank of Baroda Uganda Ltd. He was the founder and Managing Director of Equitorial Bank PLC, UK from which he retired in 1992.

Directors' Report

Your Directors have pleasure in presenting their 35th Annual Report and Audited Accounts of the Company for the year ended 31 March 2013.

FINANCIAL RESULTS

₹ in Million

2012-2013	2011-2012	Particulars	2012-2013	2011-2012
Standalone			Consolidated	
Indian GAAP	Indian GAAP		IFRS	IFRS
4,486.89	3,660.79	Profit before Finance Costs, Depreciation & Taxes	10,164.73	7,236.24
436.94	608.69	Less: Finance Costs (Net)	1,557.49	1,376.55
250.41	211.13	Less: Depreciation	1,270.09	978.78
(61.53)	187.98	Less: Tax (Current Year & Deferred Tax)	1,107.15	237.84
3,861.07	2,652.99	Profit after Tax	6,230.00	4,643.07

DIVIDEND

Your Directors recommend a Dividend of 200% (₹ 2 per equity share of ₹ 1 each) to be appropriated from the profits of the year 2012-2013 subject to the approval of the shareholders at the ensuing Annual General Meeting. The dividend will be paid in compliance with applicable regulations. The dividend, if approved, will result in an outflow of ₹ 633.77 million (including dividend tax).

CONSOLIDATED ACCOUNTS

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries for the year ended 31 March 2013 prepared in accordance with International Financial Reporting Standards as permitted by SEBI forms a part of the Annual Report.

RESULTS OF OPERATIONS

On Standalone basis the Company achieved a gross revenue of ₹ 19,493.04 million and the Standalone operating profit before finance costs, depreciation and tax was ₹ 4,486.89 million as compared to ₹ 3,660.79 million in the previous year.

On Consolidated basis the Company achieved a gross revenue of ₹ 50,123.42 million and the Consolidated operating profit before finance costs, depreciation and tax was ₹ 10,164.73 million as compared to ₹ 7,236.24 million in the previous year.

CHANGES IN CAPITAL STRUCTURE

Issue of shares on exercise of Employees' Stock Options:

During the year, we allotted 318,150 Equity Shares of ₹ 1 each (on pari passu basis) on the exercise of stock options by the eligible employees of the Company and its subsidiaries under the 2003 Employee Stock Option Scheme. As a result of this, the outstanding issued, subscribed and paid up equity shares increased from 270,535,503 to 270,853,653 shares as at 31 March 2013.

Employee Stock Option Scheme

The information in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999, as amended are set out in the Annexure-B to this Report.

During the year, Stock Options have been issued to the employees of your Company. On exercising the convertible options so granted, the paid-up equity share capital of the Company will increase by a like number of shares.

No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

LISTING AT STOCK EXCHANGES

The Equity shares of your Company continue to be listed on Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.

SUBSIDIARY COMPANIES

During the year, the Company has incorporated two subsidiaries i.e. Glenmark Pharmaceuticals (Kenya) Limited and Glenmark Therapeutics AG, Switzerland.

The Ministry of Corporate Affairs has vide its General Circular No.: 2/2011 dated 8 February 2011 and 3/2011 dated 21 February 2011 granted a general exemption from the provisions of Section 212(8) of the Companies Act, 1956 in relation to the Subsidiaries of the Company provided the Board of Directors of the Company by a resolution in writing give consent for not attaching the Balance Sheet, the Statement of Profit and Loss and the annexures thereto. The Board of Directors at their meeting, consented for not attaching the Balance Sheet, Statement of Profit and Loss and annexures thereto of the subsidiaries. The Audited Accounts of the subsidiaries together with its Directors' Report and Auditors' Report are available for inspection of members on any working day at the Corporate Office of the Company between 11 a.m. to 1 p.m.

DIRECTORS

Director's Re-appointment

Mr. D. R. Mehta, Mr. Sridhar Gorthi and Mr. J. F. Ribeiro, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board of Directors have

recommended their re-appointment for consideration of the Shareholders.

COST AUDITORS

M/s. Sevekari, Khare & Associates are the Cost Auditors of the Company. They have been re-appointed as Cost Auditors for the Financial Year 2013-2014. Due date for filing of Cost Audit Report by the Cost Auditor for the Financial Year 2012-2013 is 30 September 2013.

CORPORATE GOVERNANCE

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. Your Company's governance practices are described separately in this Annual Report. Your Company has obtained a certification from S. S. Rauthan & Associates, Company Secretaries on our compliance with Clause 49 of the Listing Agreement with Indian Stock Exchanges. This certificate is attached to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Agreement with the stock exchanges is provided in a separate section and forms a part of this report.

AUDITORS

The auditors, M/s. Walker, Chandiok & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in an Annexure forming part of this report.

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in the Annexure-A to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, 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 judgements 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 2013 and of the profit of the Company for the year ended 31 March 2013;

(iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

GREEN INITIATIVE

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

Your Company supports the Green Initiative and has accordingly decided to send all communications to its shareholders to their respective registered E-mail addresses.

Your Company appeals to you, its shareholders, who are yet to register your 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.

APPRECIATION AND ACKNOWLEDGEMENTS

Your 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.

Your 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

Place: Mumbai
Date: 7 May 2013

Annexures to the Directors' Report

ANNEXURE-A

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

Energy Generation Measures Taken

I.	Power and Fuel Consumption	2012-2013	2011-2012
1.	Electricity		
	i. Purchased		
	Unit (in '000 Kwhrs)	12,317.47	11,030.92
	Total Amount (₹ in '000's)	78,462.93	58,136.77
	Rate/Unit (₹)	5.13	5.27
	ii. Own Generation		
	a. Through Diesel Generator		
	Unit (in '000 Kwhrs)	651.47	560.00
	Units per Ltr. of Diesel Oil	2.74	3.18
	Cost/Unit (₹)	11.50	12.93
	b. Through Steam Turbine/Generator	NIL	NIL
2.	Coal	NIL	NIL
	Qty.		
	Total Cost		
	Avg. Rate		
3.	Furnace Oil/Light Diesel Oil		
	Qty. (K. Ltr.)	525.75	397.96
	Total Amount (₹ in '000's)	23,615.25	15,975.35
	Avg. Rate (₹/K. Ltr.)	37.29	40.87
4.	i. Internal generation		
	Light Diesel Oil		
	Qty. (In Ltr. '000's)	NIL	NIL
	Total Cost (₹ in '000's)	NIL	NIL
	Rate/Unit (₹)	NIL	NIL
	ii. Natural Gas		
	Qty. (M^3 '000's)	NIL	NIL
	Total Cost (₹ in '000's)	NIL	NIL
	Rate/Unit (₹)	NIL	NIL

II. Consumption:

The Company manufactures several Drug Formulations in different pack sizes. In view of this, it is impracticable to apportion the consumption and cost of utilities to each Product/Formulation.

B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

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. 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 life cycle 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.

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 responsibilities of this department also include 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.

Analytical Research Activities for NCE Research

New analytical test procedures are developed to establish the structure and evaluate the quality of NCE prior to initial biological screening. During pre-clinical studies, we generate 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 Standards.

Physicochemical properties of New Chemical Entity (NCE) are established and characterization studies are conducted. CMC related Dossiers, study protocols and study reports are prepared to support various pre-clinical studies and clinical trial applications with Regulatory Agencies. We perform polymorphic evaluation and salt selection studies on various NCEs drug substance and drug products. Reference standards of NCEs are generated and supplied to CROs and manufacturing sites.

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

Glenmark has always made continuous investment in R&D. Because of these investments in R&D, the organisation was able to receive a number of product approvals across many countries. During the year under review, Glenmark received from the USFDA approvals for the products, Mupirocin Calcium Cream USP, 2%; Rizatriptan Benzoate; Montelukast Sodium Tablets, 10 mg; Lamotrigine Tablets; Norgestimate and Ethinyl Estradiol Tablets USP, 0.25 mg/0.035 mg; Desogestrel & Ethinyl Estradiol Tablets.

The India business was able to launch key products like LA Shield Sunscreen, Dapmicin, Acinostop, Colymonas 2 MIU, Dubagest SR, Sungrace Total, Triglow M cream, Kefpod - AZ, BondK, Azifine-L, Ascoril LS drops, Candid Mouth Gel, Milixim OZ, Glenstim Peg, Doxohope, Alex Lex Junior Syrup, Glemont-F, Airtio Instacaps DPI, Glemont, Flublock Nasal Spray and Tolvasca.

Russia launched its OTC business through launches of Keto Plus and Candid. Other launches include Mannativ, Melanativ, Ureativ 3, Ureativ 10 and Fisioativ in Russia, Onabet in Ukraine and Candibiotic in Kazakhstan/Uzbekistan.

Various products were launched in Africa and Middle East including Flexilor (Lornoxicam) in Nigeria; Telma (Telmisartan) in Tanzania; Wunder Eye in Egypt and Clariglen, Glenvir, and Lisinoglen in UAE.

There were several new successful launches in the Central Eastern Europe markets. An important launch across Czeck, Slovak and Romania was of Diosmin + Hesperedin.

3. Future Plan of Action

Commercialisation 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.

4. Expenditure on R&D

(Standalone) (₹ in Million)

S. No.	Particulars	2012-2013	2011-2012
1.	Capital Expenditure	56.38	36.90
2.	Revenue Expenditure	929.44	759.57
3.	Total	985.82	796.47
4.	R&D Expenditure as a percentage of total turnover	4.8%	4.9%

5. Technology Absorption, Adoption and Innovation

5.1 Efforts in brief towards technology absorption, adoption and innovation:

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.

5.2 Benefits derived are new introduction of products, improvement in the yield and quality, safety & efficacy of products, cost reduction of products and processes without affecting the quality of the products and process efficacy. Our R&D Centre is recognised by D.S.I.R., Ministry of Science and Technology, Government of India.

5.3 Information regarding technology imported during the last five years – Nil.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: The Management Discussion and Analysis Report forming a part of the Directors' Report deals with the same.
2. Total foreign exchange earned was ₹ 7,006.80 million and outflow was ₹ 3,276.49 million.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 7 May 2013

Glenn Saldanha
Chairman & Managing Director

ANNEXURE - B

Disclosure in the Directors' Report as per SEBI Guidelines for the year 2012-2013

S. No.	Particulars		
a	Options granted	10,411,900	
b	Pricing Formula	Exercise Price is the latest available closing market price of the equity shares of the Company, prior to the date of grant.	
c	Options Vested**	8,560,350	
d	Options Exercised**	3,268,300	
e	Total no. of shares arising as result of exercise of Options	3,268,300	
f	Options lapsed *	6,389,800	
g	Variation in terms of Options	None	
h	Money realised by exercise of Options (in ₹ million)	247.17	
i	Total number of options in force**	753,800	
	* Lapsed Options includes options cancelled/lapsed.		
	** The number of options have been reported as on 31.03.2013		
j	Employee wise details of options granted to:		
	- Senior Management	Name of the employee	No. of options granted
		Dr. Patrick Peter Keohane	25,000
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None	
	- employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	None	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share'		

l	Pro Forma Adjusted Net Income and Earning Per Share	
	Particulars	₹ in Million
	Net Income (As Reported)	3,861.07
	Add: Intrinsic Value Compensation Cost	NIL
	Less: Fair Value Compensation Cost	0.06
	Adjusted Pro Forma Net Income	3,861.01
	Earning Per Share: Basic	
	As Reported	14.26
	Adjusted Pro Forma	14.26
	Earning Per Share: Diluted	
	As Reported	14.25
	Adjusted Pro Forma	14.25
m	Weighted average exercise price of Options granted during the year whose	
i.	Exercise price equals market price	480.40
ii.	Exercise price is greater than market price	NA
iii.	Exercise price is less than market price	NA
	Weighted average fair value of options granted during the year whose	
i.	Exercise price equals market price	283.89
ii.	Exercise price is greater than market price	NA
iii.	Exercise price is less than market price	NA
n	Description of method and significant assumptions used to estimate the fair value of options	The fair value of the options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same has been detailed below:
	Variables	Weighted average values for options granted during the year
	Stock Price	485.40
	Volatility	51.62%
	Riskfree Rate	7.74%
	Exercise Price	480.40
	Time To Maturity (years)	6
	Dividend yield	0.21%

Stock Price: Closing price on NSE as on the date of grant has been considered for valuing the grants.

Volatility: We have considered the historical volatility of the stock till the date of grant to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: The Exercise Price is the latest available closing market price of the equity shares of the Company, prior to the date of grant, for the respective grants.

Time to Maturity: Time to Maturity/Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the maximum period after which the options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant.

Intrinsic Value: Means the excess of market price of the share under ESOS over the exercise price of the option (including up-front payment, if any).

Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, 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 Board comprises of Eleven Directors, of whom, three are executive, and eight are 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 of Directors:

Name of the Director	Status	Relationship with other Directors	No. of Board Meetings attended	No. of other Directorships held #	Committee Membership(s)##	
					Chairman	Member
Mr. Glenn Saldanha Chairman & Managing Director	Executive Promoter Group	Son of Mrs. B. E. Saldanha and brother of Mrs. Cherylann Pinto	4	2	2	3
Mrs. Cherylann Pinto	Executive Promoter Group	Daughter of Mrs. B. E. Saldanha and sister of Mr. Glenn Saldanha	4	1	-	2
Mr. Rajesh Desai	Executive	None	4	1	-	2
Mrs. B. E. Saldanha	Non-Executive Promoter Group	Mother of Mr. Glenn Saldanha and Mrs. Cherylann Pinto	2	1	-	-
Mr. D. R. Mehta	Non-Executive Independent	None	4	6	-	-
Mr. Bernard Munos	Non-Executive Independent	None	4	-	-	-
Mr. J. F. Ribeiro	Non-Executive Independent	None	4	2	5	1
Dr. Brian W. Tempest	Non-Executive Independent	None	4	3	1	2
Mr. Sridhar Gorthi	Non-Executive Independent	None	4	2	-	4
Mr. Hocine Sidi-Said	Non-Executive Independent	None	3	-	-	1
Mr. N. B. Desai	Non-Executive Independent	None	4	1	1	4

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 25 Companies and Private Limited Companies.

Membership/Chairmanship of the Audit Committee, Shareholders'/Investors' Grievance Committee, Compensation Committee and Operations Committee of all Public Limited Companies have been considered.

b) Details of Board Meetings and Attendance:

During the Financial Year ended 31 March 2013; four board meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	8 May 2012	12	11
2	2 August 2012	11	9
3	30 October 2012	11	10
4	29 January 2013	11	11

A. None of the Non-Executive Directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending board meetings/committee meetings.

B. Mr. Glenn Saldanha, Mrs. Cherylann Pinto, Mr. N. B. Desai, Mr. Rajesh Desai, Dr. Brian W. Tempest, Mr. Bernard Munos and Mr. J. F. Ribeiro attended the last Annual General Meeting of the Company held on 3 August 2012.

C. Information flow to the Board Members

We present Operating plans of our businesses to the Board for their review, inputs and approval. Likewise, our Quarterly Financial Statements and Annual Financial Statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In most cases information to Directors is submitted along with the Agenda papers well in advance of the Board Meeting, in some instances documents are tabled during the course of the Board Meetings or the Appropriate Committees of the Board.

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.

D. Post-meeting follow-up system

After the Board Meetings, we have a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

3. Board Committees:

As per the Listing Agreement, the Board has formed three committees: Audit Committee, Compensation Committee and Shareholders'/Investors' Grievance Committee.

1. Audit Committee:

- The Company has a qualified and independent Audit Committee which has been formed in pursuance of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The primary objective of the committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The 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 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 committee to ensure the objectivity and independence of the independent auditor.
- Terms of Reference:
  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.
- Details of the composition and attendance of Members of the Audit Committee during the fiscal year 2013 are as follows:

Four Audit Committee Meetings were held during the year – 7 May 2012, 1 August 2012, 29 October 2012 and 28 January, 2013.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. N. B. Desai	4	4	Chairman	Independent Director
Mr. J. F. Ribeiro	4	4	Member	Independent Director
Mr. Sridhar Gorthi	4	3	Member	Independent Director
Mr. Hocine Sidi Said	4	3	Member	Independent Director

- Mr. Glenn Saldanha, Chairman & Managing Director; Mr. Rajesh Desai, Executive Director & CFO and Mr. Prakash Sevekari, Cost Auditor are permanent invitees to all Audit Committee Meetings. The statutory auditors of the Company are present in the Audit Committee meetings during the year. The Company Secretary officiates as the secretary of the Committee. The terms of reference of this Committee are wide enough covering matters specified in the Companies Act, 1956 read together with Clause 49 of the Listing Agreement of the Stock Exchange. The current Charter of the Audit Committee is in line with international best practices and the regulatory changes formulated by SEBI and the listing agreements with the stock exchanges on which your Company is listed.

2. Shareholders'/Investors' Grievance Committee:

- The committee has the mandate to review and redress shareholder grievances. The Committee reviews shareholders' complaints and resolution thereof. The committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.
- Details of Composition and Attendance of the Members of the Shareholders'/Investors' Grievance Committee Meetings during the fiscal year 2013:

Six Shareholders'/Investors' Grievance Committee meetings were held during the year – 7 May 2012, 1 August 2012, 29 October 2012, 15 January 2013, 28 January 2013 and 5 February 2013.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	6	6	Chairman	Independent Director
Mr. Glenn Saldanha	6	6	Member	Executive Director
Mr. N. B. Desai	6	4	Member	Independent Director
Mrs. Cherylann Pinto	6	6	Member	Executive Director

- The Details of complaints received and resolved during the year ended 31 March 2013 are as follows:

No. of complaints	2012-13	2011-12
Received	36	39
Resolved	36	39
Pending	NIL	NIL

- Name and Designation of Compliance Officer:
  Mr. Sanjay Kumar Chowdhary, Jt. Company Secretary & Compliance Officer.
- The Company's Registrars, Karvy Computershare Private Ltd. had received letters/complaints during the Financial Year, all of which were replied/resolved to the satisfaction of the shareholders.

3. Compensation Committee:

- The purpose of the committee of the Board of Directors ('the Board') shall be to discharge the Board's responsibilities related to compensation of the Company's executive directors. The committee has the overall responsibility of approving and evaluating the compensation plans, policies and programs for executive directors.
- Broad terms of reference of the Compensation Committee:
  i. To recommend and review remuneration package of Executive/Non-Executive Directors.
  ii. To approve issue/cancellation of stock options to the employees.
- Details of Composition and Attendance of the Compensation Committee Meeting during the fiscal year 2013:

Four Compensation Committee meetings were held during the year – 7 May 2012, 3 August 2012, 28 January 2013 and 12 March 2013.

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. N. B. Desai	4	3	Member	Independent Director
Mr. Sridhar Gorthi	4	4	Member	Independent Director

- 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 and retaining performers.

4. Remuneration of Directors:

- The Compensation 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 Compensation Committee, within the parameters set by the shareholders at the shareholders' meetings.
- The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme.
- The remuneration of the executive and non-executive Directors of your Company is decided by the Board of Directors on the terms and conditions as per the recommendation by the Compensation Committee.

- Given below are the details of remuneration/fees/commission paid to Directors during the financial year ended 31 March 2013:

S. No.	Name of Director	Salaries	Retirement benefits/other reimbursements	Commission	Sitting Fees	Total
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
1	Mr. Glenn Saldanha	45,549,146	11,404,996	3,000,000	-	59,954,142
2	Mrs. Cherylann Pinto	14,641,608	2,231,671	1,771,401	-	18,644,680
3	Mr. Rajesh Desai	12,075,285	7,708,058	1,184,619	-	20,967,962
4	Mrs. B. E. Saldanha	-	-	-	40,000	40,000
5	Mr. D. R. Mehta	-	-	-	80,000	80,000
6	Mr. Bernard Munos	-	-	-	80,000	80,000
7	Mr. J. F. Ribeiro	-	-	-	160,000	160,000
8	Dr. Brian W. Tempest	-	-	-	80,000	80,000
9	Mr. Sridhar Gorthi	-	-	-	140,000	140,000
10	Mr. Hocine Sidi Said	-	-	-	120,000	120,000
11	Mr. N. B. Desai	-	-	-	160,000	160,000
	TOTAL	72,266,039	21,344,725	5,956,020	860,000	100,426,784

Note:

Sitting fees of ₹ 140,000 of Mr. Sridhar Gorthi was paid to Trilegal on his behalf.

Share holding of the Non-Executive/Independent Directors in the Company as on 31 March 2013:

Director	Equity Shares (Nos.)
Mrs. B. E. Saldanha	721,581
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. Hocine Sidi Said	NIL
Mr. N. B. Desai	30,000

5. Disclosures by Management:

a. 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. There are 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 related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

d. Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

e. The Company has fulfilled a non-mandatory requirement as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, related to Remuneration Committee (Compensation Committee). Please see the Para on Compensation Committee.

6. Disclosures regarding the appointment or re-appointment of Directors:

According to the Articles of Association, one-third of the Directors retire by rotation and, if eligible, seek re-appointment at the Annual General Meeting of shareholders. Mr. D. R. Mehta, Mr. Sridhar Gorthi and Mr. J. F. Ribeiro will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of all the retiring Directors.

7. General Body Meetings:

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

Financial Year Ended	Date and Time	Venue	Special Resolution Passed
31 March 2010	27 September 2010 at 11 a.m.	Sunville Banquet & Conference Hall 3rd floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	None
31 March 2011	11 August 2011 at 11 a.m.	Sunville Banquet & Conference Hall 3rd floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	None
31 March 2012	3 August 2012 at 11 a.m.	Mayfair Banquets, South Hall, 254 - C, Dr. Annie Besant Road, Worli, Mumbai - 400 030.	None

- All resolutions moved at the last Annual General Meeting were passed by a show of hands by requisite majority of members who attended the meeting.

- No special resolutions were passed last year through Postal Ballot.
- There are no special resolutions proposed for the ensuing Annual General Meeting which need to be passed by Postal Ballot.

8. Shareholders information:

Share Transfer Process:

The shares are sent/received for physical transfer at R & T'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 2013, 99.13% of shares have been dematerialised and held in electronic form through NSDL and CDSL. The shares of your Company are permitted to be traded only in dematerialised form.

Shareholding Pattern as at 31 March 2013:

Description	No. of Shareholders	Shares held	% to Equity
Company Promoters	17	130,839,199	48.31
Foreign Institutional Investor	276	87,763,309	32.40
Resident Individuals	55,671	23,453,045	8.66
Indian Financial Institutions	17	11,748,918	4.34
Bodies Corporate	969	3,790,636	1.40
Mutual Funds	63	10,022,818	3.70
Non-Resident Indians	1,552	1,353,323	0.50
H U F	1,111	458,904	0.17
Employees	80	471,762	0.17
Banks	11	207,570	0.08
Directors	6	226,409	0.08
Clearing Members	115	330,548	0.12
Foreign Nationals	14	177,008	0.07
Trusts	9	10,204	0.00
TOTAL	59,911	270,853,653	100.00

Distribution Schedule as on 31 March 2013:

S. No.	Category From - To	No. of Shareholders	% of Shares	No. of Shares	% of Total Equity
1	1 - 5000	58,582	97.78	10,521,801	3.89
2	5001 - 10000	521	0.87	1,905,100	0.70
3	10001 - 20000	288	0.48	2,110,716	0.78
4	20001 - 30000	91	0.15	1,144,061	0.42
5	30001 - 40000	49	0.08	878,322	0.32
6	40001 - 50000	29	0.05	683,402	0.25
7	50001 - 100000	76	0.13	2,780,359	1.03
8	100001 and Above	275	0.46	250,829,892	92.61
	TOTAL	59,911	100.00	270,853,653	100.00

Date, Time and Venue of the Ensuing Annual General Meeting:

Annual General Meeting shall be held on Friday, 2 August 2013 at 11.00 a.m. at Sunville Banquet & Conference Hall, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Record Date/Book Closure:

Our Register of Members and Share Transfer Books will remain closed from Monday, 22 July 2013 to Friday, 2 August 2013 (both days inclusive).

Date of declaration of dividend:

A dividend of ₹ 2 per share has been recommended by the Board of Directors on 7 May 2013 subject to the approval of the shareholders at the ensuing Annual General Meeting.

Financial Calendar (Tentative and Subject to change):

Quarter ending	Release of Results
Financial reporting for the first quarter ending 30 June 2013.	July 2013
Financial reporting for the second quarter ending 30 September 2013.	October 2013
Financial reporting for the third quarter ending 31 December 2013.	January 2014
Financial results for the year ending 31 March 2014.	May 2014

Members can avail of nomination facility by filing Form 2B 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 in the 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 the R&T Agents for receiving ten or two equity shares of face value of ₹ 1 each in exchange of one equity share of face value of ₹ 10 or ₹ 2 each.

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31 March 2000 and thereafter, which remain 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 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund 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
31.03.2007	26.12.2006	25.01.2007	24.01.2014	23.02.2014
31.03.2008	31.10.2007	30.11.2007	29.11.2014	29.12.2014
31.03.2009	25.09.2009	25.10.2009	24.10.2016	23.11.2016
31.03.2010	27.09.2010	27.10.2010	26.10.2017	25.11.2017
31.03.2011	11.08.2011	11.09.2011	10.09.2018	09.10.2018
31.03.2012	03.08.2012	03.09.2012	02.09.2019	01.10.2019

Shareholders who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Reconciliation of Share Capital Audit Report:

A qualified practicing Company Secretary has carried out Audit every Quarter to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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.

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.

9. 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/Registrar and Share Transfer Agents of the Company. Quarterly/Half-yearly and Annual Financial Results of the Company are published in Financial Express and Loksatta newspapers.

- **Management Discussion & Analysis Report:**

  The Management Discussion & Analysis Report forms a part of the Directors' Report. All 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.

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

10. Company's Scrip Information:

- Listing on stock exchanges:

The shares of the Company are listed on Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.

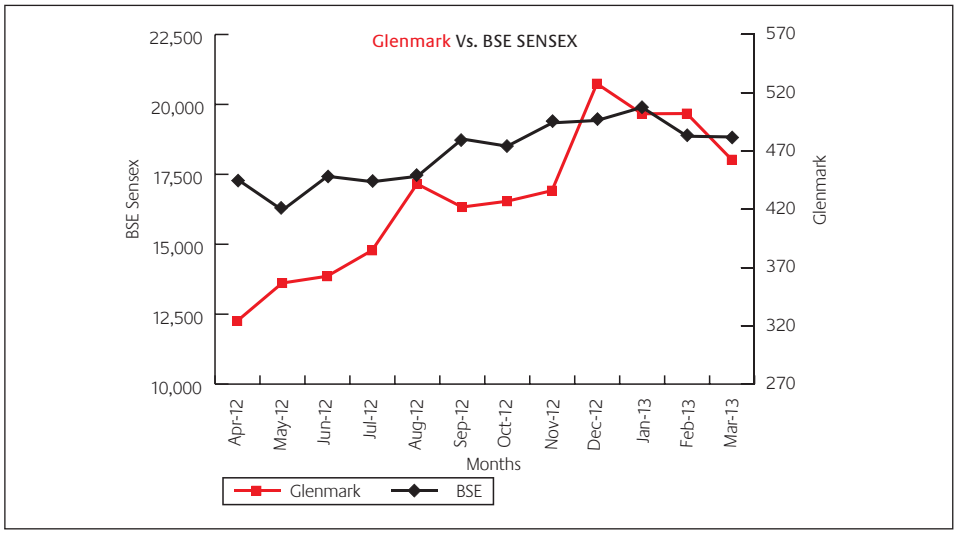
Stock Exchange	Stock Codes/Symbols	ISIN
Bombay Stock Exchange	532296	INE935A01035
National Stock Exchange	GLENMARK	INE935A01035

- Listing fees for the year 2013-14 have 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	Bombay Stock Exchange			National Stock Exchange		
	High Price (₹)	Low Price (₹)	Volume (No. of Shares)	High Price (₹)	Low Price (₹)	Volume (No. of Shares)
Apr- 12	334.05	301.00	763,717	334.85	301.00	7,903,766
May- 12	386.50	323.35	3,194,191	386.75	307.35	19,586,140
Jun- 12	377.00	342.50	694,579	377.40	341.70	6,489,734
Jul- 12	406.40	361.00	1,033,821	407.00	360.40	11,304,272
Aug- 12	449.75	361.15	1,625,333	450.00	375.00	10,491,279
Sep- 12	446.00	399.00	819,057	445.00	398.20	6,079,189
Oct- 12	432.85	386.50	1,954,237	464.80	387.00	9,294,826
Nov- 12	456.35	417.90	2,034,867	456.35	417.50	6,369,990
Dec- 12	550.50	423.00	2,575,897	550.70	421.10	14,454,457
Jan- 13	550.80	471.30	2,233,238	552.00	471.10	15,760,407
Feb- 13	518.90	482.65	932,929	519.65	482.50	10,113,368
Mar- 13	509.40	458.00	1,837,183	510.90	458.00	11,640,681

Performance in comparison to broad based indices namely, BSE Sensex.



11. Corporate Identity Number (CIN):

Our Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L24299MH1977PLC019982, and our Company Registration Number is 19982.

12. Plant Locations:

The Company's plants are located at:

i. E-37, MIDC Industrial Area, D Road, Satpur, Nasik - 422 007, Maharashtra.
ii. Unit I – Village: Kishanpura, Baddi Nalagarh Road, Tehsil: Nalagarh, Dist. Solan - 174 101, Himachal Pradesh.
iii. Unit II – Village: Bhattanwala, P.O. Rajpura, Nalagarh Dist. Solan - 174 101, Himachal Pradesh.
iv. Unit III – Village: Kishanpura, Baddi Nalagarh Road, Tehsil Baddi, Dist. Solan 174 101, Himachal Pradesh.
v. Growth Centre, Samlik-Marchak, Dist. East Sikkim, Sikkim.
vi. Plot No. B-25, Five Star MIDC, Shendra Dist. Aurangabad, Maharashtra.

13. Outstanding GDR's/ ADR's/ Warrants or any Convertible instruments exercised, date and likely impact on equity:

- The Company had issued 25,000 new options under Employees Stock Option Scheme viz. ESOS' 2003. During the Financial Year 2012-13, 372,350 options were cancelled and 318,150 options were exercised. As of 31 March 2013, 7,53,800 options were outstanding and are due for exercise on the following dates:

ESOS' 03	
Date	**Number of Options**
9 July 2013	40,100
14 July 2013	35,200
21 August 2013	70,300
24 September 2013	10,800
10 October 2013	71,400
9 December 2013	138,500
9 January 2014	159,400
5 February 2014	34,500
30 March 2014	63,100

ESOS' 03	
Date	**Number of Options**
14 July 2014	29,200
24 September 2014	10,800
12 March 2015	2,500
30 March 2015	21,900
24 September 2015	14,400
12 March 2016	5,000
30 March 2016	29,200
12 March 2017	7,500
12 March 2018	10,000

- 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.

14. National ECS facility (NECS):

As per RBI notification, w.e.f. 1 October 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

In this regard, shareholders holding shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted to you by your bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company/Registrars, only if the shares are held in physical form, immediately.

If your bank particulars have changed for any reason, please arrange to register the NECS with the revised bank particulars.

The Company will use the NECS mandate for remittance of dividend either through NECS or other electronic modes failing which the bank details available with Depository Participant will be printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

Shareholders are advised to opt for payment of dividend through NECS. The salient benefits of receiving dividend payment through NECS amongst others may be listed as below:

a. There are no clearing charges in the hands of the investor/recipient, the same are borne by the Company;
b. Risk as to fraudulent encashment of the dividend warrants, loss/interception of dividend warrants in transit, are eliminated;
c. The facility ensures instant credit of the dividend amount in the desired account which to the recipient, means effortless and speedier transaction and hassles as to revalidation etc. are done away with;
d. Once the payment is made through NECS Company issues intimation letters to the investors as to credit/payment of dividend, providing therein the details of the account and amount. Investors may download the NECS Mandate Form from the Company's website and send the same duly filed in to registrars for updating of records.

15. Code for prevention of Insider Trading:

We have comprehensive guidelines on preventive insider trading. Our guidelines are in compliance with the SEBI guidelines on prevention of Insider Trading.

16. Investor Helpdesk: for clarifications/assistance, if any, please contact:

	Corporate Office	Registrars & Transfer Agents
Persons to contact	Mr. Sanjay Kumar Chowdhary	Mr. V. Rajendra Prasad
Address	Glenmark Pharmaceuticals Ltd. Glenmark House, HDO Corporate Building, Wing A, B. D. Sawant Marg, Chakala, Off. Western Express Highway, Andheri (E), Mumbai – 400 099.	Karvy Computershare Pvt. Ltd. Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.
Telephone	(022) 40189999	(040) 23420818 - 828
Fax No.	(022) 40189986	(040) 23420814
E-mail	complianceofficer@glenmarkpharma.com	mrvs@karvy.com
Website	www.glenmarkpharma.com	www.karvy.com
Investor Redressal	complianceofficer@glenmarkpharma.com	-

Declaration regarding affirmation of Code of Conduct:

In terms of the requirements of the amended Clause 49 of the Listing Agreement, 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 2013.

Place: Mumbai
Date: 7 May 2013

Glenn Saldanha
Chairman & Managing Director

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on Financial Statements of the Company

We, Mr. Glenn Saldanha, Chairman & Managing Director and Mr. Rajesh Desai, Executive Director & Chief Financial Officer, of Glenmark Pharmaceuticals Ltd., certify that:

(a) We have reviewed financial statements and 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.

Glenn Saldanha
Chairman & Managing Director

Rajesh Desai
Executive Director & CFO

Place: Mumbai
Date: 7 May 2013

Certificate on Corporate Governance

To the Members of
Glenmark Pharmaceuticals Limited

We have reviewed the implementation of Corporate Governance procedures by Glenmark Pharmaceuticals Limited for the year ended 31 March 2013, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliances of the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the stock exchanges have been complied with in all material respect by the Company and that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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

For and on behalf of
S. S. Rauthan & Associates
Company Secretaries

Surjan Singh Rauthan
Proprietor
Membership No. FCS-4807
COP-3233

Place: Mumbai
Date: 7 May 2013

Independent Auditors' Report

To,
The Members of Glenmark Pharmaceuticals Limited

We have audited the accompanying financial statements of Glenmark Pharmaceuticals Limited, ("the Company"), which comprise of the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
c. the financial statements dealt with by this report are in agreement with the books of account;
d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
e. on the basis of written representations received from the directors, as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker, Chandiok & Co.
Chartered Accountants
Firm Registration No. : 001076N

Per **Khushroo B. Panthaky**
Partner
Membership No. : F – 42423

Place: Mumbai
Date: 7 May 2013

Annexure to the Independent Auditors' Report of even date

to the members of Glenmark Pharmaceuticals Limited, on the financial statements for the year ended 31 March 2013

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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, we report as under:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets 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. No material discrepancies were noticed on such verification.

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory (except stocks lying with third parties, confirmations for which have been obtained) at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has granted unsecured loans to six parties/companies covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 11,475.00 Million and the year-end balance is ₹ 9,024.58 Million.

(b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.

(c) In respect of loans granted, receipt of the principal amount and the interest is regular.

(d) There is no overdue amount in respect of loans granted to such parties/companies.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) The Company has not entered into contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.

(b) There are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act during the year aggregating to ₹ 5 lakhs or more in respect of any party.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) 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 clause (d) of sub-section (1) of Section 209 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 records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. 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 became payable.

(b) The dues outstanding in respect of income tax, sales-tax, excise duty, service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	79.54	A.Y 2009-10	Income Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	10.00	April 2003 to September 2007	The Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	9.70	F.Y. 2004-05 and F.Y. 2005-06	The Central Excise and Service Tax Appellate Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	0.21	F.Y. 2004-05	Deputy Commissioner (CT) Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	1.86	F.Y. 2004-05	Deputy Commissioner (CT) Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	1.58	F.Y. 2006-07	Deputy Commissioner (CT) Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	2.89	F.Y. 2007-08	Deputy Commissioner (CT) Appeals

(x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) In our opinion, the Company has not defaulted in repayment of dues to a financial institution or a bank during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandiok & Co.
Chartered Accountants
Firm Registration No. : 001076N

Per **Khushroo B. Panthaky**
Partner
Membership No. : F – 42423

Place: Mumbai
Date: 7 May 2013

Balance Sheet

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note No.	As at 31 March 2013	As at 31 March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	270.85	270.53
(b) Reserve and surplus	2	24,960.93	21,586.55
		25,231.78	21,857.08
Non-current liabilities			
(a) Long-term borrowings	3	-	2,543.50
(b) Deferred tax liabilities (net)	4	285.82	238.01
(c) Other Long-term liabilities	5	849.45	778.42
		1,135.27	3,559.93
Current liabilities			
(a) Short-term borrowings	6	3,088.49	2,220.89
(b) Trade payables	7	4,262.03	2,704.99
(c) Other current liabilities	8	4,427.05	644.14
(d) Short-term provisions	9	710.76	703.58
		12,488.33	6,273.60
	TOTAL	38,855.38	31,690.61
ASSETS			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		2,671.19	2,162.68
(ii) Intangible assets		85.39	74.90
(iii) Capital work-in-progress		1,688.96	655.71
(iv) Intangible assets under development		35.24	33.70
		4,480.78	2,926.99
(b) Non-current investments	11	12,943.32	10,832.69
(c) Long-term loans and advances	12	9,228.01	9,552.03
(d) Other non-current assets	13	1,809.16	1,018.31
		28,461.27	24,330.02
Current assets			
(a) Inventories	14	1,901.51	1,759.27
(b) Trade receivables	15	4,850.98	3,587.43
(c) Cash and bank balance	16	1,677.86	475.14
(d) Short-term loans and advances	17	669.35	670.45
(e) Other current assets	18	1,294.41	868.30
		10,394.11	7,360.59
	TOTAL	38,855.38	31,690.61

Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Statement of Profit and Loss

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
INCOME			
Revenue from operations	19	19,493.04	15,646.65
Other income	20	1,162.45	551.04
Total Revenue		20,655.49	16,197.69
EXPENDITURE			
Cost of materials consumed	21	4,157.50	3,376.69
Purchases of stock-in-trade	22	1,410.88	1,049.47
Changes in inventories of finished goods, work-in-process and stock-in-trade	23	(36.67)	(128.63)
Employee benefit expenses	24	3,030.17	2,468.09
Finance costs	25	436.94	608.69
Depreciation and amortisation expenses	26	250.41	211.13
Other expenses	27	7,606.72	5,771.28
Total Expenses		16,855.95	13,356.72
Profit before tax		3,799.54	2,840.97
Tax expense:			
(i) Current year tax		656.97	554.00
(ii) Earlier year tax - MAT		(109.34)	(80.80)
(iii) Minimum Alternate Tax Credit (Entitlement)/utilisation		(656.97)	(293.93)
(iv) Deferred tax		47.81	8.71
		(61.53)	187.98
Profit for the period		3,861.07	2,652.99
Earnings per equity share of face value of ₹ 1 each.	30		
Basic (in ₹)		14.26	9.81
Diluted (in ₹)		14.25	9.80
Notes referred to above form an integral part of the Statement of Profit and Loss			

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Cash Flow Statement

(All amounts in millions of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2013	Year ended 31 March 2012
A.	**Cash flow from operating activities**		
	Net profit before tax	3,799.54	2,840.97
	Adjustments for:		
	Depreciation/Amortisation	250.41	211.13
	Interest expense	436.94	608.69
	Interest income	(455.42)	(431.37)
	Income from investments - dividends	(509.95)	(0.07)
	Loss/(Profit) on sale of fixed assets	(0.52)	4.72
	Provision for gratuity and leave encashment	43.43	73.99
	Unrealised foreign exchange (gain)/loss	430.69	(319.06)
	Operating profit before working capital changes	3,995.12	2,989.00
	Adjustments for changes in working capital:		
	- (Increase)/Decrease in trade receivables	(1,372.20)	(1,590.67)
	- (Increase)/Decrease in other receivables	(336.47)	(701.00)
	- (Increase)/Decrease in inventories	(142.24)	(189.19)
	- Increase/(Decrease) in trade and other payables	1,380.86	1,898.47
	Cash generated from operations	3,525.07	2,406.61
	- Taxes paid (net of tax deducted at source)	(675.50)	(460.08)
	Net cash from operating activities	2,849.57	1,946.53
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including Capital work-in-progress)	(1,715.24)	(576.77)
	Proceeds from sale of fixed assets	23.17	17.66
	Investments in subsidiaries	(585.47)	(420.22)
	Loans and advances to subsidiaries	(7.03)	6,705.65
	(Increase)/decrease in restricted cash	(3.24)	(1.08)
	Share application money paid	(148.76)	(123.12)
	Interest received	414.24	413.09
	Dividend received	509.95	0.07
	Net cash (used)/from in investing activities	(1,512.38)	6,015.28

Cash Flow Statement

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Year ended 31 March 2013	Year ended 31 March 2012
C. Cash flow from financing activities		
Proceeds from fresh issue of		
- Share capital including securities premium	64.86	35.56
Proceeds/(repayment) of long-term borrowings	(111.87)	(1,108.28)
Proceeds/(repayment) of short-term borrowings	1,968.26	(5,599.88)
Repayment from working capital facilities	(1,013.62)	(388.93)
Interest paid	(500.56)	(609.64)
Dividend paid (including dividend distribution tax)	(544.78)	(126.08)
Net cash from financing activities	(137.71)	(7,797.25)
Net increase in cash and cash equivalents	1,199.48	164.56
Opening balance of cash and cash equivalents	454.90	290.34
Closing balance of cash and cash equivalents	1,654.38	454.90
Cash and cash equivalents comprise of:		
Cash on hand	3.04	2.38
Deposits with banks	650.00	340.00
Balances with banks in current accounts and EEFC accounts	1,001.34	112.52
	1,654.38	454.90

Notes:

1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 'Cash Flow Statements' specified in the Companies (Accounting Standards) Rules, 2006.

2) Figures in bracket indicate Cash outgo.

This is the Cash Flow Statement referred to in our report of even date

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	Amount	No. of Shares	Amount
1. Share capital				
Authorised				
Equity Shares of ₹ 1 each	350,000,000	350.00	350,000,000	350.00
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	270,535,503	270.53	270,272,053	270.27
Add: Issued during the year				
- Under the Employee Stock Option Scheme, 2003 (ESOS)	318,150	0.32	263,450	0.26
At the end of the year	270,853,653	270.85	270,535,503	270.53

	As at 31 March 2013		As at 31 March 2012	
List of Shareholders holding more than 5% shares	% of Holding	No. of Shares	% of Holding	No. of Shares
Saldanha Family Trust	47.35	128,241,936	47.40	128,241,936
HSBC Global Investment Funds Mauritius Limited	5.24	14,197,660	5.38	14,557,222

As at 31 March 2013, 753,800 options were outstanding under Employee Stock Option Scheme 2003. On exercise of the options so granted under Employee Stock Option Scheme 2003, the paid-up Equity Share Capital of the Company will increase by equivalent number of shares.

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.

In the period of five years immediately preceeding 31 March 2013, the Company has not allotted any shares as fully paid-up pursuant to contracts without payment being received in cash, neither bonus shares have been issued nor any shares been bought back.

Employee Stock Option Scheme, 2003 (ESOS)

The Company has formulated an Employee Stock Option Scheme ('ESOS') scheme namely ESOS 2003 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1-2 years and up to 4-6 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 or the closing price of the date prior to day of the grant.

The aggregate share options and weighted average exercise price under all the above mentioned plans are as:

	2013		2012	
	Number*	Weighted average Price*(₹)	Number*	Price*(₹)
Outstanding at 1 April	1,419,300	270.23	1,937,700	252.76
Granted	25,000	480.40	25,000	319.25
Forfeited/cancelled	(372,350)	245.56	(279,950)	281.02
Exercised	(318,150)	203.86	(263,450)	134.97
Outstanding as at 31 March	753,800	317.39	1,419,300	270.23

All share based employee remuneration would be settled in equity. The group has no legal or constructive obligation to repurchase or settle the options.

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

The fair values of options granted are determined using the Black-Scholes valuation model. Significant inputs into the calculation are:

	31 March 2013	31 March 2012
Share price (₹)*	120.85 - 480.40	120.85 - 356.15
Exercise price (₹)*	120.85 - 480.40	120.85 - 356.15
Weighted average volatility rate	40% - 60%	40% - 60%
Dividend payout	200%	200%
Risk free rate	7.75% - 9.00%	5.15% - 8.78%
Average remaining life	1 - 60 months	1- 60 months

* All figures have been accordingly adjusted for:

- Split of face value from ₹ 10 to ₹ 2 in October 2003.
- 1:1 bonus issue in April 2005 and Split of face value from ₹ 2 to ₹ 1 in September 2007.

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 measurement of fair value.

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognised based on fair value at the date of grant in accordance with Black Scholes model.

	31 March 2013	31 March 2012
Profit after taxation	3,861.07	2,652.99
Less: Additional employee compensation based on fair value	19.50	51.70
Proforma Profit after taxation	3,841.57	2,601.29
Basic Earning per Share (EPS)		
Number of shares (in million)	270.69	270.38
Basic EPS as reported (in ₹)	14.26	9.81
Proforma Basic EPS as reported (in ₹)	14.19	9.62
Diluted Earning per Share (EPS)		
Number of shares (in million)	270.88	270.64
Diluted EPS as reported (in ₹)	14.25	9.80
Proforma Diluted EPS as reported (in ₹)	14.18	9.61

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		Note	As at 31 March 2013	As at 31 March 2012
2.	**Reserves and Surplus**			
	Capital Reserve			
	At the beginning of the year		1.00	1.00
	At the end of the year		1.00	1.00
	Capital Redemption Reserve			
	At the beginning of the year		200.00	200.00
	At the end of the year		200.00	200.00
	Securities Premium Account			
	At the beginning of the year		7,297.42	7,262.12
	Add: Premium on issue of shares pursuant to conversion of ESOS		64.54	35.30
	At the end of the year		7,361.96	7,297.42
	General Reserve			
	At the beginning of the year		2,035.18	1,769.88
	Add: Transferred from Statement of Profit and Loss		386.50	265.30
	At the end of the year		2,421.68	2,035.18
	Surplus in Statement of Profit and Loss			
	At the beginning of the year		12,052.95	10,294.14
	Add: Profit for the year		3,861.07	2,652.99
	Net Profit available for appropriation		15,914.02	12,947.13
	Add: Credit for dividend distribution tax		82.73	-
	Less: Allocations and appropriations			
	- Proposed dividend on equity shares		541.71	541.07
	- Tax on proposed dividend on equity shares		92.06	87.78
	- Residual dividend and dividend tax		0.19	0.03
	- Transfer to general reserve		386.50	265.30
	At the end of the year		14,976.29	12,052.95
	Balance carried to Balance Sheet		24,960.93	21,586.55
3.	**Long-term borrowings**			
	Unsecured Loans			
	Other Loans			
	- From Banks		-	2,543.50
		TOTAL	-	2,543.50
4.	**Deferred tax liabilities (net)**			
	Deferred tax liability relating to			
	Depreciation on tangible and intangible assets		392.83	336.09
			392.83	336.09
	Deferred tax assets relating to			
	Provision for doubtful debts and advances		73.11	69.80
	Others		33.90	28.28
			107.01	98.08
	Deferred tax liabilities (net)		285.82	238.01

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2013	As at 31 March 2012
5. Other long-term liabilities			
Security deposits		32.18	34.53
Income received in advance	(i)	817.27	743.89
TOTAL		849.45	778.42

(i) Income received in advance represents advance received from customers for future supplies of materials. Income will be recognised over the term of the contract after commencement of production.

	Note	As at 31 March 2013	As at 31 March 2012
6. Short-term borrowings			
Secured loans			
Working capital facilities from banks	(i)	-	1,149.60
Unsecured loans			
Short-term loan from banks		3,088.49	1,071.29
TOTAL		3,088.49	2,220.89

Note:

(i) Working capital facilities are secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets at the manufacturing facility at Nasik and Research and Development centre at Sinnar, Nasik both present and future.

	Note	As at 31 March 2013	As at 31 March 2012
7. Trade payables			
Acceptances		1,854.92	1,224.56
Sundry creditors			
- Total outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006	(i)	-	-
- Total outstanding dues to creditors other than Micro, small and medium enterprises		2,086.78	1,375.47
Payable to subsidiaries		320.33	104.96
TOTAL		4,262.03	2,704.99

Note:

(i) Refer Note 33 on 'Outstanding dues to Micro, small and medium business enterprises'.

	Note	As at 31 March 2013	As at 31 March 2012
8. Other current liabilities			
Current maturities of long-term borrowings			
- Term loan (Secured)		-	127.18
- Unsecured loan from banks		2,718.00	-
Sundry creditors for capital goods		82.48	34.00
Interest accrued but not due on borrowings		1.15	1.65
Unclaimed dividend	(i)	5.21	3.68
Advance from customers		42.81	114.32
Payable to Subsidiaries		1,304.48	-
Other payables			
- Foreign currency payable on account of forward contract		-	34.96
- Others		272.92	328.35
TOTAL		4,427.05	644.14

Note:

(i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2013	As at 31 March 2012
9. Short-term provisions			
Proposed dividend		541.71	541.07
Tax payable on proposed dividend		92.06	87.78
Provision for wealth tax		0.40	0.31
Provision for gratuity and compensated absences	(i)		
- Gratuity		17.75	20.54
- Compensated absences		58.84	53.88
	TOTAL	710.76	703.58

Note:

(i) Refer Note 36 on 'Employee benefits'.

10. Fixed Assets

(i) Tangible assets

	Freehold land	Leasehold land	Factory building	Other building	Plant & equipment	Furniture and fixture	Office equipment	Vehicles	Total
Cost									
Balance as at 1 April 2012	51.46	84.59	567.79	207.22	1,806.39	365.64	146.86	36.32	3,266.27
- Additions	-	20.60	282.73	3.58	350.60	50.90	8.62	3.76	720.79
- Disposals/Transfers	-	-	-	-	(3.38)	(1.01)	(16.16)	(6.54)	(27.09)
Balance as at 31 March 2013	51.46	105.19	850.52	210.80	2,153.61	415.53	139.32	33.54	3,959.97
Accumulated Depreciation									
Balance as at 1 April 2012	-	3.77	108.74	34.34	577.54	225.00	133.36	20.84	1,103.59
- Depreciation charge for the year	-	0.99	27.23	3.40	129.34	37.87	5.17	4.95	208.95
- Disposals/Transfers	-	-	-	-	(2.83)	(1.00)	(14.90)	(5.03)	(23.76)
Balance as at 31 March 2013	-	4.76	135.97	37.74	704.05	261.87	123.63	20.76	1,288.78
Carrying value									
As at 1 April 2012	51.46	80.82	459.05	172.88	1,228.85	140.64	13.50	15.48	2,162.68
As at 31 March 2013	51.46	100.43	714.55	173.06	1,449.56	153.66	15.69	12.78	2,671.19

(ii) Intangible assets

	Computer software	Brands	Product marketing rights	Total
Cost				
Balance as at 1 April 2012	123.23	350.07	82.65	555.95
- Additions	71.27	-	-	71.27
- Disposals/Transfers	(19.32)	-	-	(19.32)
Balance as at 31 March 2013	175.18	350.07	82.65	607.90
Accumulated amortisation				
Balance as at 1 April 2012	73.27	350.07	57.71	481.05
- Amortisation charge for the year	24.93	-	16.53	41.46
- Disposals/Transfers	-	-	-	-
Balance as at 31 March 2013	98.20	350.07	74.24	522.51
Carrying value				
As at 1 April 2012	49.96	-	24.94	74.90
As at 31 March 2013	76.98	-	8.41	85.39

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

(iii) Capital work-in-progress

	As at 31 March 2013	As at 31 March 2012
Capital Work-in-progress includes:		
Building, plant and machinery	1,688.96	655.71

Borrowing costs capitalised during the year ₹ 63.12 (2012 - ₹ 16.98)

Addition to fixed assets includes capital expenditure of ₹ 56.38 (2012 - ₹ 36.90) incurred at approved R&D centres.

(iv) Intangible assets under development

	As at 31 March 2013	As at 31 March 2012
Marketing rights and software	35.24	33.70

		Note	As at 31 March 2013	As at 31 March 2012
11.	**Non-current Investment**			
	Long-Term Investments - At Cost - (Fully Paid-up except otherwise stated)			
	Trade Investments			
	Unquoted			
(i)	**Equity shares**			
(a)	**Investments in subsidiary companies**			
a)	Glenmark Access Limited, India (formerly known as Glenmark Exports Ltd.) [1,850,020 (2012 - 1,850,020) Equity shares of ₹ 10 each]		18.50	18.50
b)	Glenmark Impex LLC, Russia [577,767,277 (2012 - 577,767,277) shares of RUR 1 each]		901.95	901.95
c)	Glenmark Philippines Inc., Philippines [640,490 (2012- 640,490) shares of Pesos 200 each]		116.70	116.70
d)	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria [557,774,304 (2012 - 502,833,724) shares of Naira 1 each]		177.46	159.56
e)	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia [2,110,342 (2012 - 2,110,342) shares of RM 1 each]		28.32	28.32
f)	Glenmark Generics Ltd., India [146,790,921 (2012 - 145,438,997) shares of ₹10 each]		8,912.89	8,427.24
g)	Glenmark Holding S. A., Switzerland [22,520,000 (2012 - 22,520,000) shares of CHF 1 each]		797.11	797.11
h)	Glenmark Pharmaceuticals (Australia) Pty. Ltd., Australia. [2,049,002 (2012 - 1,992,002) shares of AUD 1 each]		68.77	65.77
i)	Glenmark Pharmaceuticals Egypt S.A.E., Egypt [22,815,112 (2012 - 14,723,837) shares of EGP 1 each]		191.50	119.55
j)	Glenmark Pharmaceuticals FZE (U.A.E) [1 (2012 - 1) shares of AED 1,000,000 each]		12.92	12.92
k)	Glenmark Dominicana, SRL, Dominican Republic [120 (2012 - 110) shares of RD 1,000 each]		0.15	0.13
l)	Glenmark Pharmaceuticals Kenya Limited, Kenya [1000 (2012 - Nil) shares of KSHS 100 each]		0.07	-
m)	Glenmark Pharmaceuticals Venezuela, CA, Venezuela [46,534,837 (2012 - Nil) shares of Bolivar 1 each]	(i)	483.62	-
n)	Glenmark Pharmaceuticals Colombia Ltda, Colombia [33,059 (2012 - Nil) shares of COP 1,000 each]	(i)	20.80	-
o)	Glenmark Pharmaceuticals Peru SAC, Peru [15,172,574 (2012 - Nil) shares of PEN 1 each]	(i)	299.96	-
p)	Glenmark Pharmaceuticals Mexico, SA DE CV, Mexico [170,754,514 (2012 - Nil) shares of Mexican peso 1 each]	(i)	721.98	-
q)	Glenmark Therapeutics AG, Switzerland [100,000 (2012 - Nil) shares of CHF 1 each]		5.73	-

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2013	As at 31 March 2012
(b) Investment in Joint Venture			
26,215 Ordinary shares [2012 - 26,215 Ordinary shares of THB 100 each] of Glenmark Pharmaceuticals (Thailand) Co. Ltd. of THB 100 each		3.72	3.72
(c) Other Investment			
Nil (2012-1) Equity share of Esquados 340,000 of Glenmark Pharmaceutica Limitada, Lisbon (Portugal)		-	0.05
213,032 (2012 - 213,032) Equity shares of Bharuch Eco-Aqua Infrastructure Limited of ₹ 10 each		2.13	2.13
(ii) Preference shares			
(a) Investment in Joint Venture			
2 (2012 - 2) Preference shares of THB 100 each of Glenmark Pharmaceuticals (Thailand) Co. Ltd.*		-	-
(b) Other Investment			
1,176,471 (2012 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc. of USD 0.85 each		43.56	43.56
	TOTAL	12,807.84	10,697.21
Non-Trade Investment			
Quoted			
(i) Equity shares			
9,000 (2012 - 9,000) Bank of India of ₹ 10 each		0.41	0.41
1,209 (2012 - 1,209) IDBI Bank Limited of ₹ 10 each		0.03	0.03
		0.44	0.44
Unquoted			
(i) Equity shares			
1 (2012 - 1) Time Share of Dalmia Resorts Limited		0.02	0.02
(ii) Preference shares			
1,350,000 (2012 - 1,350,000) 7% cumulative preference shares of ₹ 100 each fully paid-up of Marksans Pharma Ltd.		135.00	135.00
(iii) Investment in Government Securities			
National Savings Certificate - Sixth Issue		0.02	0.02
		135.48	135.48
	TOTAL	12,943.32	10,832.69
* Amount denotes less than a million.			
Aggregate book value of Investments			
- Quoted		0.44	0.44
- Unquoted		12,942.88	10,832.25
Aggregate market value of Quoted Investments		2.82	2.52

Note:

(i) In the current year, the Company has purchased these investment from its step down subsidiary Glenmark Uruguay S.A..

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2013	As at 31 March 2012
12. Long-term loans and advances			
Unsecured, considered good			
Capital advances		63.01	157.81
Security deposits		140.42	114.45
Loans and advances to related parties	(i)	9,024.58	9,279.77
	TOTAL	9,228.01	9,552.03
(i) Refer Note 32 on 'Related party disclosure'.			
13. Other non-current assets	Note		
Unsecured considered good			
Prepaid expenses		1.71	2.01
Share application money	(i)	148.76	123.12
Minimum Alternate Tax credit entitlement		1,658.69	893.18
	TOTAL	1,809.16	1,018.31
Note:			
(i) Refer Note 32 on 'Related party disclosure'.			
14. Inventories	Note		
Raw materials		649.54	639.88
Goods in transit - Raw material		4.41	-
Packing materials		359.76	307.75
Goods in transit - Packing material		3.84	-
Work-in-process		62.77	77.55
Finished goods	(i)	532.55	589.62
Stock-in-trade (in respect of goods acquired for trading)	(i)	239.20	130.68
Stores and spares		49.44	13.79
	TOTAL	1,901.51	1,759.27
Note:			
(i) Refer Note 37 'Prodution, Sales and Stock'.			
15. Trade Receivables			
Unsecured, considered good			
Outstanding for more than six months		1,527.23	1,211.52
Others		3,323.75	2,375.91
		4,850.98	3,587.43
Unsecured, considered doubtful			
Outstanding for more than six months		191.10	191.10
		191.10	191.10
Less: Provision for doubtful receivables		(191.10)	(191.10)
	TOTAL	4,850.98	3,587.43

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2013	As at 31 March 2012
16. Cash and Bank balances			
(i) Cash and cash equivalents			
Balance with banks			
- Current accounts		342.61	42.62
- EEFC accounts		658.73	69.90
- Deposits (less than 3 months)		650.00	340.00
Cash on hand		3.04	2.38
(ii) Other bank balance			
Balance with banks			
- Margin money account	(i)	18.27	16.56
- Unpaid dividend		5.21	3.68
	TOTAL	1,677.86	475.14
Note:			
(i) The balance in margin money accounts are given as security against guarantees issued by banks on behalf of the Company.			
17. Short-term loans and advances			
Unsecured considered good			
Advance to vendors		641.53	630.57
Security deposits		27.82	39.88
	TOTAL	669.35	670.45
18. Other current assets			
Advances recoverable in cash or kind or for value to be received (Unsecured)			
- considered good		620.46	580.73
- considered doubtful		29.10	29.10
		649.56	609.83
Less: Provision for doubtful advances		(29.10)	(29.10)
		620.46	580.73
Advance tax (net of provision)		151.99	133.37
Foreign currency receivable on account of forward contract		59.96	-
Balances with excise authorities		462.00	154.20
	TOTAL	1,294.41	868.30

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2013	Year ended 31 March 2012
19. Revenue from operations			
Sale of products		19,568.11	15,473.10
Sale of services		770.42	685.06
Other operating revenues		140.16	178.49
		20,478.69	16,336.65
Less:			
Sales tax		760.74	553.15
Excise duty		224.91	136.85
	TOTAL	19,493.04	15,646.65
20. Other income			
Dividend received		509.95	0.07
Interest income		455.42	431.37
Guarantee commission		181.75	109.38
Profit on sale of fixed assets		0.52	-
Miscellaneous income		14.81	10.22
	TOTAL	1,162.45	551.04
21. Cost of material consumed			
Consumption of raw material		3,075.17	2,472.48
Consumption of packing material		963.25	853.26
Consumables		119.08	50.95
	TOTAL	4,157.50	3,376.69
22. Purchases of stock-in-trade			
Purchases of Stock-in-trade		1,410.88	1,049.47
	TOTAL	1,410.88	1,049.47
23. Changes in inventories of finished goods, work-in-process and stock-in-trade			
(Increase)/Decrease in stocks			
At year end			
Stock of finished goods		532.55	589.62
Stock-in-trade		239.20	130.68
Work-in-process		62.77	77.55
		834.52	797.85
At the beginning of the year			
Stock of finished goods		589.62	514.69
Stock-in-trade		130.68	55.23
Work-in-process		77.55	99.30
		797.85	669.22
	TOTAL	(36.67)	(128.63)

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		Year ended 31 March 2013	Year ended 31 March 2012
24. Employee benefit expenses			
Salaries and wages		2,828.96	2,302.40
Contribution to Provident and other funds		120.59	100.47
Staff welfare expenses		80.62	65.22
	TOTAL	3,030.17	2,468.09
25. Finance cost			
Interest expenses on			
- Long-term borrowing		160.57	217.00
- Others		276.37	391.69
	TOTAL	436.94	608.69
26. Depreciation and amortisation expenses			
Depreciation on tangible assets		208.95	179.69
Amortisation on intangible assets		41.46	31.44
	TOTAL	250.41	211.13
27. Other expenses			
Labour charges		206.63	205.80
Power, fuel and water charges		112.57	87.90
Lab chemicals and reagents		195.73	201.24
Repairs and maintenance - plant and machinery		30.51	24.08
Repairs and maintenance - building		16.50	5.78
Repairs and maintenance - others		213.03	156.16
Rent		195.32	171.10
Other manufacturing expenses		125.59	55.87
Incentive and commission		306.09	229.49
Investment written off		0.05	-
Directors' meeting fees		0.92	0.74
Selling and marketing expenses		1,806.43	1,055.42
Sales promotion expenses		1,098.58	679.30
Export commission		62.17	54.14
Commission on sales		72.27	41.77
Travelling expenses		889.66	733.63
Freight outward		367.17	230.25
Telephone expenses		32.16	26.15
Rates and taxes		39.29	20.15
Insurance premium		34.73	36.50
Electricity charges		90.04	53.02
Auditors' remuneration			
- Audit fees		6.50	6.50
- Out of pocket expenses		0.56	0.12
Loss on sale of assets		-	4.72
Exchange loss		5.90	528.87
Other operating expenses		1,698.32	1,162.58
	TOTAL	7,606.72	5,771.28

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

28. Significant Accounting Policies

i) Basis of accounting

The Financial Statements are prepared to comply in all material aspects with the accounting principles generally accepted in India, including the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ii) Fixed assets (Tangible and Intangibles), Depreciation and Amortisation

Fixed assets are stated at cost less accumulated depreciation and amortisation. The Company capitalises all costs relating to the acquisition and installation of fixed assets. Expenditure directly related to the setting up of new projects, is capitalised as an indirect cost towards construction of the fixed assets.

Depreciation is provided using the straight line method, pro-rata to the period of use of assets, based on the useful lives of fixed assets as estimated by management, or at the rates specified in Schedule XIV of the Companies Act, 1956, whichever is higher. Brands/Intellectual property rights are amortised from the month of products launch/commercial production, over the estimated economic life not exceeding 10 years.

Fixed assets having aggregate cost of ₹ 5,000 or less are depreciated fully in the year of acquisition.

The Company has estimated the useful life of its assets as follows:

Category	Estimated useful life (in years)
Tangible	
Factory and other building	30 - 55
Plant and machinery	8 - 20
Vehicles	5 - 6
Equipments and air conditioners	4 - 20
Furniture and Fixtures	10
Intangible	
Computer software	5
Brands	5 - 10

Leasehold land and improvement is amortised over the period of lease.

iii) Borrowing costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalised as a part of the cost of the asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

iv) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

v) Foreign currency transactions

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

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

c) Forward contracts entered into by the Company to hedge the risk of existing assets or liabilities are accounted for as per Guidance Note contained in AS 11 'The Effects of Changes in Exchange Rates (revised 2003)'. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

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

vi) Investments

Long-term investments are stated at cost. Provision, where necessary, is made to recognise a decline, other than temporary, in the value of the investments.

vii) Inventories

Inventories of finished goods, consumable store and spares are valued at cost or net realisable value, whichever is lower. Cost of raw materials and packing materials is ascertained on the basis of specific identification method. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Company considers several factors in determining the allowance for slow moving, obsolete and other non-saleable inventory including 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.

viii) Employee benefits

In case of Defined Contribution plans, the Company's contributions to these plans are charged to the Statement of Profit and Loss as incurred. Liability for Defined Benefit plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return on plan assets is the Company's expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date. Actuarial gain/losses are recognised in the Statement of Profit and Loss in the year they are determined.

ix) Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods includes excise duty and sales tax and is measured at the fair value of the consideration received or receivable, net of returns and applicable trade discounts and allowances. Revenue from contract research is recognised in Statement of Profit and Loss when right to receive a non-refundable payment from out-licensing partner has been established.

The Company accounts for sales returns by recording a provision based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the Company's estimate of sales returns is determined primarily by its experience in these markets. In respect of established products, the Company determines an estimate of sales returns provision primarily based on its historical experience with such sales returns. Additionally, other factors that the Company considers in determining the estimate include levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products 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 sales return provision to reflect its actual experience. With respect to new products introduced by the Company, those have historically been either extensions of an existing line of products where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or its competitors.

Services

Revenue from services rendered is recognised in Statement of Profit and Loss as the underlying services are performed.

Export entitlements

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

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

Dividend, Interest income and Guarantee Commission

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

x) Research and Development expenditure

Capital expenditure on Research and Development (R&D) is capitalised as fixed assets. Development cost relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits. Other research and development costs are expensed as incurred.

xi) Taxation

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax

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

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

xii) Leases

Finance Leases

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

Operating Leases

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

xiii) Employee Stock Option Schemes (ESOS)

The Company accounts for compensation expense under the Employee Stock Option Schemes using the intrinsic value method as permitted by the Guidance Note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. The difference between the market price and the exercise price as at the date of the grant is treated as compensation expense and charged over the vesting period.

xiv) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

xv) Segment reporting

The Company has only one business segment – Pharmaceuticals. The analysis of geographical segments is based on the geographical areas in which the Company operates.

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	31 March 2013	31 March 2012
29. Contingent Liabilities and Commitments Not Provided for		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts		
– Labour dispute	0.06	0.09
– Disputed taxes and duties	105.78	154.47
(b) Guarantees		
Bank guarantees	41.39	19.63
Letter of comfort on behalf of subsidiaries, to the extent of limits	24,286.73	15,925.54
(c) Others		
Open letters of credit	18.64	460.38
Indemnity bond	374.57	287.73

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2013 aggregate ₹ 264.03 (2012 - ₹ 736.42)

(b) Estimated amount of contracts remaining to be executed on other than capital commitment, net of advances, not provided for as at 31 March 2013 aggregate ₹ 209.26 (2012 - ₹ 615.06).

(iii) The final dividend proposed for the year is as follows :

	Year ended 31 March 2013	Year ended 31 March 2012
On equity shares of ₹ 1 each		
Amount of Dividend proposed	541.71	541.07
Dividend per equity share	₹ 2 per share	₹ 2 per share

30. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital.

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

	2012-2013	2011-2012
Profit after tax for the financial year (attributable to equity shareholders)	3,861.07	2,652.99

Reconciliation of number of shares:	No. of Shares in Million	No. of Shares in Million
Weighted average number of shares:		
For basic earnings per share	270.69	270.38
Add:		
Deemed exercise of options on unissued equity share capital	0.19	0.26
For diluted earnings per share	270.88	270.64
Earnings per share (nominal value ₹ 1 each)	₹	₹
Basic	14.26	9.81
Diluted	14.25	9.80

31. Segment Information

Business segments

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

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

Geographical segments

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

Revenue by market - The following is the distribution of the Company's sale by geographical market:

	2012-2013	2011-2012
Geographical segment		
India	13,404.70	10,600.32
Other than India	6,933.83	5,557.84
TOTAL	20,338.53	16,158.16

Assets and additions to fixed assets by geographical area – The following table shows the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located:

	India 2012-2013	Others* 2012-2013	India 2011-2012	Others* 2011-2012
Carrying amount of segment assets	34,958.14	3,897.24	30,382.66	1,307.95
Additions to fixed assets	792.06	-	232.43	-

* Others represent receivables from debtors located outside India including those related to deemed exports and cash and bank balances of branches outside India.

32. Related Party Disclosures

In accordance with the requirements of Accounting Standard - 18 "Related Party Disclosures", the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as follows:

a) Parties where direct/indirect control exists

i) Subsidiary companies

Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Generics (Europe) Ltd., U.K.
Glenmark Pharmaceuticals S.R.O., Czech Republic
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Glenmark Pharmaceuticals S. A., Switzerland
Glenmark Holding S. A., Switzerland
Glenmark Generics Holding S.A., Switzerland (merged with Glenmark Generics Finance SA w.e.f. 1 April 2012.)
Glenmark Generics Finance S. A., Switzerland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals Eood., Bulgaria
Glenmark Distributors SP z.o.o., Poland
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Generics Inc., USA
Glenmark Therapeutics Inc., USA
Glenmark Farmaceutica Ltda., Brazil
Glenmark Generics S.A., Argentina
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Colombia Ltda., 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., U.A.E.
Glenmark Impex L.L.C., Russia
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

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 Access Ltd. (formerly known as Glenmark Exports Ltd.)
Glenmark Generics Ltd., India
Glenmark Generics B.V., Netherlands
Glenmark Arzneimittel Gmbh., Germany
Glenmark Generics Canada, Inc.
Glenmark Pharmaceuticals Kenya Ltd.; Kenya
Glenmark Therapeutics AG; Switzerland

ii) Investment in Joint Venture

Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand

iii) Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation, India

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

Subsidiary Companies/Joint Venture

Glenmark Farmaceutica Ltda., Brazil
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Glenmark Pharmaceuticals S.A., Switzerland
Glenmark Pharmaceuticals Malaysia Sdn. Bhd., Malaysia
Glenmark Impex L.L.C., Russia
Glenmark Holding S.A., Switzerland
Glenmark Generics Ltd., India
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela
Glenmark Pharmaceuticals FZE., U.A.E.
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Generics SA., Argentina
Glenmark Generics (Europe) Ltd., U.K.
Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Generics Inc., USA
Glenmark Pharmaceuticals s.r.o., Czech Republic
Glenmark Therapeutics Inc., USA
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
Glenmark Dominicana SA., Dominican Republic
Glenmark Distributor SP z.o.o., Poland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals Kenya Ltd; Kenya
Glenmark Pharmaceuticals Colombia Ltda., Colombia
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia
Glenmark Therapeutics AG; Switzerland
Glenmark Uruguay S.A., Uruguay

Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation, India

c) Key management personnel

Mr. Gracias Saldanha (Upto 20 July 2012)
Mrs. B. E. Saldanha
Mr. Glenn Saldanha
Mrs. Cherylann Pinto
Mr. R. V. Desai (Appointed w.e.f 9 November 2011)
Mr. A. S. Mohanty (Upto 10 May 2011)

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

d) Transactions with related parties during the year

		2012-2013		2011-2012	
	Subsidiary company				
1.	Sale of materials & services		4,273.62		2,677.14
	Glenmark Pharmaceuticals S.A., Switzerland	-		0.84	
	Glenmark Pharmaceuticals S.A., Switzerland-(services)	751.83		667.18	
	Glenmark Farmaceutica Ltda., Brazil	148.17		32.36	
	Glenmark Phillippines Inc., Philippines	69.63		48.65	
	Glenmark Impex L.L.C., Russia	2,657.38		1,702.68	
	Glenmark Generics Ltd., India	4.36		0.03	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	49.12		20.78	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	149.52		84.08	
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	282.13		104.37	
	Glenmark Pharmaceuticals Peru SAC., Peru	29.35		15.77	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.34		0.40	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	129.83		-	
	Glenmark Pharmaceuticals Colombia Ltda., Colombia	1.96		-	
2.	Purchase of materials & services		658.02		300.96
	Glenmark Generics Ltd., India	309.86		107.45	
	Glenmark Generics SA., Argentina	3.68		4.79	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	77.40		70.29	
	Glenmark Generics Inc., USA	32.13		1.99	
	Glenmark Therapeutics Inc., USA	95.38		5.23	
	Glenmark Pharmaceuticals FZE., U.A.E.	62.72		42.16	
	Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia	76.85		69.05	
3.	Investment in share capital		1,625.01		93.23
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	17.90		43.50	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	71.95		48.45	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	-		1.21	
	Glenmark Dominicana, SRL, Dominican Republic	0.02		0.07	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico*	721.97		-	
	Glenmark Pharmaceuticals Peru SAC., Peru*	299.95		-	
	Glenmark Pharmaceuticals Colombia Ltda., Colombia*	20.80		-	
	Glenmark Pharmaceuticals Venezuela., C.A, Venezuela*	483.62		-	
	Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia	3.00		-	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	0.07		-	
	Glenmark Therapeutics AG, Switzerland	5.73		-	

*In the Current year, the Company has purchased these Investments from its step down Subsidiary Glenmark Uruguay , S.A.

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		2012-2013		2011-2012	
4.	Share Application Money		148.76		123.12
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	-		17.90	
	Glenmark Pharmaceuticals Venezuela., C.A, Venezuela	2.69		105.22	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	34.33		-	
	Glenmark Pharmaceuticals Peru SAC., Peru	14.62		-	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	97.12		-	
5.	Sale of fixed assets to		46.32		4.39
	Glenmark Generics Ltd., India	24.09		4.39	
	Glenmark Pharmaceuticals S. A., Switzerland	22.23		-	
6.	Purchase of fixed assets		0.23		1.13
	Glenmark Pharmaceuticals S.A., Switzerland	0.23		1.13	
7.	Advance given		5.96		-
	Glenmark Access Ltd. (formerly known as Glenmark Exports Ltd.)	0.47		-	
	Glenmark Therapeutics AG, Switzerland	5.49		-	
8.	Loan given to		4,494.88		2,994.32
	Glenmark Holding S.A., Switzerland	4,382.82		2,992.42	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	108.16		-	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		1.90	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	3.90		-	
9.	Loan and interest repaid by		5,067.00		8,930.72
	Glenmark Holding S.A., Switzerland	4,863.50		8,776.63	
	Glenmark Generics Ltd., India	201.52		152.19	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		1.90	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	1.85		-	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.13		-	
10.	Interest on loan given		448.08		369.84
	Glenmark Holding S.A., Switzerland	110.95		141.31	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	3.71		3.45	
	Glenmark Generics Ltd., India	332.72		225.05	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	0.50		0.03	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd.	0.20		-	
11.	Expenses paid on behalf of Glenmark Pharmaceuticals Ltd., India		1,309.22		644.94
	Glenmark Generics Ltd., India	2.65		7.68	
	Glenmark Impex L.L.C., Russia	1,268.41		636.65	
	Glenmark Generics (Europe) Ltd., U.K.	-		0.04	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	1.86		0.57	
	Glenmark Generics SA., Argentina	35.94		-	
	Glenmark Pharmaceuticals Peru SAC., Peru	0.36		-	
12.	Expenses paid on behalf of		139.86		100.74
	Glenmark Generics Ltd., India	127.20		95.45	
	Glenmark Generics (Europe) Ltd., U.K.	0.89		0.68	
	Glenmark Generics Inc., USA	-		0.68	

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		2012-2013		2011-2012	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	7.26		-	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	0.92		-	
	Glenmark Pharmaceuticals S. A., Switzerland	2.84		-	
	Glenmark Therapeutics Inc., USA	0.75		-	
	Glenmark Distributor SP z.o.o., Poland	-		3.93	
13.	Reimbursement of expenses to Glenmark Access Ltd. (formerly known as Glenmark Exports Ltd.)		5.68		-
14.	Other Income from		265.86		130.61
	Glenmark Generics Ltd., India	77.10		21.22	
	Glenmark Holding S.A., Switzerland	153.52		94.88	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	3.17		0.34	
	Glenmark Farmaceutica Ltda., Brazil	3.26		1.01	
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.54		0.51	
	Glenmark Distributor SP z.o.o., Poland	5.30		1.69	
	Glenmark Pharmaceuticals S.R.L., Romania	2.68		1.60	
	Glenmark Impex L.L.C., Russia	13.29		9.36	
	Glenmark Access Ltd. (formerly known as Glenmark Exports Ltd.)	7.00		-	
15.	Contribution paid for CSR activities to Glenmark Foundation		6.03		3.23
16.	Factory rent to Glenmark Generics Ltd., India		1.85		1.82
17.	Labour charges paid to Glenmark Generics Ltd., India		30.02		5.06
18.	Dividend received from Glenmark Generics Ltd., India		509.88		-
	Key management personnel				
	Remuneration		99.60		95.45
	Mr. Gracias Saldanha	-		0.04	
	Mrs. B. E. Saldanha	0.04		0.06	
	Mr. Glenn Saldanha	59.95		58.13	
	Mrs. Cherylann Pinto	18.64		15.17	
	Mr. R. V. Desai	20.97		11.75	
	Mr. A. S. Mohanty	-		10.30	
e)	**Related party balances**				
	Receivable/ (Payable) from/(to) subsidiary companies/ enterprise		8,074.35		9,893.60
	Glenmark Access Ltd. (formerly known as Glenmark Exports Ltd.)	61.15		65.66	
	Glenmark Farmaceutica Ltda., Brazil	30.66		20.37	
	Glenmark Philippines Inc., Philippines	30.86		17.96	
	Glenmark Pharmaceuticals S.A., Switzerland	738.03		343.89	
	Glenmark Holding S.A., Switzerland	3,471.33		4,164.06	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	92.85		54.72	
	Glenmark Generics Ltd., India	4,682.81		4,736.02	
	Glenmark Impex L.L.C., Russia	(156.30)		456.86	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	137.99		74.15	

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(All amounts in millions of Indian Rupees, unless otherwise stated)

	2012-2013	2011-2012
Glenmark Pharmaceuticals FZE., U.A.E.	(20.02)	(22.47)
Glenmark Generics SA., Argentina	(34.87)	(0.22)
Glenmark Pharmaceuticals Venezuela., C.A, Venezuela	193.71	45.51
Glenmark Pharmaceuticals Malaysia Sdn. Bhd., Malaysia	(17.96)	(17.28)
Glenmark Pharmaceuticals Peru SAC., Peru	4.42	9.91
Glenmark Foundation, India	(0.50)	-
Glenmark Generics (Europe) Ltd., U.K.	1.54	0.66
Glenmark Pharmaceuticals Europe Ltd., U.K.	(18.04)	(62.18)
Glenmark Generics Inc., USA	(32.55)	(1.31)
Glenmark Pharmaceuticals s.r.o., Czech Republic	0.82	0.34
Glenmark Therapeutics Inc., USA	(40.59)	(1.17)
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.14	0.51
Glenmark Distributor SP z.o.o., Poland	1.43	5.62
Glenmark Pharmaceuticals S.R.L., Romania	0.68	1.60
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	4.11	0.39
Glenmark Uruguay S.A., Uruguay	(1,304.48)	-
Glenmark Therapeutics AG; Switzerland	5.49	-
Glenmark Pharmaceuticals Colombia Ltda., Colombia	1.92	-
Glenmark Pharmaceuticals Kenya Ltd.; Kenya	239.72	-

33. Outstanding Dues to Micro, Small and Medium Scale Business Enterprises

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

34. Leases

The Company has taken on lease/ leave and licence godowns/ residential & office premises at various locations in the country.

i) The Company's significant leasing arrangements are in respect of the above godowns & premises (including furniture and fittings therein, as applicable). The aggregate lease rentals payable are charged to Statement of Profit and Loss as Rent.

ii) The Leasing arrangements which are cancellable range between 11 months to 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. An amount of ₹ 98.62 (2012 - ₹ 99.32) towards deposit and unadjusted advance rent is recoverable from the lessor.

The Company has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years.

Minimum lease payments

	31 March 2013	31 March 2012
Due within one year	122.97	119.92
Due later than one year and not later than five years	267.13	390.10
Due later than five years	-	-
TOTAL	390.10	510.02

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

35. Taxation

Provision for current taxation for the Company of ₹ 656.97 represents Minimum Alternate Tax pursuant to the provisions of Section 115JB of the Income Tax Act, 1961 of India. The Finance Act, 2005 inserted sub-section (1A) to Section 115JAA to grant tax credit in respect of MAT paid under Section 115JB of the Act with effect from Assessment Year 2006-07 and carry forward the credit for a period of 10 years. In accordance with the Guidance Note issued on "Accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act, 1961" by the Institute of the Chartered Accountants of India, the Company has recognised MAT Credit which is expected to be set-off against the tax liability, other than MAT in future years. Accordingly, an amount of ₹ 656.97 for the current year and has been recognised as MAT Credit Entitlement in Note 13.

36. Employee Benefits

The disclosures as required as per the revised AS 15 are as under:

1. Brief description of the Plans

The Company has various schemes for long-term benefits such as Provident Fund, Superannuation, Gratuity and Compensated absences. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through appropriate authorities. The Company's defined contribution plans are Superannuation and Employees' Provident Fund and Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity benefit.

	2012-2013	2011-2012
2. Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	2.21	2.01
Provident fund	118.38	98.47
	120.59	100.48

3. Disclosures for defined benefit plan and other long-term employee benefits based on actuarial reports as on 31 March 2013:

		2012-2013		2011-2012	
		Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(i)	Change in Defined Benefit Obligation				
	Opening defined benefit obligation	169.78	102.05	150.87	72.59
	Current service cost	24.61	14.09	28.14	1.13
	Interest cost	14.43	8.67	11.75	5.31
	Actuarial loss/(gain)	(14.44)	16.47	(2.46)	40.27
	Benefits paid	(11.80)	(22.54)	(18.52)	(17.25)
	Closing defined benefit obligation	182.58	118.74	169.78	102.05
(ii)	Change in Fair Value of Assets				
	Opening fair value of plan assets	149.24	48.18	132.51	39.82
	Expected return on plan assets	13.43	4.34	12.38	3.81
	Actuarial gain/(loss)	2.16	0.47	(5.65)	(0.40)
	Contributions by employer	11.80	29.45	28.52	22.19
	Benefits paid	(11.80)	(22.54)	(18.52)	(17.25)
	Closing fair value of plan assets	164.83	59.90	149.24	48.17

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		2012-2013		2011-2012	
		Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(iii)	Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets				
	Present value of funded obligations as at year- end	182.58	118.74	169.78	102.05
	Fair value of plan assets as at year-end	(164.83)	(59.90)	(149.24)	(48.17)
	Funded Liability/(Asset) recognised in the Balance Sheet	17.75	58.84	20.54	53.88
	Present Value of Unfunded Obligation as at year- end	-	-	-	-
	Unrecognised Actuarial Gain/(Loss)	-	-	-	-
	Unfunded Liability/(Asset) recognised in the Balance Sheet	-	-	-	-
(iv)	Amount recognised in the Balance Sheet				
	Present value of obligations as at year-end	182.58	118.74	169.78	102.05
	Fair value of plan assets as at year-end	(164.83)	(59.90)	(149.24)	(48.17)
	Amount not recognised as an asset	-	-	-	-
	Net (asset)/liability recognised as at 31 March 2013	17.75	58.84	20.54	53.88
(v)	Expenses recognised in the Statement of Profit and Loss				
	Current service cost	24.61	14.09	28.14	1.13
	Interest on defined benefit obligation	14.43	8.67	11.75	5.31
	Expected return on plan assets	(13.43)	(4.34)	(12.38)	(3.81)
	Net actuarial loss/(gain) recognised in the current year	(16.60)	16.00	3.19	40.67
	Total expenses	9.01	34.42	30.70	43.30
(vi)	Actual Return on Plan Assets				
	Expected return on plan assets	13.43	4.34	12.38	3.81
	Actuarial gain/(loss) on Plan Assets	2.16	0.47	(5.65)	(0.40)
	Actual Return on Plan Assets	15.59	4.81	6.73	3.41
(vii)	Asset information				
	Administered by Birla Sunlife Insurance Co. Ltd. and LIC of India	100%	100%	100%	100%
(viii)	Principal actuarial assumptions used				
	Discount rate (p.a.)	8.00%	8.00%	8.50%	8.50%
	Expected rate of return on plan assets (p.a.)	8.70%	8.70%	9.00%	9.00%
(ix)	Experience Analysis				
	Actuarial (gain)/loss on change in assumptions	(33.68)	(20.43)	(2.84)	(1.84)
	Experience (gain)/loss due to change in experience	19.24	36.90	0.38	42.11
	Actuarial (gain)/loss on Obligation	(14.44)	16.47	(2.46)	40.27

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		2012-2013		2011-2012	
		Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(x)	Current and non-current liability				
	Current Liability	17.75	58.84	20.54	53.88
	Non-current Liability	-	-	-	-

(xi) Expected employer's contribution for the next year is ₹ 107.98 for Gratuity and Compensated absences.

The development of Company's defined benefit scheme relating to Gratuity is summarised as follows:

Particulars	Defined Benefit Obligation	Fair value of plan assets	(Deficit)/Surplus
2012-13	182.58	164.83	(17.75)
2011-12	169.78	149.24	(20.54)
2010-11	150.87	132.51	(18.36)
2009-10	126.82	122.97	(3.85)
2008-09	109.64	107.98	(1.66)

37. Production, Sales and Stock

		2012-2013	2011-2012
(a)	**Sales**		
	Class of goods		
	Injectibles	1,378.65	981.69
	Liquid Orals	3,471.75	2,823.24
	Lotions and Externals	2,010.77	1,638.08
	Ointments and Creams	3,480.92	3,034.38
	Solids and Powders	266.69	188.96
	Tablets and Capsules	8,573.60	6,475.05
	Aerosol Spray	124.14	79.43
	Inhaler Capsules	54.94	31.35
	Others	206.65	220.92
	TOTAL	19,568.11	15,473.10

1. Sales are net of sales returns.
2. Sales quantities does not include free issues, samples and breakages.

		2012-2013	2011-2012
(b)	**Finished goods purchased (includes samples)**		
	Class of goods		
	Injectibles	276.78	223.79
	Liquid Orals	100.35	33.18
	Lotions and Externals	16.92	30.59
	Ointments and Creams	16.92	36.33
	Tablets and Capsules	906.84	670.11
	Aerosol Spray	14.94	2.24
	Others	78.13	53.23
	TOTAL	1,410.88	1,049.47

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		2012-2013	2011-2012
(c)	**Raw and packing materials consumed**		
	Products		
	Telmisartan IP	83.29	80.03
	100ML Amber Pet Bottles (25 MM Neck)	71.61	76.96
	Mupirocin USP	92.89	72.67
	Sugar S/30 IH	74.49	59.47
	Propylene Glycol IP	56.10	49.94
	Cefixime IP	77.65	43.21
	Linezolid IP	49.65	41.80
	Cefpodoxime Proxetil IP	68.53	36.89
	Orlistat IH	99.41	36.77
	Azithromycin IP (Dihydrate)	57.45	34.98
	Others	3,426.43	2,843.97
	TOTAL	4,157.50	3,376.69

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

	2012-2013	2012-2013	2011-2012	2011-2012
Materials				
Imported materials	314.10	7.78%	205.77	6.19%
Indigenously procured	3,724.32	92.22%	3,119.97	93.81%
	4,038.42	100.00%	3,325.74	100.00%
Consumable stores and spares				
Imported	-	-	-	-
Indigenously procured	119.08	100.00%	50.95	100.00%
	119.08	100.00%	50.95	100.00%

(e) Inventories of finished goods (manufactured)

	Opening Stock		Closing Stock	
	2012-2013	2011-2012	2012-2013	2011-2012
Class of goods				
Injectibles	26.13	19.97	13.40	26.13
Liquid Orals	91.35	60.08	73.48	91.35
Lotions and Externals	70.66	47.65	47.87	70.66
Ointments and Creams	105.41	90.62	113.30	105.41
Solids and Powders	12.59	13.10	13.04	12.59
Tablets and Capsules	235.54	181.04	225.23	235.54
Aerosol Spray	14.16	6.83	37.24	14.16
Inhaler Capsules	4.73	2.15	1.82	4.73
Others	29.05	93.25	7.17	29.05
TOTAL	589.62	514.69	532.55	589.62

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

(f) Inventories of finished goods (traded)

	Opening Stock		Closing Stock	
	2012-2013	2011-2012	2012-2013	2011-2012
Class of goods				
Injectibles	22.75	14.07	29.69	22.75
Liquid Orals	4.39	4.10	42.40	4.39
Lotions and Externals	4.52	2.85	22.84	4.52
Ointments and Creams	4.40	0.76	7.82	4.40
Solids and Powders	-	-	0.39	-
Tablets and Capsules	89.67	30.61	130.24	89.67
Aerosol Spray	0.47	-	0.92	0.47
Others	4.48	2.84	4.90	4.48
TOTAL	130.68	55.23	239.20	130.68

38. Subsidiary Companies/Enterprise

Particulars	Maximum amount outstanding during the year		As at	
	2012-2013	2011-2012	31 March 2013	31 March 2012
a) Loans and advances to subsidiaries/enterprise				
Glenmark Pharmaceuticals S.A., Switzerland	939.45	875.78	716.33	343.05
Glenmark Holding S.A., Switzerland	5,548.73	9,557.14	3,471.33	4,164.06
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	42.27	38.36	41.02	36.64
Glenmark Generics Ltd., India	4,831.28	5,775.31	4,682.81	4,736.02
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-	1.90	-	-
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	4.04	-	3.88	-
Glenmark Pharmaceuticals Kenya Ltd.; Kenya	109.22	-	109.21	-
			9,024.58	9,279.77

	As at	
	31 March 2013	31 March 2012
b) Receivable from subsidiary companies		
Glenmark Pharmaceuticals S.A., Switzerland	21.70	0.84
Glenmark Farmaceutica Ltda., Brazil	30.66	20.71
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	51.83	18.08
Glenmark Philippines Inc., Philippines	30.86	17.96
Glenmark Impex L.L.C., Russia	-	456.86
Glenmark Access Ltd. (formerly known as Glenmark Exports Ltd.)	61.15	65.66
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	137.99	74.15
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	193.71	45.51
Glenmark Pharmaceuticals Peru SAC., Peru	4.42	9.91
Glenmark Generics (Europe) Ltd., U.K.	1.54	0.66
Glenmark Pharmaceuticals s.r.o., Czech Republic	0.82	0.34
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.14	0.51
Glenmark Distributor SP z.o.o., Poland	1.43	5.62
Glenmark Pharmaceuticals S.R.L., Romania	0.68	1.60
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.23	0.39
Glenmark Therapeutics AG; Switzerland	5.49	-
Glenmark Pharmaceuticals Kenya Ltd., Kenya	130.51	-
Glenmark Pharmaceuticals Colombia Ltda., Colombia	1.92	-

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

		As at	
		31 March 2013	31 March 2012
c)	**Payable to subsidiaries**		
	Glenmark Pharmaceuticals FZE., U.A.E.	20.02	22.47
	Glenmark Pharmaceuticals Malaysia Sdn. Bhd., Malaysia	17.96	17.28
	Glenmark Farmaceutica Ltda., Brazil	-	0.34
	Glenmark Pharmaceuticals Europe Ltd., U.K.	18.04	62.18
	Glenmark Therapeutics Inc., USA	40.59	1.17
	Glenmark Generics SA., Argentina	34.87	0.22
	Glenmark Generics Inc., USA	32.55	1.31
	Glenmark Uruguay S.A., Uruguay	1,304.48	-
	Glenmark Impex L.L.C., Russia	156.30	-

d) Movement of shares during the year

	No. of Shares in Million			
	As at 1 April 2012	Invested during the Year	Sale/merger during the Year	As at 31 March 2013
Investments in Subsidiary Companies - Unquoted - non trade				
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	-	170.75	-	170.75
Glenmark Pharmaceuticals Peru SAC., Peru	-	15.17	-	15.17
Glenmark Pharmaceuticals Colombia Ltda., Colombia	-	0.03	-	0.03
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	-	46.53	-	46.53
Glenmark Dominicana SA., Dominican Republic	0*	0*	-	0*
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	14.72	8.09	-	22.81
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	502.83	54.94	-	557.77
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia	1.99	0.06	-	2.05
Glenmark Generics Ltd., India	145.44	1.35	-	146.79
Glenmark Pharmaceuticals Kenya Ltd., Kenya	-	0*	-	0*
Glenmark Therapeutics AG, Switzerland	-	0.10	-	0.10
* denotes number less than a million				

39. Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date — In Million

Particulars	Purpose	Currency	31 March 2013	31 March 2012
Forward contract	Hedging	USD	15.00	47.00

b. Particulars of unhedged foreign currency exposures as at the reporting date — In Million

Particulars	Currency	31 March 2013	31 March 2012
Trade receivable, loans and advances	USD	148.88	118.02
	EUR	0.47	1.62
Trade payable and loans from banks	USD	143.25	94.26

c. Derivative - Mark-to-Market losses

Particulars	31 March 2013	31 March 2012
Mark-to-market losses provided for	-	81.36

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

40. Research and development expenditure

During the year, the Company expensed ₹ 929.44 (2012 - ₹ 759.57) as research and development costs.

41.

Extracts of Assets and Liabilities as on 31 March 2013 and Income and Expenses for the year ended 31 March 2013 related to the interest of the Company (without elimination of the effect of transactions between the Company and Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand) have been extracted from the audited financial statements:

Particulars	2012-2013	2011-2012
Assets		
Net fixed assets including capital work-in-progress	0.11	0.00
Deferred tax asset	0.98	0.81
Trade receivable	-	0.34
Cash bank balances	1.96	0.46
Loans and advances	0.08	0.03
Liabilities		
Current liabilities	0.20	0.29
Non-current liabilities	1.90	-
Income		
Net sales	0.27	0.30
Expenses		
Cost of material	0.19	0.21
Selling and operating expenses	0.54	1.00
Depreciation	0.00	-
Finance cost	0.10	0.00
Provision for taxation including deferred tax	(0.08)	(0.35)

42. Other Events

Merck Sharp & Dohme Pharmaceuticals Private Limited ('Merck'), the Indian affiliate of Merck & Co. Inc., USA had filed a decree for permanent injunction in the Hon'ble High Court at Delhi to restrain Glenmark Pharmaceuticals Limited from manufacture and sale of generic versions of Merck's product Januvia (Sitagliptin Phosphate) alleging patent right infringement. The petition was dismissed by the single bench of the Hon'ble High Court at Delhi and Merck has now filed an appeal before the divisional bench of the Hon'ble High Court at Delhi, which is pending hearing. Based on a legal advice, the management is confident that no liability is likely to devolve on the Company.

	2012-2013	2011-2012
43. Value of Imports on CIF Basis		
Capital goods	567.82	102.58
Materials	290.09	244.68
TOTAL	857.91	347.26
44. Earnings in Foreign Currency		
Export of goods calculated on FOB basis	6,708.56	5,405.84
Guarantee commission	181.75	109.38
Interest on loan to subsidiaries	115.36	144.80
Royalty Income	1.13	1.85
TOTAL	7,006.80	5,661.87

Notes to the Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

	2012-2013	2011-2012
45. Expenditure in Foreign Currency		
Travelling expenses	95.04	71.04
Professional and consultancy charges	332.87	115.63
Export promotional expenses and export commission	705.82	394.82
Salary and related expenses	202.32	184.83
Product registration expenses	138.86	44.17
Interest expenses	341.28	391.86
Others	1,460.30	814.19
TOTAL	3,276.49	2,016.54
46. Dividend Remittance in Foreign Currency		
Number of non-resident shareholders	11	16
Number of equity shares held by them	208,758	225,240
Amount of dividend paid (gross), TDS ₹ nil (2012 - ₹ nil)	0.42	0.09
Year to which dividend relates	2011-2012	2010-2011

47. Prior Year Comparatives

Prior year's figures have been regrouped or reclassified wherever necessary to confirm to current year's classification.

Signatures to the Notes 1 to 47 which form an intergal part of the Financial Statements.

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Independent Auditors' Report

Independent Auditors' Report to the Board of Directors of Glenmark Pharmaceuticals Limited

We have audited the accompanying consolidated financial statements of Glenmark Pharmaceuticals Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Statement of Financial Position as at 31 March 2013, and also the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Shareholder's Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with requirements of International Accounting Standard 27, 'Consolidated and Separate Financial Statements', issued by the International Accounting Standards Board ('IASB'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the International Financial Reporting Standards (IFRSs) as permitted by SEBI circular CIR/CFD/DIL/1/2010 dated 5 April 2010 ("SEBI Circular")

(a) in the case of the Consolidated Statement of Financial Position, of the state of affairs of the Group as at 31 March 2013;

(b) in the case of the Consolidated Statement of Comprehensive Income, of the financial performance for the year ended on that date; and

(c) in the case of the Consolidated Statement of Cash Flows, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 31,359.58 million (P.Y. ₹ 25,579.14 million) as at 31 March 2013; total revenues of ₹ 29,731.30 million (P.Y. ₹ 24,395.87 million) and net cash flows aggregating to ₹ 1,651.61 million (P.Y. ₹ 922.91 million) for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Walker, Chandiok & Co.
Chartered Accountants
Firm Registration No. : 001076N

per **Khushroo B. Panthaky**
Partner
Membership No. : F – 42423

Place: Mumbai
Date: 7 May 2013

Consolidated Statement of Financial Position

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Notes	31 March 2013	31 March 2012
ASSETS			
Current assets			
Cash and cash equivalents	C	6,051.85	3,200.76
Restricted cash	D	21.28	18.45
Accounts receivable, net	E	16,400.49	12,436.07
Inventories	F	8,435.32	7,876.70
Other current assets	G	6,359.14	5,371.48
Current tax assets		224.75	568.07
Total current assets		37,492.83	29,471.53
Non-current assets			
Property, plant and equipment, net	H	15,546.38	12,994.52
Intangible Assets	I	12,135.71	11,253.07
Goodwill	J	603.66	608.64
Deferred tax assets	N	5,570.98	4,174.20
Restricted cash	D	37.16	34.25
Long-term financial assets	CC	323.31	298.06
Total non-current assets		34,217.20	29,362.74
Total assets		71,710.03	58,834.27
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	K	10,455.53	7,888.29
Current tax liabilities		678.58	256.63
Short term borrowings	L	3,678.21	6,874.57
Current portion of long term liabilities	L	4,767.52	2,445.74
Other liabilities	K	2,101.87	1,445.93
Provisions	K	123.14	106.26
Total current liabilities		21,804.85	19,017.42
Non-current liabilities			
Long-term liability	L	19,202.96	13,124.70
Other liabilities	K	850.89	779.82
Employee obligations	M	209.06	145.77
Deferred tax liabilities	N	1,768.38	1,500.28
Total non-current liabilities		22,031.29	15,550.57
Total liabilities		43,836.14	34,567.99
Stockholders' equity	O		
Common stock		270.85	270.53
Additional paid-in capital		7,820.74	7,756.20
Stock compensation reserve		262.89	251.33
Statutory reserve		201.00	201.00
Currency translation reserve		(3,594.71)	(2,102.90)
Accumulated earnings		22,669.48	17,640.14
		27,630.25	24,016.30
Non-controlling interest		243.64	249.98
Total stockholders' equity		27,873.89	24,266.28
Total liabilities and stockholders' equity		71,710.03	58,834.27

(The accompanying notes are an integral part of these consolidated financial statements)

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Consolidated Statement of Comprehensive Income

(All amounts in millions of Indian Rupees, unless otherwise stated)

Consolidated Income Statement

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
REVENUES			
Operating Revenue	P	50,123.42	40,206.43
Other income	Q	64.85	92.61
Total Revenues		50,188.27	40,299.04
EXPENSES			
Materials consumed	R	16,536.02	13,453.97
Employee costs	S	7,882.38	6,288.95
Other expenses		15,605.14	13,319.88
Depreciation and amortisation	H&I	1,270.09	978.78
Total Expenses		41,293.63	34,041.58
Operating profit		8,894.64	6,257.46
Finance income		42.62	89.12
Finance costs		1,600.11	1,465.67
Profit before tax		7,337.15	4,880.91
Taxes			
Current tax expenses	N	1,629.15	1,345.91
Deferred tax benefit	N	(522.00)	(1,108.07)
Profit for the year		6,230.00	4,643.07
Profit for the year attributable to:			
Non-controlling interest		82.57	39.59
Equity shareholders of Glenmark Pharmaceuticals Limited		6,147.43	4,603.48
Earnings per share			
Basic (in ₹)	Y	22.71	17.03
Diluted (in ₹)	Y	22.69	17.01

(The accompanying notes are an integral part of these consolidated financial statements)

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Consolidated Statement of Comprehensive Income

(All amounts in millions of Indian Rupees, unless otherwise stated)

Consolidated Statement of Other Comprehensive Income

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
Profit for the year		6,230.00	4,643.07
Other comprehensive income			
Exchange differences on translating foreign operations	O	(1,491.81)	(683.64)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year, net of tax		(1,491.81)	(683.64)
Total comprehensive income for the year		4,738.19	3,959.43
Total comprehensive income attributable to:			
Non-controlling interest		82.57	39.59
Equity shareholders of Glenmark Pharmaceuticals Limited		4,655.62	3,919.84

(The accompanying notes are an integral part of these consolidated financial statements)

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Consolidated Statement of Changes in Shareholders' Equity

(All amounts in millions of Indian Rupees, unless otherwise stated)

	Equity attributable to shareholders of Glenmark Pharmaceuticals Limited								Non-controlling interest	Total stockholders' equity
	Common stock – No. of shares	Common stock - Amount	Additional paid-in capital	Stock compensation reserve	Statutory reserve	Currency Translation reserve	Accumulated earnings	Total attributable to owners of the parent company		
Balance as at 1 April 2012	270,535,503	270.53	7,756.20	251.33	201.00	(2,102.90)	17,640.14	24,016.30	249.98	24,266.28
Dividends paid	-	-	-	-	-	-	(642.56)	(642.56)	-	(642.56)
Shares issued under Employee Stock Option ('ESOP') Scheme	318,150	0.32	64.54	(16.65)	-	-	-	48.21	-	48.21
Employee share based compensation	-	-	-	28.21	-	-	-	28.21	-	28.21
Transactions with owners	318,150	0.32	64.54	11.56	-	-	(642.56)	(566.14)	-	(566.14)
Net income for the year	-	-	-	-	-	-	6,147.43	6,147.43	82.57	6,230.00
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(1,491.81)	-	(1,491.81)	-	(1,491.81)
Deferred Tax impact	-	-	-	-	-	-	(100.74)	(100.74)	-	(100.74)
Acquisition of non controlling interest	-	-	-	-	-	-	(374.79)	(374.79)	(88.91)	(463.70)
Total Comprehensive Income	-	-	-	-	-	(1,491.81)	5,671.90	4,180.09	(6.34)	4,173.75
Balance as at 31 March 2013	270,853,653	270.85	7,820.74	262.89	201.00	(3,594.71)	22,669.48	27,630.25	243.64	27,873.89

	Equity attributable to shareholders of Glenmark Pharmaceuticals Limited								Non-controlling interest	Total stockholders' equity
	Common stock – No. of shares	Common stock - Amount	Additional paid-in capital	Stock compensation reserve	Statutory reserve	Currency Translation reserve	Accumulated earnings	Total attributable to owners of the parent company		
Balance as at 1 April 2011	270,272,053	270.27	7,720.90	200.34	201.00	(1,419.26)	13,399.12	20,372.37	267.01	20,639.38
Dividends paid	-	-	-	-	-	-	(126.11)	(126.11)	-	(126.11)
Shares issued under Employee Stock Option ('ESOP') Scheme	263,450	0.26	35.30	(12.99)	-	-	-	22.57	-	22.57
Employee share based compensation	-	-	-	63.98	-	-	-	63.98	-	63.98
Transactions with owners	263,450	0.26	35.30	50.99	-	-	(126.11)	(39.56)	-	(39.56)
Net income for the year	-	-	-	-	-	-	4,603.48	4,603.48	39.59	4,643.07
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(683.64)	-	(683.64)	-	(683.64)
Acquisition of non controlling interest	-	-	-	-	-	-	(236.35)	(236.35)	(56.62)	(292.97)
Total Comprehensive Income	-	-	-	-	-	(683.64)	4,367.13	3,683.49	(17.03)	3,666.46
Balance as at 31 March 2012	270,535,503	270.53	7,756.20	251.33	201.00	(2,102.90)	17,640.14	24,016.30	249.98	24,266.28

(The accompanying notes are an integral part of these consolidated financial statements)

Consolidated Statement of Cash Flows

(All amounts in millions of Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
(A) Cash inflow/(outflow) from operating activities		
Profit before tax	7,337.15	4,880.91
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortisation	1,270.09	978.28
Employee share based compensation	28.21	63.98
Interest expense	1,427.83	1,332.00
Interest income	(42.62)	(89.12)
Dividend income	(0.06)	-
(Profit)/loss on sale of assets	0.87	1.31
Other provisions	111.75	10.58
Bad debts and provision for doubtful debts	3.89	13.35
Unrealised exchange differences (net)	539.19	2,530.13
Operating profit before changes in operating assets and liabilities	10,676.30	9,721.42
Changes in operating assets and liabilities		
Accounts receivable	(4,402.72)	(1,095.97)
Other assets	(1,388.20)	(608.90)
Accounts payable and other liabilities	3,260.88	1,356.94
Net changes in operating assets and liabilities	(2,530.04)	(347.93)
Income taxes paid	(1,650.35)	(1,329.58)
Net cash provided by operating activities	6,495.91	8,043.91
(B) Cash inflow/(outflow) from investing activities		
Restricted cash	(5.75)	(15.16)
Interest received	41.75	66.45
Dividend received	0.06	-
Payments for purchase of property, plant and equipment and intangible assets	(4,709.61)	(2,853.96)
Proceeds from sale of property, plant and equipment	32.99	24.81
Net cash used in investing activities	(4,640.56)	(2,777.86)
(C) Cash inflow/(outflow) from financing activities		
Proceeds from long-term borrowings	10,171.70	6,523.26
Repayments of long-term borrowings	(2,557.16)	(1,686.32)
Repayments of short-term borrowings, net	(3,139.09)	(6,401.81)
Interest paid	(1,465.05)	(1,631.53)
Proceeds from issue of share capital	64.86	35.56
Transaction with non-controlling interest	(480.35)	(327.00)
Dividend paid (including tax on dividend)	(642.56)	(126.09)
Net cash from/(used) in financing activities	1,952.35	(3,613.93)
Effect of exchange rate changes on cash	(956.61)	(400.08)
Net increase in cash and cash equivalents	2,851.09	1,252.04
Cash and cash equivalents at the beginning of the year	3,200.76	1,948.72
Cash and cash equivalents at the end of the year (refer NOTE C)	6,051.85	3,200.76

(The accompanying notes are an integral part of these consolidated financial statements)

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE A – 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. 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 also markets active pharmaceutical ingredients to regulated and semi-regulated markets. 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, at Watford in Hertfordshire in the United Kingdom and at La Chaux-de-fonds in Switzerland. The manufacturing facilities of the Group in India are located at Nasik, Colvale, Kundaim, Baddi, Nalagarh, Ankleshwar, Mohol, Kurkumbh, Sikkim and upcoming manufacturing facilities are located at Indore, Dahej and Aurangabad. Overseas manufacturing facilities are located in Brazil, Czech Republic and Argentina.

2. GENERAL INFORMATION

Glenmark Pharmaceuticals Limited, a public limited company, is domiciled in Mumbai, India and is the Group's ultimate parent company. The registered office of Glenmark Pharmaceuticals Limited is at B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400 026, India.

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

The consolidated financial statements of Glenmark Group are prepared and presented in millions of Indian Rupees ('INR'), the Company's functional currency.

The financial statements for the year ended 31 March 2013 were approved by the Board of Directors on 7 May 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Overall Considerations

The consolidated financial statements have been prepared using accounting policies specified by those IFRS that are in effect as at 31 March 2013. The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

These accounting policies have been used throughout the periods presented in the financial statements.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented in note A - 5.

The consolidated financial statements have been prepared on a going concern basis.

3.2 Presentation of Financial Statements

The consolidated financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (Revised 2007). The Group has elected to present the 'Statement of comprehensive income' in two statements: the 'Consolidated Income Statement' and the 'Consolidated Statement of Other Comprehensive Income'.

In future periods, two comparative periods will be presented for the statement of financial position when the Group:

(i) applies an accounting policy retrospectively,

(ii) makes a retrospective restatement of items in its financial statements, or

(iii) reclassifies items in the financial statements.

3.3 Basis of Consolidation

The group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the dates specified in Note B. Subsidiaries are all entities over which Glenmark Pharmaceuticals Limited has the power to control the financial and operating policies. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Glenmark Pharmaceuticals Limited obtains and exercises control through voting rights.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

Unrealised gains and losses on transactions between the Company and its subsidiaries are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment losses from the group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off during the year are recognised from the effective date of acquisition, or up to the effective date of disposal as appropriate.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

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 owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.4 Business Combinations

Business combinations are accounted for using the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group's accounting policies.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of consideration transferred and any non-controlling interests over the fair value of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over the consideration transferred and any non-controlling interest is recognised in income statement immediately after acquisition as a 'gain on bargain purchase'.

3.5 Foreign Currency Translation

The consolidated financial statements are presented in Indian Rupees ('INR'), which is also the functional currency of the parent company, Glenmark Pharmaceuticals Limited, being the currency of the primary economic environment in which it operates.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in income statement. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Foreign currency gains and losses are reported on a net basis.

Foreign operations

In the Group's consolidated financial statements, the assets, liabilities and transactions of foreign operations are translated into INR, the Group's presentation currency upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period except subsidiaries at Switzerland.The Company's subsidiaries at Switzerland used Swiss Francs (CHF) as the functional currency for the preparation of the Consolidated Financial Statements. Since most of the transactions of the said subsidiaries, including borrowings, investments, cash flows and income and expenditures, are transacted in United States dollar (USD), the said subsidiaries, with effect from the current financial year, have used USD as its functional currency in the preparation of the consolidated financial statements.

On consolidation, assets and liabilities have been translated into INR at exchange rates at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into INR at the closing rate. The income and expenses of foreign operations are translated to INR at the average exchange rates prevailing during the year. Exchange differences are recognised in Other Comprehensive Income and recognised in the currency translation reserve in equity. When a foreign operation is disposed of, in part or in full, the cumulative currency translation differences recognised in equity are reclassified to income statement and recognised as part of the gain or loss on disposal.

3.6 Revenue Recognition

Sale of goods

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

Sales of active pharmaceutical ingredients and intermediates in India are made directly to customers of the Group. Significant risks and rewards in respect of ownership of active pharmaceuticals ingredients are transferred by the Group upon delivery of the products to the customers.

Revenue from contract research is recognised in income statement when right to receive a non- refundable payment from out- licensing partner has been established.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler. Such provisions are presented as a reduction from revenues.

The Group accounts for sales returns by recording a provision based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the Group's estimate of sales returns is determined primarily by its experience in these markets. In respect of established products, the Group determines an estimate of sales returns provision primarily based on its historical experience with such sales returns. Additionally, other factors that the Group considers in determining the estimate include levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products 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 sales return provision to reflect its actual experience. With respect to new products introduced by the Group, those have historically been either extensions of an existing line of product where the Group has historical experience or in therapeutic categories where established products exist and are sold either by the Group or its competitors.

Services

Revenue from services rendered is recognised in income statement as the underlying services are performed.

Export entitlements

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

Finance and other income

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

3.7 Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures 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 different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

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 net within "other income/ expense, net" in income statement.

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

Depreciation

Depreciation is recognised in income statement 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. Land is not depreciated.

The estimated useful lives are as follows:

Factory and other buildings	30 –55 years
Plant and machinery	8 – 21 years
Furniture, fixtures and office equipment	4 – 21 years
Vehicles	5 – 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Advances paid towards the acquisition of property, plant and equipment outstanding at each date of statement of financial position and the cost of property, plant and equipment not put to use before such date are disclosed under assets under construction.

3.8 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'.

Finance costs consist of interest expense on loans and borrowings and impairment losses recognised on financial assets. Borrowing costs are recognised using the effective interest rate method.

3.9 Intangible Assets

Goodwill

Goodwill arises upon the acquisition of subsidiaries, associates and joint ventures.

Acquisitions prior to 1 April 2010

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after 1 April 2010. In respect of acquisitions prior to 1 April 2010, goodwill represents the amount recognised under Indian GAAP.

Acquisitions on or after 1 April 2010

For acquisitions on or after 1 April 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in income statement when 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, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognised in income statement as incurred.

The Group's internal drug development expenditures are capitalised only if they meet the recognition criteria as mentioned above. Where uncertainties are such that the criteria are not met, the expenditures are recognised in income statement as incurred. Where, however, the recognition criteria are met, intangible assets are capitalised and based on the management estimate of indefinite life or limited life these are tested for impairment or amortised on a straight-line basis over their useful economic lives from product launch respectively. 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 indefinite 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, generally on a straight-line basis, over their useful economic lives from product launch. During the periods prior to their launch, these assets are tested for impairment on an annual basis, as their economic useful life is indefinite 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 Income statement, 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 in 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 income statement.

Other intangible assets

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

Subsequent expenditures are capitalised only when they increase 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 income statement as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

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

The estimated useful lives are as follows:

Product related intangibles	10 years
Other intangibles	5 years

3.10 Impairment Testing of Financial Assets, Goodwill, Intangible Assets and Property, Plant and Equipment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss, in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to income statement. An impairment loss is reversed if the reversal can be related objectively to an event

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised in Other Comprehensive Income.

Non-financial 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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (as defined below) 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The 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.

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 income statement. 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.

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.

3.11 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through income statement, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

3.12 Financial Assets

Non-derivative financial instruments consists of investments in equity and debt securities, trade receivables, certain other assets, cash and cash equivalents, loans and borrowings, trade payables and certain other liabilities.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents

Cash and cash equivalents consist of current cash balances and time deposits with banks. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in Other Comprehensive Income. When an investment is derecognised, the cumulative gain or loss in Other Comprehensive Income is transferred to income statement.

Others

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

The Group holds derivative financial instruments to hedge its foreign currency exposure. Derivatives are recognised initially at fair value; transaction costs are recognised in income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in income statement.

3.13 Financial Liabilities

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments. Payable and borrowings are initially measured at fair value and subsequently measured at amortised cost using effective interest rate method. They are included in Statement of Financial Position under line items 'long-term liabilities' and 'trade and other payables'.

Derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the income statement.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in 'other current liabilities' when the dividends are approved by the shareholders' meeting.

3.14 Inventories

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

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

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

3.15 Accounting for Income Taxes

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

Deferred tax is recognised using the Statement of Financial Position method, providing 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
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

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

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.

3.16 Leasing Activities

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

Finance leases

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

Operating leases

Other leases are operating leases, and the leased assets are not recognised on the Group's Statement of financial position. Payments made under operating leases are recognised in income statement on a straight-line basis over the term of the lease.

3.17 Equity

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

Additional paid-in capital includes any premium received on the initial issue of share capital. Any transaction costs associated with the issue of shares is deducted from additional paid-in capital, 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 income statement.

3.18 Employee Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity 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 income statement when they are 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 plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. 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 calculation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in income statement. Actuarial gains and losses are recognised as an expense directly in income statement.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group 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.

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.

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 Statement of Financial Position. Such measurement is based on actuarial valuation as at the date of Statement of Financial Position carried out by a qualified actuary.

3.19 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 estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the date of Statement of Financial Position, including the risks and uncertainties associated with the present obligation.

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.20 Share Based Compensation

All employee services received in exchange for the grant of any 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 income statement with a corresponding credit to additional paid-in capital, net of deferred tax where applicable. 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 ultimately are 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 additional paid-in capital.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION OF UNCERTANITY

When preparing the financial statements, management undertakes a number of judgements', 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 judgements 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 Statement of Financial Position.

Leases

The Group has evaluated each lease agreement for its classification between finance lease and operating lease. The Group has reached its decisions on the basis of the principles laid down in IAS 17, "Leases" for the said classification.The Group has also used IFRIC 4, "Determining whether an arrangement contains a lease" for determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and based on the assessment whether:

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

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

Deferred Tax

Management judgement is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. If the final outcome of these matters differs from the amounts initially recorded, differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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.

Sales returns, rebates and charge back provisions

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction from revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler. The Company accounts for sales returns are based on the levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products.

4.1 Estimation Uncertainty

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

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

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The carrying amounts are analysed in Notes 3.7 and 3.9. Actual results, however, may vary due to technical obsolescence, particularly relating to internally generated intangibles and software.

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 T.

(All amounts in millions of Indian Rupees, unless otherwise stated)

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 assets (Note CC) and liabilities (Note DD). 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 Notes I and J for Impairment testing assumptions for Intangibles and Goodwill.

5. STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following new Standards and Interpretations have not been applied in Glenmark's consolidated financial statements for the year ended 31 March 2013.

Standard or Interpretation	Effective date
IFRS 9: Financial Instruments – Recognition and Measurement	1 January 2015
IFRS 10: Consolidated Financial Statements	1 January 2013
IFRS 11: Joint Arrangements	1 January 2013
IFRS 12: Disclosure of Interests in Other Entities	1 January 2013
IFRS 13: Fair Value Measurements	1 January 2013
Amendments to IAS 1	1 July 2012
Amendments to IAS 19	1 January 2013
Amendments to IAS 32	1 January 2014
Amendments to IFRS 7	1 January 2013

IFRS 9: Financial Instruments – Recognition and Measurement

The IASB aims to replace IAS 39 Financial Instruments - Recognition and Measurement in its entirety by the end of 2011, with the replacement standard to be effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

Phase 1: Classification and Measurement

Phase 2: Impairment methodology

Phase 3: Hedge accounting

In addition, a separate project is dealing with de-recognition. Management is yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

IFRS 2: Group Cash Settled Share Based Transactions (Amendments to IFRS 2)

The Group does not currently have any cash settled transactions and the Management does not expect material impact on Glenmark's Group Financial Statements when the interpretation becomes effective.

IFRS 10: Consolidated Financial Statements

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

IFRS 11: Joint Arrangements

IFRS 11 supersedes IAS 31 Interests in Joint Ventures. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

IFRS 12: Disclosure of Interests in Other Entities

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to IAS 27 and IAS 28: Investments in Associates and Joint Ventures

IAS 27 now only deals with separate financial statements. IAS 28 brings investments in joint ventures into its scope. However, IAS 28's equity accounting methodology remains unchanged.

IFRS 13: Fair Value Measurement

IFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard on the Group's consolidated financial statements.

Amendments to IAS 1: Presentation of Financial Statements

The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to IAS 19: Employee Benefits

The IAS 19 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans. They:

- eliminate the 'corridor method', requiring entities to recognise all actuarial gains and losses arising in the reporting period.
- streamline the presentation of changes in plan assets and liabilities.
- enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

The amended version of IAS 19 is effective for financial years beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this revised standard on the Group's consolidated financial statements.

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

Offsetting financial assets and financial liabilities

The Amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- that some gross settlement systems may be considered equivalent to net settlement.

The Amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

Amendments to IFRS 7: Disclosures Offsetting Financial Assets and Financial Liabilities

Qualitative and quantitative disclosures have been added to IFRS 7 'Financial Instruments: Disclosures' (IFRS 7) relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. The Amendments are effective for annual reporting periods beginning on or after 1 January 2013 and interim periods within those annual periods.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE B - 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	Effective Group Shareholding (%)
Glenmark Pharmaceuticals Europe Ltd.	31 March 2013	United Kingdom	GHSA	100%
Glenmark Generics (Europe) Ltd.	31 March 2013	United Kingdom	GGL	100%
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March 2013	Czech Republic	GHSA	100%
Glenmark Pharmaceuticals SK, S.R.O.	31 March 2013	Slovak Republic	GP S.R.O.	100%
Glenmark Pharmaceuticals S. A.	31 March 2013	Switzerland	GHSA	100%
Glenmark Holding S. A.,(GHSA)	31 March 2013	Switzerland	GPL	100%
Glenmark Generics Holding S. A (GGHSA) (merged with Glenmark Generics Finance SA w.e.f. 1 April 2012)	31 March 2013	Switzerland	GGFSA	100%
Glenmark Generics Finance S. A. (GGFSA)	31 March 2013	Switzerland	GGL	100%
Glenmark Pharmaceuticals S.R.L.	31 March 2013	Romania	GHSA	100%
Glenmark Pharmaceuticals Eood.	31 March 2013	Bulgaria	GHSA	100%
Glenmark Distributors SP z.o.o.	31 March 2013	Poland	GHSA	100%
Glenmark Pharmaceuticals SP z.o.o.	31 March 2013	Poland	GHSA	100%
Glenmark Generics Inc.	31 March 2013	USA	GGFSA	100%
Glenmark Therapeutics Inc.	31 March 2013	USA	GHSA	100%
Glenmark Farmaceutica Ltda	31 March 2013	Brazil	GHSA	100%
Glenmark Generics SA	31 March 2013	Argentina	GGFSA	100%
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March 2013	Mexico	GPL	100%
Glenmark Pharmaceuticals Peru SAC	31 March 2013	Peru	GPL	100%
Glenmark Pharmaceuticals Colombia Ltda	31 March 2013	Colombia	GPL	100%
Glenmark Uruguay S.A. (GU S.A.)	31 March 2013	Uruguay	GHSA	100%
Glenmark Pharmaceuticals Venezuela, C.A	31 March 2013	Venezuela	GPL	100%
Glenmark Dominicana SRL	31 March 2013	Dominican Republic	GPL	100%
Glenmark Pharmaceuticals Egypt S.A.E.	31 March 2013	Egypt	GPL	100%
Glenmark Pharmaceuticals FZE	31 March 2013	United Arab Emirates	GPL	100%
Glenmark Impex L.L.C	31 March 2013	Russia	GPL	100%
Glenmark Philippines Inc.	31 March 2013	Philippines	GPL	100%
Glenmark Pharmaceuticals (Nigeria) Ltd.	31 March 2013	Nigeria	GPL	100%
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March 2013	Malaysia	GPL	100%
Glenmark Pharmaceuticals (Australia) Pty Ltd.	31 March 2013	Australia	GPL	100%
Glenmark South Africa (Pty) Ltd. (GSAPL)	31 March 2013	South Africa	GHSA	100%
Glenmark Pharmaceuticals South Africa (pty) Ltd.	31 March 2013	South Africa	GSAPL	100%
Glenmark Pharmaceuticals (Thailand) Co. Ltd.	31 March 2013	Thailand	GPL	49%
Glenmark Access Ltd.(Formerly Glenmark Exports Ltd.)	31 March 2013	India	GPL	100%
Glenmark Generics Ltd. (GGL)	31 March 2013	India	GPL	98.50%
Glenmark Generics B.V.	31 March 2013	Netherlands	GGFSA	100%
Glenmark Arzneimittel GmbH	31 March 2013	Germany	GGFSA	100%
Glenmark Generics Canada, Inc.	31 March 2013	Canada	GGFSA	100%
Glenmark Pharmaceuticals Kenya Ltd.*	31 March 2013	Kenya	GPL	100%
Glenmark Therapeutics AG*	31 March 2013	Switzerland	GPL	100%

*Glenmark Pharmaceuticals Kenya Ltd. was incorporated on 14 June 2012 and Glenmark Therapeutics AG was incorporated on 24 October 2012.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Cash in hand	6.07	5.58
Balances with banks in current /cash credit accounts and deposit accounts	6,045.78	3,195.18
TOTAL	6,051.85	3,200.76

NOTE D - RESTRICTED CASH

Restricted cash comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Current		
Dividend accounts	5.21	3.68
Time deposits	16.07	14.77
TOTAL	21.28	18.45
Non-current		
Time deposits	37.16	34.25
TOTAL	37.16	34.25

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 'Other Current Liabilities'.

Time deposits represent fixed deposits placed with banks and deposits under lien for bank guarantees and margin deposits. Most of these deposits have been placed for a one-year period, and are automatically renewed.

NOTE E - ACCOUNTS RECEIVABLE, NET

Particulars	As at 31 March 2013	As at 31 March 2012
Accounts receivables	16,675.75	12,711.79
Provision for doubtful debts	(275.26)	(275.72)
TOTAL	16,400.49	12,436.07

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

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

Particulars	As at 31 March 2013	As at 31 March 2012
Outstanding for more than 6 months	2,765.35	1,466.93
Others	13,635.14	10,969.14
TOTAL	16,400.49	12,436.07

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 statement of financial position. All of the Group's trade receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 3.89 (P.Y. ₹ 13.35) has been recorded. The movement in the allowance for credit losses can be reconciled as follows:

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	275.72	387.49
Amounts written off	(4.35)	(125.12)
Impairment loss	3.89	13.35
Impairment loss reversed	-	-
Closing balance	275.26	275.72

NOTE F - INVENTORIES

Inventories comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Raw materials	2,166.80	1,917.30
Packing material	727.24	626.77
Work-in-process	1,251.86	1,236.16
Stores and spares	111.28	71.03
Finished goods	4,178.14	4,025.44
TOTAL	8,435.32	7,876.70

No reversal of previous write-downs was recognised as a reduction of expense in the year ended 31 March 2013. Inventories at certain locations are pledged as securities for borrowings used for financing the working capital requirements.

NOTE G - OTHER CURRENT ASSETS

Other current assets comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Input taxes receivables	830.99	661.83
Advance to vendors	1,732.38	1,266.48
Short-term deposits	141.89	109.13
Other receivables	80.10	88.69
Deposits and advances receivable in cash and kind	3,573.78	3,245.35
TOTAL	6,359.14	5,371.48

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE H - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment comprise the following:

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant & Machinery	Furniture and fixture	Equipment	Vehicles	Assets under construction	Total
Cost										
Balance as at 1 April 2012	334.40	376.54	4,620.78	1,355.56	1,620.34	637.26	4,272.16	274.61	2,483.28	15,974.93
- Other acquisitions	-	20.67	644.41	8.80	288.77	108.79	668.59	27.50	1,884.04	3,651.57
- Disposals/Transfers	-	-	-	0.36	(1.39)	(12.90)	(23.43)	(22.26)	(206.25)	(265.87)
- Translation adjustment	(1.21)	0.11	(40.81)	(12.19)	(7.83)	4.72	17.00	(4.00)	(0.44)	(44.65)
Balance as at 31 March 2013	333.19	397.32	5,224.38	1,352.53	1,899.89	737.87	4,934.32	275.85	4,160.63	19,315.98
Accumulated Depreciation										
Balance as at 1 April 2012	-	16.49	408.52	321.03	279.28	336.10	1,495.12	123.87	-	2,980.41
- Depreciation charge for the year	-	6.94	158.16	76.04	116.01	102.57	359.51	48.09	-	867.32
- Disposals/Transfers	-	-	-	-	(0.35)	(9.74)	(23.01)	(15.98)	-	(49.08)
- Translation adjustment	-	-	(8.03)	5.34	(3.85)	(26.68)	7.24	(3.07)	-	(29.05)
Balance as at 31 March 2013	-	23.43	558.65	402.41	391.09	402.25	1,838.86	152.91	-	3,769.60
Carrying value										
As at 1 April 2012	334.40	360.05	4,212.26	1,034.53	1,341.06	301.16	2,777.04	150.74	2,483.28	12,994.52
As at 31 March 2013	333.19	373.89	4,665.73	950.12	1,508.80	335.62	3,095.46	122.94	4,160.63	15,546.38

Particulars	Freehold land	Leasehold landh	Factory Building	Other Building	Plant & Machinery	Furniture and fixture	Equipment	Vehicles	Assets under construction	Total
Cost										
Balance as at 1 April 2011	332.61	376.47	4,541.79	1,255.67	1,380.73	582.69	3,763.22	255.58	1,457.02	13,945.78
- Other acquisitions	0.92	-	50.33	59.99	231.70	65.77	473.67	34.90	1,133.41	2,050.69
- Disposals/Transfers	-	-	(17.34)	(18.09)	(1.68)	(25.93)	(57.06)	(19.87)	(98.34)	(238.31)
- Translation adjustment	0.87	0.07	46.00	57.99	9.59	14.73	92.33	4.00	(8.81)	216.77
Balance as at 31 March 2012	334.40	376.54	4,620.78	1,355.56	1,620.34	637.26	4,272.16	274.61	2,483.28	15,974.93
Accumulated Depreciation										
Balance as at 1 April 2011	-	8.86	275.64	196.72	154.05	277.39	1,149.56	89.44	-	2,151.66
- Depreciation charge for the year	-	7.56	142.22	82.46	92.15	66.08	340.91	50.85	-	782.23
- Disposals/Transfers	-	-	(19.94)	12.48	29.02	(14.72)	(65.67)	(16.37)	-	(75.20)
- Translation adjustment	-	0.07	10.60	29.37	4.06	7.35	70.32	(0.05)	-	121.72
Balance as at 31 March 2012	-	16.49	408.52	321.03	279.28	336.10	1,495.12	123.87	-	2,980.41
Carrying value										
As at 1 April 2011	332.61	367.61	4,266.15	1,058.95	1,226.68	305.30	2,613.66	166.14	1,457.02	11,794.12
As at 31 March 2012	334.40	360.05	4,212.26	1,034.53	1,341.06	301.16	2,777.04	150.74	2,483.28	12,994.52

Note :

a. Additions include borrowing costs capitalised of ₹ 63.12 (P.Y. ₹ 16.98). The borrowing costs have been capitalised at a weighted average rate of 7.20%.

b. All depreciation and impairment charges (or reversals, if any) are included within 'depreciation, amortisation and impairment'.

c. The Group's property, plant and equipment at certain locations have been pledged as security for long term borrowings disclosed under Note L.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE I - INTANGIBLE ASSETS

Intangible assets comprise of recognised intangibles on acquisition and software licenses purchased for internal use. The carrying amounts for the reporting periods under review can be analysed as follows:

Particulars	Computer software	Product development/ Brands	Intangibles under development	Total
Cost				
Balance as at 1 April 2012	425.86	11,838.12	145.33	12,409.31
- Additions	109.95	1,222.93	82.04	1,414.92
- Disposals/Transfers	(19.52)	(14.10)	(161.70)	(195.32)
- Translation adjustment	(10.63)	37.34	(3.20)	23.51
Balance as at 31 March 2013	505.66	13,084.29	62.47	13,652.42
Amortisation and impairment				
Balance as at 1 April 2012	260.06	896.18	-	1,156.24
- for the year	54.83	347.94	-	402.77
- on disposals/transfers	(0.19)	(20.03)	-	(20.22)
- Translation adjustment	(6.75)	(15.33)	-	(22.08)
Balance as at 31 March 2013	307.95	1,208.76	-	1,516.71
Carrying value				
As at 1 April 2012	165.80	10,941.94	145.33	11,253.07
As at 31 March 2013	197.71	11,875.53	62.47	12,135.71

Particulars	Computer software	Product development/ Brands	Intangibles under development	Total
Cost				
Balance as at 1 April 2011	339.08	10,076.23	324.14	10,739.45
- Additions	70.93	768.52	131.78	971.23
- Disposals/Transfers	1.12	(4.58)	(329.74)	(333.20)
- Translation adjustment	14.73	997.95	19.15	1,031.83
Balance as at 31 March 2012	425.86	11,838.12	145.33	12,409.31
Amortisation and impairment				
Balance as at 1 April 2011	192.01	824.06	-	1,016.07
- for the year	63.15	133.40	-	196.55
- on disposals/transfers	(10.37)	(113.94)	-	(124.31)
- Translation adjustment	15.27	52.66	-	67.93
Balance as at 31 March 2012	260.06	896.18	-	1,156.24
Carrying value				
As at 1 April 2011	147.07	9,252.17	324.14	9,723.38
As at 31 March 2012	165.80	10,941.94	145.33	11,253.07

All amortisation and impairment charges (or reversals, if any) are included within 'depreciation, amortisation and impairment of non-financial assets'. No intangible assets have been pledged.

At the year end, the intangibles were tested for impairment based on conditions at that date. The forecast at the year-end date showed that no impairment was necessary.

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five to eight-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates ranging from 10% growth to 25% erosion determined by management. The present value of the expected cash flows of each segment is determined by applying a 12.86% as discount rate.

(All amounts in millions of Indian Rupees, unless otherwise stated)

Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the segments. 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 segment.

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 segments, 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.

Segment to which Intangible assets with indefinite life are allocated as follows:

Analysis of assets by reportable segments

As at 31 March 2013	India	USA	Latin America	Europe	Total
Intangible Assets	762.73	953.95	2,457.33	810.67	4,984.68
TOTAL	762.73	953.95	2,457.33	810.67	4,984.68

NOTE J - GOODWILL

The net carrying amount of goodwill can be analysed as follows:

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	608.64	605.70
Acquired through business combination	-	-
Impairment loss recognised	-	-
Net exchange difference	(4.98)	2.94
Closing balance	603.66	608.64

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

Particulars	As at 31 March 2013	As at 31 March 2012
Europe & ROW	519.60	523.89
Latin America	84.06	84.75
Goodwill at	603.66	608.64

At the year end, the Goodwill was tested for impairment based on conditions at that date. The forecast at the year-end date showed that no impairment was necessary.

The recoverable amount of each segment 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 segment is determined by applying a suitable discount rate.

Particulars	Long-term growth Rates		Discount Rates	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Europe & ROW	2.00%	2.00%	5.50%	5.50%
Latin America	2.00%	2.00%	5.50%	5.50%

(All amounts in millions 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 industries of the segments. 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 segment.

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 segments, 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 K - ACCOUNTS PAYABLE, OTHER LIABILITIES AND PROVISIONS

Accounts payable

Particulars	As at 31 March 2013	As at 31 March 2012
Sundry creditors	7,173.71	5,423.84
Acceptances	3,188.62	2,317.16
Advances received from customer	42.81	114.32
Interest accrued but not due	37.15	1.65
Others	13.24	31.32
TOTAL	10,455.53	7,888.29

Other liabilities

Non- current

Particulars	As at 31 March 2013	As at 31 March 2012
Income received in advance	817.26	743.89
Security deposit	33.63	35.93
TOTAL	850.89	779.82

Income received in advance represents advance received from customers for future supplies of materials. Income will be recognised over the term of the contract after commencement of production.

Current

Particulars	As at 31 March 2013	As at 31 March 2012
Statutory dues	202.23	179.02
Employee dues	126.38	130.64
Accrued expenses	324.64	509.10
Other liabilities	1,443.41	623.49
Unclaimed dividend	5.21	3.68
TOTAL	2,101.87	1,445.93

Other provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for compensated absences	83.32	72.44
Provision for gratuity benefit plan	39.82	33.82
TOTAL	123.14	106.26

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE L - LONG-TERM BORROWINGS/SHORT TERM BORROWINGS

Non-current portion of borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Notes payable	2.62	1.70
Term loan from banks	23,967.86	15,568.74
Total Long-term liabilities	23,970.48	15,570.44
Less: Current portion of borrowings	(4,767.52)	(2,445.74)
TOTAL	19,202.96	13,124.70

Maturity profile of long-term borrowings

Year ending 31 March	As at 31 March 2013
2014	4,767.52
2015	3,769.83
2016	6,585.57
2017 and thereafter	8,847.56
TOTAL	23,970.48

The fair value of long-term debt is estimated by the management to be approximate to their carrying value, since the average interest rate on such debt is within the range of current interest rates prevailing in the market.

Short-term borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Short-term borrowings	3,678.21	6,874.57
TOTAL	3,678.21	6,874.57

Working Capital Facilities is secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets of certain locations.

NOTE M - EMPLOYEE OBLIGATIONS

Employee obligations comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for gratuity benefit plan	185.38	145.77
Others	23.68	-
TOTAL	209.06	145.77

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE N - TAXES

Taxes for the year comprise the following:

Particulars	As at 31 March 2013	As at 31 March 2012
Current income tax expense (net off MAT credit)	1,629.15	1,345.91
Deferred income tax benefit	(522.00)	(1,108.07)
TOTAL	1,107.15	237.84

The relationship between the expected tax expense based on the applicable tax rate of the Group and the tax expense actually recognised in the income statement can be reconciled as follows:

Particulars	As at 31 March 2013	As at 31 March 2012
Effective tax rate	32.45%	32.45%
Expected tax expense at prevailing tax rate	2,380.54	1,583.61
Tax adjustment for tax-exempt income		
- Income exempt from tax	(1,567.39)	(757.05)
Other tax adjustments		
- Additional deduction for R & D Expenditure	(570.45)	(323.90)
- Unrecognised tax benefit on losses of subsidiaries	923.91	(140.35)
- Disallowance under income tax	204.68	1.65
- Tax effect of disallowed expenses	-	(0.66)
- Disallowed expenditure on share based payments	9.15	20.76
- Taxes for previous periods	(181.53)	(59.31)
- Impact on account of rate change on deferred tax for future years	25.55	12.65
- Impact of tax rate difference in subsidiaries	(138.93)	(194.98)
- Others	21.62	95.42
Actual tax expense net	1,107.15	237.84

No temporary differences resulting from investments in subsidiaries or associates qualified for recognition as deferred tax assets or liabilities.

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 2013	As at 31 March 2012
Deferred income tax assets - Non-current		
Provision for credit losses	77.18	73.04
Unused tax losses	2,268.75	2,364.87
Minimum Alternative Tax credit entitlement	3,085.49	1,586.29
Other financial assets	137.76	148.63
Employee Benefits	1.80	1.37
TOTAL	5,570.98	4,174.20
Deferred income tax liabilities - Non-current		
Other current assets	95.65	43.36
Difference in depreciation on Property, plant and equipment	1,672.73	1,456.92
TOTAL	1,768.38	1,500.28
Net deferred income tax asset	3,802.60	2,673.92

In assessing the reliability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realised. The ultimate realisation of deferred income 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 income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

The Company's subsidiaries had losses which can be carried forward for future utilisation within period of 3 to 7 years. These subsidiaries have been incurring losses and therefore it is considered more likely than not the deferred tax asset arising from these carried forward net operating losses will not be realised.

NOTE O - 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 350,000,000 equity shares of ₹ 1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits only after the transfer of up to 10 percent of net income computed in accordance with regulations to a general reserve. 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 per share.

c) Reserves

Additional paid-in capital - The amount received by the Company over and above the par value of shares issued is shown under this head.

Statutory reserves - The Capital redemption reserve has been created as per the requirement of Section 80 of Indian Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders.

Currency translation reserve - Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of Statement of Financial Position. Revenue and expenses are translated into INR by averaging the exchange rates prevailing during the period. The exchange difference arising out of the year-end translation is being debited or credited to Currency translation reserve account.

Accumulated earnings – Accumulated earnings include all current and prior period results as disclosed in the income statement.

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 income statement and is credited to the reserve. Upon exercise of options, such reserves are reclassified to other components of equity.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE P - OPERATING REVENUE

Operating revenue comprises the following:

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Sale of goods and out-licensing of intangible assets	50,104.83	40,188.55
Income from services	18.59	17.88
TOTAL	50,123.42	40,206.43

NOTE Q - OTHER INCOME

Other income comprises the following:

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Miscellaneous receipts	64.85	92.61
TOTAL	64.85	92.61

NOTE R - MATERIALS CONSUMED

Materials consumed for the year comprise the following:

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Consumption of raw material and packing material	12,093.24	9,343.98
Consumption of stores and spares	688.99	544.00
Purchase of finished goods	3,922.20	3,168.83
(Increase)/Decrease in stock of finished goods	(168.41)	397.16
TOTAL	16,536.02	13,453.97

NOTE S - EMPLOYEE COSTS

Employee costs comprise the following:

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Salaries, wages and bonus	7,275.83	5,759.62
Contribution to provident and other funds & retirement benefits	468.96	413.95
Welfare expenses	137.59	115.38
TOTAL	7,882.38	6,288.95

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE T - 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 following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Group's consolidated financial statements:

Particulars	2012-2013	2011-2012
Change in Benefit Obligation		
Present Benefit Obligation ('PBO') at the beginning of the year	529.75	343.69
Interest cost	24.94	20.91
Service cost	70.45	64.44
Unrecognised past service cost	-	(8.95)
Benefits paid	55.75	(0.21)
Actuarial (gain)/loss on obligations	31.07	52.87
Translation adjustment	(0.14)	57.00
PBO at the end of the year	711.82	529.75
Change in Fair Value of Assets		
Opening fair value of plan assets	350.16	257.42
Expected return on plan assets	20.74	17.62
Actuarial gain/(loss)	2.38	(15.10)
Contributions by employer	43.52	71.28
Benefits paid	55.75	(0.21)
Translation adjustment	14.07	19.15
Closing fair value of plan assets	486.62	350.16
Actual Return on Plan Assets		
Expected return on plan assets	20.74	17.62
Actuarial gain/(loss) on Plan Assets	2.38	(15.10)
Actual Return on Plan Assets	23.12	2.52
Liability recognised		
Present value of obligation	711.82	529.75
Fair value of plan assets	(486.62)	(350.16)
Liability recognised in the statement of financial position	225.20	179.59

Net gratuity cost for the year ended includes the following components:

Particulars	2012-2013	2011-2012
Current service cost	70.45	64.44
Interest cost	24.94	20.91
Expected return on plan assets	(20.74)	(13.57)
Net actuarial (gain)/loss recognised in the year	28.69	(6.84)
Expenses recognised in the income statement	103.34	64.94

The movement of the net liability can be reconciled as follows:

Particulars	2012-2013	2011-2012
Movements in the liability recognised		
Opening net liability	179.59	86.27
Expense as above	103.34	64.94
Contribution paid	(43.52)	(71.28)
Translation adjustment	(14.21)	99.66
Closing net liability	225.20	179.59

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

Experience Analysis are as follows:

Particulars	2012-2013	2011-2012
Actuarial (gain)/loss on change in assumptions	(4.49)	28.87
Experience (gain)/loss due to change in experience	35.56	24.00
Actuarial (gain)/loss on Obligation	31.07	52.87

For determination of the liability, the following actuarial assumptions were used:

Particulars	2012-2013	2011-2012
Discount rate	2.10% - 8.00%	2.25% - 8.50%
Salary escalation rate	2.00% - 5.00%	2.00% - 6.25%
Expected return on Plan Assets	2.50% - 8.70%	2.50% - 9.00%

Current service cost and interest cost are included in employee costs.

The development of Company's defined benefit scheme relating to Gratuity is summarised as follows:

Particulars	Defined Benefit Obligation	Fair value of plan assets	(Deficit)/Surplus
2012-13	711.82	486.62	(225.20)
2011-12	529.75	350.16	(179.59)
2010-11	343.69	257.42	(86.27)

b) **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 ₹185.99 (P.Y. ₹ 147.43) to the provident fund plan during the year ended 31 March 2013.

c) **Compensated leave of absence plan (defined 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 date of the Statement of Financial Position.

The following table sets out the status of the Compensated absence plan of the Group and the corresponding amounts recognised in the Group's consolidated financial statements:

Particulars	2012-2013	2011-2012
Change in Benefit Obligation		
Present Benefit Obligation ('PBO') at the beginning of the year	136.41	97.72
Interest cost	11.59	7.38
Service cost	19.23	5.28
Benefits paid	(31.25)	(22.95)
Actuarial (gain)/loss on obligations	28.34	48.98
Translation adjustment	-	-
PBO at the end of the year	164.32	136.41
Change in Fair Value of Assets		
Opening fair value of plan assets	63.97	52.58
Expected return on plan assets	5.69	4.83
Actuarial gain/(loss)	1.91	(1.42)
Contributions by employer	40.67	30.93
Benefits paid	(31.25)	(22.95)
Closing fair value of plan assets	81.00	63.97

(All amounts in millions of Indian Rupees, unless otherwise stated)

Actual Return on Plan Assets

Particulars	2012-2013	2011-2012
Expected return on plan assets	5.69	4.83
Actuarial gain/(loss) on Plan Assets	1.91	(1.42)
Actual Return on Plan Assets	7.60	3.41
Liability recognised		
Present value of obligation	164.32	136.41
Fair value of plan assets	(81.00)	(63.97)
Liability recognised in the statement of financial position	83.32	72.44

Net compensated absence cost for the year ended included the following components:

Particulars	2012-2013	2011-2012
Current service cost	19.23	5.28
Interest cost	11.59	7.38
Expected return on plan assets	(5.69)	(4.83)
Net actuarial (gain)/loss recognised in the year	26.42	50.40
Expenses recognised in the income statement	51.55	58.23

The movement of the net liability can be reconciled as follows:

Particulars	2012-2013	2011-2012
Movements in the liability recognised		
Opening net liability	72.44	45.14
Expense as above	51.55	58.23
Contribution paid	(40.67)	(30.93)
Closing net liability	83.32	72.44

Experience Analysis are as follows:

Particulars	2012-2013	2011-2012
Actuarial (gain)/loss on change in assumptions	(7.12)	17.28
Experience (gain)/loss due to change in experience	35.46	31.70
Actuarial (gain)/loss on Obligation	28.34	48.98

The actuarial assumptions used in accounting for the Compensated absence plan were as follows:

Particulars	2012-2013	2011-2012
Discount rate	8.00%	8.25%-8.50%
Expected return on Plan Assets	8.70%	8.00%-9.00%

Current service cost and interest cost are included in employee costs.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE U - RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Group expenditure on research and development is ₹ 4,115.59 (P.Y. ₹ 2,916.25).

NOTE V - SHARE BASED EMPLOYEE REMUNERATION

ESOP 2003

The Group has formulated an Employee Stock Option Plan ('ESOP') scheme namely ESOP 2003 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 2 years and up to 4 - 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 or the closing price of the date prior to day of the grant.

The aggregate share options and weighted average exercise price under all the above mentioned plans are as follows:

	2013		2012	
	Number*	Price*(₹)	Number*	Price*(₹)
Outstanding at 1 April	1,419,300	270.23	1,937,700	252.76
Granted	25,000	480.40	25,000	319.25
Forfeited/cancelled	(372,350)	245.56	(279,950)	281.02
Exercised	(318,150)	203.86	(263,450)	134.97
Outstanding as at 31 March	753,800	317.39	1,419,300	270.23

All share based employee remuneration would be settled in equity. The group 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:

	31 March 2013	31 March 2012
Share price (₹)*	120.85 – 480.40	120.85 - 356.15
Exercise price (₹)*	120.85 – 480.40	120.85 - 356.15
Weighted average volatility rate	40% - 60%	40% - 60%
Dividend pay outs	200%	40%
Risk free rate	7.75% - 9.00%	5.15% - 8.78%
Average remaining life	1- 60 months	1- 60months

*All figures have been accordingly adjusted for:

- Split of face value from ₹ 10 to ₹ 2 in October 2003.
- 1:1 bonus issue in April 2005 and Split of face value from ₹ 2 to ₹ 1 in September 2007.

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 measurement of fair value.

In total, ₹ 28.21 (P.Y. ₹ 63.98) of employee remuneration expense has been included in the consolidated income statement for 31 March 2013, the stock compensation reserve has been credited by an equivalent amount and reduced by ₹ 16.65 (P.Y. ₹ 12.99) for ESOPs converted to shares. This amount has been transferred to 'Additional Paid-in Capital'. No liabilities were recognised due to share-based payment transactions as at the end of the year.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE W - RELATED PARTY TRANSACTIONS

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mr. Gracias Saldanha (Upto 20 July 2012)

Mrs. B.E. Saldanha

Mr. Glenn Saldanha

Mrs. Cherylann Pinto

Mr. R. V. Desai (Appointed w.e.f 9 November 2011)

Mr. A. S. Mohanty (Upto 10 May 2011)

Enterprises over which significant influence exercised by key management personnel/directors

Glenmark Foundation India

Summary of transactions with related parties during the year

Nature of Transaction	Year ended 31 March 2013	Year ended 31 March 2012
Transactions with key management personnel		
Remuneration	99.60	95.45
Amount payable at the year end	-	-
Share based payments	-	-
Transactions with enterprises over which significant influence exercised by key management personnel/directors.		
Advances given and outstanding	-	-

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 X - DERIVATIVES DISCLOSURE

a. Derivatives outstanding as at the reporting date — In million

Particulars	Purpose	Currency	31 March 2013	31 March 2012
Forward contract	Hedging	USD	15.00	47.00

b. Particulars of unhedged foreign currency exposures as at the reporting date — In million

Particulars	Currency	31 March 2013	31 March 2012
Trade receivable, loans & advances	USD	62.98	118.02
	EUR	1.02	1.62
Trade payable & loans from banks	USD	156.07	94.26
	EUR	2.56	-

c. Mark-to-Market losses/(gain)

Particulars	31 March 2013	31 March 2012
Mark-to-market losses/(gain) provided for	(47.72)	81.36

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE Y - EARNINGS PER SHARE (EPS)

The basic earnings per share for the year ended 31 March 2013 has been calculated using the net results attributable to shareholders of Glenmark as the numerator.

Calculation of basic and diluted EPS is as follows:

Particulars	31 March 2013	31 March 2012
Profit attributable to shareholders of Glenmark, for basic and dilutive	6,147.43	4,603.48
Weighted average number of shares outstanding during the year for Basic EPS	270,688,485	270,383,075
Effect of dilutive potential ordinary shares:		
Employee stock Options	192,387	257,141
Weighted average number of shares outstanding during the year for dilutive EPS	270,880,872	270,640,216
Basic EPS, in ₹	22.71	17.03
Diluted EPS, in ₹	22.69	17.01

NOTE Z - COMMITMENTS AND CONTINGENCIES

Particulars	31 March 2013	31 March 2012
Bank Guarantees	66.37	39.03
Letters of Credit issued by Bankers	523.94	763.61
Guarantees given to third party for Office rentals	11.02	11.01
Indemnity Bond	374.57	287.73
Disputed Income tax/Excise duty/Sales tax	202.83	212.16
Others	0.06	-

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2013 aggregate ₹ 630.60 (2012 - ₹ 288.87)

The Company's subsidiary in Mexico has appealed against an order passed by the Mexican Institute of Industrial Property (IMPI, in Spanish) which rejected the registration of a Glenmark product citing name conflict with another existing trade name held by a third party. The Company's subsidiary has filed an Appeal of second instance before the Federal court in Mexico against IMPI's decision and has also filed a Trademark application for registration of its product. The plaintiff has demanded compensation of approximately US$ 0.02 million (₹ 1.25).

Labour cases filed against Glenmark Farmaceutica Ltda. by ex-employees in separate cases claiming financial compensation for certain wage differences and benefits. The plaintiff has demanded compensation of approximately US$ 0.13 million (₹ 7.42).

NOTE AA - LEASES

The Group has taken on lease/leave and licence godowns/residential & office premises at various locations.

i) The Group's significant leasing arrangements are in respect of the above godowns & premises (including furniture and fittings therein, as applicable). The aggregate lease rentals payable are charged to Consolidated Income Statement as Rent.

ii) The Leasing arrangements which are cancellable range between 11 months to 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given towards deposit and unadjusted advance rent is recoverable from the lessor.

The Company has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years.

Minimum lease payments	31 March 2013	31 March,2012
Due within one year	360.33	316.29
Due later than one year and not later than five years	819.97	643.14
Due later than five years	43.36	-
TOTAL	1,223.66	959.43

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE BB - SEGMENT REPORTING

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States
3. Latin America
4. Europe
5. Rest of the World

The CODM reviews revenue as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Information about reportable segments

Segmental Revenue	Year ended 31 March 2013	Year ended 31 March 2012
India	17,429.01	11,273.11
USA	16,887.40	12,846.49
Latin America	3,467.91	3,291.81
Europe	4,216.71	6,365.63
Rest of the world (ROW)	8,122.39	6,429.39
TOTAL	50,123.42	40,206.43

Analysis of revenue by Category

Specialty: This segment includes manufacture and distribution of branded products of the Group. The Specialty business is focused on several therapeutic segments such as Dermatology, Internal medicine, Respiratory, Pediatrics, Diabetes, Gynecology, Oncology etc. It also includes the discovery of new chemical entities for subsequent commercialisation and out-licensing. This segment also includes contract research services in accordance with the specific customer requirements.

Generics: This segment consists of finished pharmaceutical products ready for consumption by the patient, marketed under as generic finished dosages with therapeutic equivalence to branded formulations (generics).

Revenues	Year ended 31 March 2013			Year ended 31 March 2012		
	Gross	Less Inter Segment	Net	Gross	Less Inter Segment	Net
Specialty	27,164.37	156.91	27,007.46	23,418.93	91.26	23,327.67
Generics	23,758.56	642.60	23,115.96	17,462.53	583.77	16,878.76
TOTAL	50,922.93	799.51	50,123.42	40,881.46	675.03	40,206.43

Analysis of assets by reportable segments

As at 31 March 2013	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	13,903.66	18.64	985.75	533.71	104.62	15,546.38
Intangible Assets	1,842.16	973.64	2,581.03	6,632.75	106.13	12,135.71
TOTAL	15,745.82	992.28	3,566.78	7,166.46	210.75	27,682.09

As at 31 March 2012	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	11,315.67	25.43	1,092.53	530.89	30.00	12,994.52
Intangible Assets	1,741.17	854.42	2,856.62	5,705.83	95.03	11,253.07
TOTAL	13,056.84	879.85	3,949.15	6,236.72	125.03	24,247.59

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE CC - FINANCIAL ASSETS

Trade receivables comprise amounts receivable from the sale of goods and services. Other current assets include prepayments, input taxes, advances to vendors, accrued interest and deposits and advances receivable in cash and kind.

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

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

Available-for-Sale investments – Non-current represent investments in preferred stock of other pharmaceutical companies which present the Group with opportunity for return through dividend income and security deposits for operating leases and other services.

The investment in equity and preference shares amounting to ₹ 182.89 (P.Y. ₹ 183.24) been stated at cost less impairment charges as these are unlisted and therefore the fair value of the Group's equity investment in this entity cannot be reliably measured.

Given below is the summary of financial assets as categorised in IAS 39:

Particulars	31 March 2013	31 March 2012
Non-current assets		
Available for sale	323.31	298.06
	323.31	298.06
Current assets		
Cash and cash equivalents	6,051.85	3,200.76
Accounts receivable, net	16,400.49	12,436.07
Other current assets	5,448.05	4,620.96

NOTE DD - FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs.

The management consider that the carrying amount of trade payables approximates to their fair value.

Given below is the summary of financial liabilities as categorised in IAS 39:

Particulars	31 March 2013	31 March 2012
Non-current liabilities		
Financial liabilities at amortised cost		
Borrowings	19,202.96	13,124.70
Current liabilities		
Financial liabilities at amortised cost		
Borrowings	8,445.73	9,320.31
Trade payables	10,455.53	7,888.29
Other liabilities	1,575.00	757.81

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE EE - FAIR VALUE HIERARCHY

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

Particulars	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets – Investment in unlisted securities	-	-	182.89	182.89
Forward contract	-	-	47.72	47.72
Liabilities	-	-	-	-

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged from the previous year.

Investments in unlisted securities

The fair value of the investment cannot be determined as there are no quoted market prices at the reporting date for unlisted securities and hence they have been valued at cost. Such investments have been categorized in Level 3.

NOTE FF - OTHER EVENTS

Sanofi-Aventis filed a patent infringement action before the US District Court, Eastern District Court of New Jersey against Glenmark Generics Inc., USA (GGI) pertaining to its marketing of the product Trandolapril-Verapamil ("Tarka"). Tarka is owned and manufactured by the Company and is marketed and distributed in the US by GGI, under a sales and marketing agreement. A jury trial was held in early January 2011 and on 14 January 2011, the jury returned a verdict that the patent held by Sanofi-Aventis was valid and infringed and ordered GGI to pay damages of approximately $16 million. On 30 May 2012, the district court denied GGI's post trial motion that the patent is invalid. Although no final judgement has been entered, GGI filed an appeal with the United States Court of Appeals for the Federal Circuit, which was docketed on 26 June 2012. On 8 March 2013, a panel for the Federal Circuit heard oral arguments during which GGI argued, among other things, that the patent is invalid. The Company believes that it has meritorious defenses to plaintiff's infringement claim. It is likely that a decision will be issued within approximately six months.

Merck Sharp & Dohme Pharmaceuticals Private Limited ('Merck'), the Indian affiliate of Merck & Co. Inc., USA had filed a decree for permanent injunction in the Hon'ble High Court at Delhi to restrain Glenmark from manufacture and sale of generic versions of Merck's product Januvia (Sitagliptin Phosphate) alleging patent right infringement. The petition was dismissed by the single bench of the Hon'ble High Court at Delhi and Merck has now filed an appeal before the divisional bench of the Hon'ble High Court at Delhi, which is pending hearing. Based on a legal advice, the management is confident that no liability is likely to devolve on the Company.

NOTE GG - 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, 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 Group's cash equivalents and deposits are invested with banks.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

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 GBP, Swiss Francs and 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.

Thus, the foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR).

US Dollar conversion rate was ₹ 50.87 at the beginning of the year and scaled to a high of ₹ 57.16 and to low of ₹ 50.57. The closing rate is ₹ 54.36. Considering the volatility in direction of strengthening dollar upto 5%, the sensitivity analysis has been disclosed at 5% 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.

In million

Nominal amounts	31 March 2013		31 March 2012	
	USD	INR	USD	INR
Short-term exposure				
Financial assets	77.98	4,238.94	18.50	941.00
Financial liabilities	(156.07)	(8,484.10)	(191.74)	(9,753.88)
Short-term exposure	(78.09)	(4,245.16)	(173.24)	(8,812.88)
Long-term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	(255.00)	(12,971.85)
Long-term exposure	-	-	(255.00)	(12,971.85)

If the INR had strengthened against the US Dollar by 5% then this would have the following impact:

In million

	31 March 2013		31 March 2012	
	USD	INR	USD	INR
Net results for the year	11.70	636.15	21.41	1,089.24
Equity	-	-	-	-

If the INR had weakened against the US Dollar by 5% then this would have the following impact:

In million

	31 March 2013		31 March 2012	
	USD	INR	USD	INR
Net results for the year	(11.70)	(636.15)	(21.41)	(1,089.24)
Equity	-	-	-	-

EUR conversion rate was ₹ 69.47 at the beginning of the year and scaled to a high of ₹ 73.37 and to low of ₹ 67.10. The closing rate is ₹ 70.07. Considering the volatility in direction of strengthening EUR upto 5%, the sensitivity analysis has been disclosed at 5% 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.

In million

Nominal amounts	31 March 2013		31 March 2012	
	EUR	INR	EUR	INR
Short-term exposure				
Financial assets	1.02	71.17	1.17	81.02
Financial liabilities	(9.31)	(652.51)	(9.09)	(631.59)
Short-term exposure	(8.29)	(581.34)	(7.92)	(550.57)

(All amounts in millions of Indian Rupees, unless otherwise stated)

Long-term exposure				
Financial assets	-	-	-	-
Financial liabilities	(6.75)	(472.98)	-	-
Long term exposure	(6.75)	(472.98)	-	-

If the INR had strengthened against the EUR by 5% then this would have the following impact:

In million

	31 March 2013		31 March 2012	
	EUR	INR	EUR	INR
Net results for the year	0.41	29.07	0.40	27.53
Equity	-	-	-	-

If the INR had weakened against the EUR by 5% then this would have the following impact:

In million

	31 March 2013		31 March 2012	
	EUR	INR	EUR	INR
Net results for the year	(0.41)	(29.07)	(0.40)	(27.53)
Equity	-	-	-	-

Interest rate sensitivity

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

The Group has also borrowed USD 511.80 million (P.Y. USD 415.00 million) and EUR 6.75 million (P.Y. EUR 6.75 million). In case of LIBOR/ Benchmark prime lending rate (BPLR) increases by 25 basis points then such increase shall have the following impact on:

	31 March 2013	31 March 2012
Net results for the year	(69.15)	(51.48)
Equity	-	-

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact on:

	31 March 2013	31 March 2012
Net results for the year	69.15	51.48
Equity	-	-

The bank deposits are placed on fixed rate of interest of approximately 7% to 9%. 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 at the date of statement of financial position, as summarised below:

	31 March 2013	31 March 2012
Cash and cash equivalents	6,051.85	3,200.76
Restricted Cash	58.44	52.70
Trade receivables	16,400.49	12,436.07
Other financial assets	6,359.14	5,371.48
Long-term financial assets	323.31	298.06
TOTAL	29,193.23	21,359.07

(All amounts in millions of Indian Rupees, unless otherwise stated)

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 for each of the reporting dates under review 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 exposure to any significant credit risk exposure any single counterparty or any groups of counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

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

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

As at 31 March 2013, the Group's liabilities have contractual maturities which are summarised below:

	Current		Non-Current	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Trade payable	10,455.53	-	-	-
Other short-term liabilities	1,575.00	-	-	-
Employee benefit obligations	-	123.14	-	209.06
Short-term borrowings	3,678.21	-	-	-
Current portion of long-term liabilities	3,850.09	917.43	-	-
Long-term liability	-	-	19,202.96	-
TOTAL	19,558.83	1,040.57	19,202.96	209.06

The above contractual maturities reflect the gross cash out flows, not discounted at the current values thereby these values will differ to the carrying values of the liabilities at the date of the statement of financial position.

Notes to Consolidated Financial Statements

(All amounts in millions of Indian Rupees, unless otherwise stated)

NOTE HH - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position. Capital for the reporting periods under review is summarised as follows:

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

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

	31 March 2013	31 March 2012
Total equity	27,873.89	24,266.28
Add: Subordinated loan	-	-
Less: Cash and cash equivalents	6,051.85	3,200.76
Capital	21,822.04	21,065.52
Total equity	27,873.89	24,266.28
Add: Borrowings	27,648.69	22,445.01
Overall financing	55,522.58	46,711.29
Capital to overall financing ratio	0.39	0.45

NOTE II - POST REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE JJ - AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2013 were approved by the Board of Directors on 7 May 2013.

For Walker, Chandiok & Co.
Firm Registration No. : 001076N
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No. : F - 42423

Place: Mumbai
Date: 7 May 2013

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Marshall Mendonza
Vice President & Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Million)

Sr. No.	Name of the Company	Glenmark Access Ltd. (Formerly Glenmark Exports Ltd.)	Glenmark Impex L.L.C	Glenmark Farmaceutica Ltda.	Glenmark Philippines Inc.	Glenmark Pharmaceuticals (Nigeria) Ltd.	Glenmark Dominicana SRL	Glenmark Pharmaceuticals (Malaysia) SDN. BHD	Glenmark South Africa (Pty) Ltd.	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Glenmark Pharmaceuticals (Australia) Pty Ltd.	Glenmark Pharmaceuticals S.A., Switzerland	Glenmark Holding S.A.	Glenmark Pharmaceuticals SK SRO	Glenmark Pharmaceuticals SRO	Glenmark Pharmaceuticals S.R.L.	Glenmark Pharmaceuticals Europe Ltd.	Glenmark Pharmaceuticals Colombia Ltda	Glenmark Pharmaceuticals Peru S.A.C	Glenmark Pharmaceuticals EOOD
1	Share Capital	18.50	902.00	7,103.09	116.70	177.46	0.15	28.32	0.76	0.00	68.77	106.76	797.11	0.43	143.00	339.09	88.09	20.80	299.95	0.18
2	Reserves	6.68	3,532.47	(2,007.56)	4.35	(62.25)	(0.22)	4.40	404.16	(49.05)	(68.47)	758.68	6,983.69	13.15	748.04	(111.40)	18.56	(7.23)	(87.14)	(0.18)
3	Total Assets	86.33	5,519.38	5,398.20	167.93	210.69	-	33.31	404.98	516.50	0.49	6,749.33	28,302.47	243.66	2,528.46	850.62	121.38	16.53	256.49	-
4	Total Liabilities	61.15	1,084.91	302.67	46.88	95.48	0.07	0.59	0.06	565.55	0.19	5,883.89	20,521.67	230.08	1,637.42	622.93	14.73	2.96	43.68	-
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	-	4,892.56	2,050.93	216.76	128.99	-	76.85	-	725.48	-	529.63	-	407.83	1,543.21	1,015.59	263.03	7.35	119.84	-
7	Profit before Tax	6.30	1,532.44	(973.07)	22.06	(26.36)	(0.08)	5.00	(0.13)	(28.43)	(3.26)	(1,309.36)	(735.41)	12.90	(800.47)	31.48	15.76	(6.65)	(23.50)	(0.69)
8	Provision for Tax	-	315.72	(213.75)	7.15	(5.30)	-	2.08	-	(8.10)	-	(1.25)	(1.84)	4.19	(0.50)	8.34	(1.92)	0.13	(6.55)	-
9	Profit after Tax	6.30	1,216.72	(759.32)	14.91	(21.06)	(0.08)	2.92	(0.13)	(20.33)	(3.26)	(1,308.11)	(733.57)	8.71	(799.97)	23.14	17.68	(6.78)	(16.95)	(0.69)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Currency	INR	USD	BRL	PHP	NGN	DOP	MYR	ZAR	ZAR	AUD	USD	USD	EURO	CZK	RON	GBP	COP	PEN	BGN
12	Exchange Rate (₹)																			
	Average Rate	-	54.549	27.184	1.314	0.347	1.397	17.713	6.436	6.436	56.278	54.549	54.549	70.259	2.785	15.753	86.225	0.031	21.254	35.969
	Closing Rate	-	54.360	27.070	1.342	0.350	1.356	17.776	5.925	5.925	56.966	54.360	54.360	70.072	2.727	15.872	83.126	0.030	21.646	36.012

(Contd....)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 FORMING PART OF THE CONSOLIDATED BALANCE SHEET (CONTD.)

(₹ in Million)

Sr. No.	Name of the Company	Glenmark Therapeutics Inc., USA	Glenmark Pharmaceuticals Egypt S.A.E.	Glenmark Pharmaceuticals SP Z.O.O.	Glenmark Distributors SP Z.O.O.	Glenmark Pharmaceuticals F.Z.E.	Glenmark Pharmaceuticals Mexico, SA DE CV	Glenmark Pharmaceuticals Venezuela, CA	Glenmark Uruguay SA	Glenmark Generics Limited	Glenmark Generics (Europe) Ltd.	Glenmark Generics Inc., USA	Glenmark Generics S.A. Argentina	Glenmark Generics Finance S.A.	Glenmark Generics B.V.	Glenmark Arzneimittel GmbH	Glenmark Generics Canada INC.	Glenmark Pharmaceuticals (Kenya) Limited	Glenmark Therapeutics AG
1	Share Capital	368.60	191.51	39.42	27.50	12.92	721.97	483.62	1,229.78	1,508.56	518.09	2,536.75	1,905.04	5,214.26	1.15	3.19	-	97.18	5.73
2	Reserves	(348.90)	(127.20)	130.89	16.13	35.76	(539.06)	(321.74)	79.93	15,500.56	274.30	1,868.14	(657.18)	(952.66)	1.01	20.80	-	(3.40)	(0.48)
3	Total Assets	41.20	87.38	220.82	517.85	55.79	321.59	396.54	1,310.72	29,143.87	1,773.12	13,587.93	1,377.71	18,976.21	75.75	106.08	-	381.58	5.31
4	Total Liabilities	21.50	23.07	50.51	474.22	7.11	138.68	234.66	1.01	12,134.75	980.73	9,183.04	129.85	14,714.61	73.59	82.09	-	287.80	0.06
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
6	Turnover	219.51	108.19	356.48	296.33	22.77	89.82	729.69	-	1,7397.10	1,701.76	17,653.06	339.84	15.67	85.88	39.27	-	300.16	-
7	Profit before Tax	13.91	(51.28)	14.33	2.11	16.47	(165.03)	(121.87)	(2.18)	5,035.32	170.51	2,793.66	(395.93)	(158.59)	0.30	(44.44)	-	(20.08)	(0.52)
8	Provision for Tax	0.20	-	2.76	0.41	-	(29.09)	14.93	0.09	495.88	23.57	749.18	(106.50)	(3.27)	0.06	(12.15)	-	(5.61)	-
9	Profit after Tax	13.71	(51.28)	11.57	1.70	16.47	(135.94)	(136.80)	(2.27)	4,539.44	146.94	2,044.48	(289.43)	155.32	0.24	(32.29)	-	(14.47)	(0.52)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Currency	USD	EGP	PLN	PLN	AED	MXN	VEF	USD	INR	GBP	USD	ARS	USD	EURO	EURO	-	KES	USD
12	Exchange Rate (₹)																		
	Average Rate	54.549	8.831	16.914	16.914	14.865	4.179	12.187	54.549	-	86.225	54.549	11.630	54.549	70.259	70.259	-	0.651	54.549
	Closing Rate	54.360	8.100	17.012	17.012	15.347	4.441	8.693	54.360	-	83.126	54.360	10.727	54.360	70.072	70.072	-	0.650	54.360

For and on Behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director & CFO

Place: Mumbai
Date: 7 May 2013

Marshall Mendonza
Vice President & Company Secretary

Safe Harbour Statement

This report has been prepared by Glenmark Pharmaceuticals Ltd. The information, statements and analysis made in this report describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and Regulations. Forward-looking statements may include words or phrases such as "believes", "expects", "anticipates", "intends", "plans", "foresees" or other words or phrases of similar import. Similarly, statements that describe objectives, plans or goals both for itself and for any of its business components also are forward-looking statements.

All such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated. The analysis contained herein is based on numerous assumptions. Actual result may vary from those expressed or implied depending upon economic conditions, government policies and other incidental factors. No representation or warranty, either expressed or implied, is provided in relation to this report. This report should not be regarded by recipients as a substitute for the exercise of their own judgment.

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