BOARD'S REPORT

(Section 134 of the Companies Act, 2013)

Your Directors have pleasure in presenting the Eighth Annual Report on business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year (F.Y.) ended 31 March 2019.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous years' figures are given hereunder:

(Amount in Rs. Mn)

Particulars	For the financial year ended March 31, 2019*	For the financial year ended March 31, 2018
Net Sales/Income from operations		
Income from operations	8864.21	2.48
Other Income	4.44	-
Total Income	**8,868.65**	**2.48**
Total Expenses	6585.68	2.61
Profit before exceptional and extraordinary items and tax	2282.97	(0.13)
Less: Exceptional Items	-	-
Profit/(Loss) Before Tax	2282.97	(0.13)
Less: Current tax	258.95	-
Less Deferred Tax	68.10	4.12
Net Profit/(Loss) After Tax	**1955.92**	**(4.34)**

*The Company acquired API division of Glenmark Pharmaceuticals Limited (the parent company) on 01 January 2019. Due to accounting guidance under Ind AS 103 for common control transaction the Company has restated the transactions from period 10 July 2018 to 31 December 2018 i.e. considering 10 July 2018 as the effective date on which the parent company acquired the common control. Accordingly, amounts for year ending March 31, 2019 are inclusive of amounts for the period 10 July 2018 to 31 December 2018 related to parent company.

This report is prepared on the basis of standalone Financial Statements (Ind AS) of the Company.

2. STATE OF THE COMPANY'S AFFAIRS:

The Company has achieved gross revenue of Rs. 8864.21 Mn as compared to Rs. 2.48 Mn in the previous year and the operating profit before tax and exceptional item was 2282.97 Mn as compared to (0.13) Mn in the previous year.

During the year under review, Glenmark Pharmaceuticals Limited acquired 100% stake of the

Company for an aggregate consideration of Rs. 5 lakhs before adjustments and subject to legal and financial due diligence.

During the year under review, shareholders of the Company at their Extraordinary Meeting held on July 25, 2018 had altered the Main Object of the Company. Members of Glenmark Pharmaceuticals Limited had approved the transfer of its Active Pharmaceuticals Business (API) to the Company and transfer of API business to the Company had been completed on December 31, 2018.

3. AMOUNT PROPOSED TO BE CARRIED TO ANY RESERVES:

The Company has not transferred any amount to general reserves for the financial year 2018-19.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company is wholly owned Subsidiary of Glenmark Pharmaceuticals Limited. However, the Company does not have any Subsidiary, Joint venture or Associate Company.

5. DIVIDEND:

Your Directors do not recommend any dividend for the year under review due to conservation of Profit.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no dividend declared during the period under report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Glenn Saldanha (DIN- 00050607), Mr. V.S. Mani (DIN- 01082878) and Mr. Kanish Malik (DIN- 03612432) were appointed as Additional Directors at the Board Meeting held on 6 July 2018. Shareholders of the Company at their Extraordinary Meeting held on 7 July 2018 had regularized the appointment of Mr. Glenn Saldanha, Mr. V.S. Mani and Mr. Kanish Malik as Directors of the Company.

Mr. Yasir Yusufali Rawjee was appointed as Chief Executive Office of the Company at the Board Meeting held on 2 May 2019.

Mr. Glenn Saldanha retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Pursuant to Section 203, Ms. Ruchita Gandhi was appointed as Chief Financial Officer with effect from 1 January 2019.

Mr. Ashwin Jain (DIN - 03357277), Mr. Sanjay Desai (DIN - 01872945) and Mr. Damanjit Singh

(DIN - 03488088), resigned from the said position vide their resignation letters dated 16 July 2018. The Board places on record its appreciation for their invaluable contribution and guidance.

8. MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review the Board met Twelve (12) times. The details of attendance at the meetings were as follows:

Y– Present for the meeting in person

N– Absent for the meeting

NA – Not Applicable being not a director at the time of meeting

Sr. No.	Date of Board Meeting	Name of Director					
		Mr. Glenn Saldanha	Mr. V.S. Mani	Mr. Kanish Malik	Mr. Ashwin Jain	Mr. Sanjay Desai	Mr. Damanjit Singh
1	29.05.2018	NA	NA	NA	Y	Y	N
2	05.06.2018	NA	NA	NA	Y	Y	N
3	29.06.2018	NA	NA	NA	Y	Y	N
4	06.07.2018	NA	NA	NA	Y	Y	N
5	09.07.2018	Y	Y	N	N	N	N
6	16.07.2018	Y	Y	Y	NA	NA	NA
7	10.08.2018	Y	Y	N	NA	NA	NA
8	29.08.2018	Y	Y	Y	NA	NA	NA
9	17.09.2018	Y	Y	Y	NA	NA	NA
10	09.10.2018	Y	Y	Y	NA	NA	NA
11	01.01.2019	Y	Y	N	NA	NA	NA
12	14.02.2019	Y	Y	N	NA	NA	NA

9. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;

b) appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2019 and of the profit of the Company for that the period;

c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts on a going concern basis; and

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

10. MEETINGS OF THE MEMBERS:

During the year under review the shareholders met Four (4) times. 7th Annual General Meeting of the Members of the Company was held on 23 June 2018. Members of the Company also met at the Extra-ordinary general meetings held on 7 July 2018, 25 July 2018 and 13 August 2018 for transacting Special Business.

11. AUDITORS AND AUDITORS' REPORT:

a) Statutory Auditors:

Pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013, M/s. Walker Chandiok & Co LLP., Chartered Accountants (Firm Registration no. 001076N/N500013), were appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Kushal Sabadra & Associates, Chartered Accountants (Firm Registration No. 138103W).

M/s. Walker Chandiok & Co LLP., Chartered Accountants (Firm Registration no. 001076N/N500013), were appointed as Statutory Auditors of the Company from the Extraordinary General Meeting held on 25 July 2018 till the conclusion of the 12th Annual General Meeting subject to ratification of the appointment by the Shareholders at every Annual General Meeting and the same will be ratified at ensuing Annual General Meeting.

b) Secretarial Audit:

During the year under review, your Company does not fall within the provisions of Section 204 of Companies Act, 2013 and hence Secretarial audit is not applicable to the Company.

c) Cost Audit:

During the year under review, your Company did not fall within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records were required to be maintained.

There was no qualification, reservations or adverse remarks made by the Auditors in their report.

12. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under consideration, there were no frauds reported by auditors under sub-section (12) of Section 143.

13. STATEMENT OF INTERNAL FINANCIAL CONTROL:

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

14. RISK MANAGEMENT POLICY:

The Company has in place Risk Management Policy commensurate with the size and nature of the business.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

16. MATERIAL EVENTS OCCURING AFTER BALANCE SHEET DATE:

There were no material changes and commitments affecting the financial position between the end of the financial year end and date of this report.

17. DETAILS OF CHANGE IN CAPITAL STRUCTURE:

<u>Issue of Equity Shares on Conversion of Loan:</u>

During the year, we allotted 4,50,090 Equity Shares of Rs. 10/- each (on pari-passu basis) on the conversion of loan given to Director.

<u>Issue of Equity Shares Pursuant to Preferential Allotment:</u>

During the year, 15,00,000 equity shares of the face value of Rs. 10 each fully paid-up issued to Glenmark Pharmaceuticals Limited (Parent Company) pursuant to the Preferential Allotment.

Further the Company has neither allotted any sweat equity or bonus shares or any shares under the employee stock option plan nor has bought back any shares or securities.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure I to this report. The disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in Notes to the Balance Sheet as on 31st March, 2019.

19. SHIFTING OF REGISTERED OFFICE:

During the year under review, Shareholders of the Company at the Extraordinary General Meeting held on 25 July 2018 approved the Special Resolution to shift the Registered office of the Company from Vitthal Gajanan Nagar, Gajanan Maharaj Mandir Road, Phursungi Pune-

412308 to Plot No. 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur-413213, Maharashtra within the jurisdiction of Registrar of Companies, Maharashtra, Pune.

20. CHANGE IN NAME:

During the year under review, Shareholders of the Company at the Extraordinary General Meeting held on 25 July 2018 approved the Special Resolution for change of name of the Company from Zorg Laboratories Private Limited to Glenmark Life Sciences Private Limited.

21. CONVERSION OF STATUS OF THE COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED:

During the year under review, Shareholders of the Company at the Extraordinary General Meeting held on 13 August 2018 approved the Special Resolution for the conversion of the status of the Company from Private Limited to Public Limited and consequently the name of the Company was changed from 'Glenmark Life Sciences Private Limited to 'Glenmark Life Sciences Limited'.

22. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as follows:

a) <u>Conservation of Energy:</u>

Your Company continues to take various measures on energy saving. However, efforts are continuously made to monitor its use.

b) <u>Technology absorption</u>:

Efforts to absorb new and better technologies were made throughout the year under review.

c) <u>Foreign Exchange Earnings & Outgo are as follows:</u>

(Amount in Mn)

Sr.No.	Particulars	March 31, 2019	March 31, 2018
1.	Foreign Exchange Inflow	72.29	NIL
2.	Foreign Exchange Outflow	38.62	NIL

23. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

24. EXTRACT OF THE ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with the Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **<u>Annexure II</u>** in Form **MGT-9** and is attached to this Report.

25. CORPORATE SOCIAL RESPONSIBILITY:

As the net worth of the Company is below Rs. 500 Crores, turnover is below Rs. 1000 Crores and Net Profit is also less than Rs. 5 Crore in the immediately preceding financial year, therefore the provisions of this Section 135 does not apply to the Company in the F.Y. 2017-18.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no instances during the year attracting the provisions of Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

There were no complaints reported under the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

28. VIGIL MECHANISM:

As the Company has not borrowed money from Banks and Public Financial Institutions in excess of Rs.50 Crores, therefore provisions related to Vigil Mechanism are not applicable to the Company.

29. APPRECIATION AND ACKNOWLEDGEMENTS:

Your Directors express their gratitude to the Company's customers, business partners' viz. distributors and suppliers, medical profession, Company's bankers, financial institutions.

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Glenn Saldanha **Director** **(DIN 00050607)**	**V S Mani** **Director** **(DIN 01082878)**

Place: Mumbai
Date: 29 May 2019

Annexure I

AOC 2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2019, which were not at arm's length basis.

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

Name of the related party and nature of relationship	Glenmark Pharmaceuticals Limited (Holding Subsidiary)	Glenmark Pharmaceuticals Limited (Holding Subsidiary)	Glenmark Holding SA (Subsidiary Company)
Nature of contracts/ arrangements/ transactions	Sale/Purchase-Materials & Services	Business transfer agreement-assets and liabilities Consideration	Sale-Materials & Services
Duration of the contracts/ arrangements/ transactions	Ongoing	NA	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any: Based on Transfer Pricing Guidelines	Sale: Rs. 1,339.08 million Purchase: Rs.313.96 million	Rs. 11,621.94 million	Rs. 861.71 million
Date(s) of approval by the Audit Committee/ Board	Since the contract was entered in the ordinary course of business and is on arm's length basis.	October 9, 2018	Since the contract was entered in the ordinary course of business and is on arm's length basis.
Amount paid as advances	Nil	NIL	NIL

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Glenn Saldanha	**V S Mani**
Director	**Director**
(DIN 00050607)	**(DIN 01082878)**

Place: Mumbai
Date: 29 May 2019

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

Sl.	Particulars	Details
1	CIN	U74900PN2011PLC139963
2	Registration Date	23/06/2011
3	Name of the Company	Glenmark Life Sciences Limited
4	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5	Address of the Registered Office and contact details	Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpeth, Maharashtra - 413213
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 040-67161507

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture and marketing of various pharmaceuticals and medicaments	210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable section
1	Glenmark Pharmaceuticals Limited	L24299MH1977PLC019982	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) CATEGORY-WISE SHARE HOLDING

Sl. No	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A)	**Promoters**									
1)	**Indian**									
a)	Individual/ HUF	Nil	10,000	10,000	100	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	Nil	1960090	1960090	100	100
e)	Banks / FI	-	-	-	-	-	-	-	-	-
	Sub Total (A1)	Nil	10,000	10,000	100	Nil	1960090	1960090	100	100
2)	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
	Sub Total (A2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter [A=A1+A2]	Nil	10,000	10,000	100	Nil	1,960,090	1,960,090	100	100
B)	**Public Shareholding**									
1)	**Institutions**	-	-	-	-	-	-	-	-	-

a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Sub Total (B1)	-								
			-	-	-	-	-	-	-	-
2)	**Non- Institutions**		-	-	-	-	-	-	-	-
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding ***nominal*** share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share capital ***in excess*** of Rs 1lakh	-	-	-	-	-	-	-	-	-
	Sub Total (B2)	-								
	Total Public Shareholding [B=B1+B2]	-								
			-	-	-	-	-	-	-	-
	Grand Total [A+B]	**Nil**	**10,000**	**10,000**	**100**	**Nil**	**1,960,090**	**1,960,090**	**100**	**100**

ii) SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares
1	Glenmark Pharmaceuticals Limited	1,960,090	100	NIL
	TOTAL	**1,960,090**	**100**	**NIL**

iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Mr. Ashwin Jain	3,333	33.33	NIL	Not Applicable			
2	Mr. Sanjay Desai	3,334	33.34	NIL				
3	Mr. Damanjit Singh	3,333	33.33	NIL				
4	Glenmark Pharmaceuticals Limited	Not Applicable			1,960,090	100	NIL	100
	TOTAL	10,000	100	NIL	1,960,090	100	NIL	100

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):NA

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**At the beginning of the year**	Not Applicable			
2	**Changes during the year**				
a)	Date wise Increase in Share holding during the year specifying the reasons for increase (e.g. allotment/ bonus/ sweat equity etc)				
b)	Date wise Decrease in Share holding during the year specifying the reasons for transfer etc)				
3	**At the End of the year**				

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares
A.	**DIRECTORS**						
1	Mr. Ashwin Jain	3,333	33.33	01.04.2018			
				06.07.2018	(3,333)	0	0
2	Mr. Sanjay Desai	3,334	33.34	01.04.2018			
				29.06.2018	4,50,090	453424	98.55
				06.07.2018	(4,53,424)	0	0
3	Mr. Damanjit Singh	3,333	33.33	01.04.2018			
				06.07.2018	(3,333)	0	0
4	Mr. Glenn Saldanha	-	-	-	-	-	-
5	Mr. V S Mani	-	-	-	-	-	-
6	Mr. Kanish Malik	-	-	-	-	-	-
7	Ms. Ruchita Gandhi	-	-	-	-	-	-
	TOTAL	**10,000**	**100**	**NIL**	**NIL**	**NIL**	**NIL**

V) **INDEBTEDNESS:** (Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Sl. No.	Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
A)	**Indebtedness at the beginning of the financial year**				
i)	Principal Amount	-	9.65	-	9.65
ii)	Interest due but not paid	-	-	-	
iii)	Interest accrued but not due	-	-	-	
	Sub Total [A=i)+ii)+iii)]		9.65	-	9.65
B)	**Change in Indebtedness during the financial year**				
	Addition	-	0.21	-	0.21
	Reduction	-	(9.65)	-	(9.65)
	Net Change		(9.44)		(9.44)
C)	**Indebtedness at the end of the financial year**				
i)	Principal Amount	-	0.21	-	0.21
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Sub Total [C=i)+ii)+iii)]	-	0.21	-	0.21
	TOTAL [A)+B)+C)]	-	0.21	-	0.21

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1	**Gross salary**	-	-	-
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
b)	Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	**Stock Option**	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission**	-	-	-
a)	as % of profit	-	-	-
b)	Others; specify…	-	-	-
5	**Others, please specify**	-	-	-
	Total A)	-	-	-
	Ceiling as per the Act	-	-	-

B) REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1	**Independent Directors**	-	-	-

a)	Fee for attending board / committee meetings	-	-	-
b)	Commission	-	-	-
c)	Others, please specify	-	-	-
	Total 1)	-	-	-
		-	-	-
2	**Other Non-Executive Directors**	-	-	-
a)	Fee for attending board committee meetings	-	-	-
b)	Commission	-	-	-
c)	Others, please specify	-	-	-
	Total 2)	-	-	-
	Total [B=1)+2)]	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

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

(Rs. Million)

Sl. No	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	**Company Secretary**	**CFO**	**Total**
1	**Gross salary**	-	-		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	1.45	1.45

b)	Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	0.22	**0.22**
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission**	-	-	-	-
a)	as % of profit	-	-	-	-
b)	Others; specify…	-	-	-	-
5	**Others; please specify**	-	-	-	-
	Total	-	-	**1.67**	**1.67**

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sl. No.	TYPE	SECTION OF THE CO ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT/ COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
A	**COMPANY**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B	**DIRECTORS**					
	Penalty	-	-	-	-	-

	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C	**OTHER OFFICERS IN DEFAULT**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

Walker Chandiok & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai - 400 013
India

T +91 22 6626 2600
F +91 22 6626 2601

Independent Auditor's Report

To the Members of Glenmark Lifesciences Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Glenmark Lifesciences Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

11. The comparative financial information for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2018 and 31 March 2017 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditor whose reports dated 5 June 2018 and 21 September 2017, respectively, expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

12. The Company has prepared a separate set of financial statements for the year ended 31 March 2019 in accordance with the recognition and measurement principles laid down in International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) on which we have issued a separate auditor's report dated 29 May 2019. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197 (16) of the Act is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

15. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it 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 aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 May 2019 as per Annexure B expressed unmodified opinion;

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note: 30 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Glenmark Lifesciences Limited, on the financial statements for the year ended 31 March 2019

Annexure A

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, and to the best of our knowledge and belief, we report that:

i.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

c. The title deeds of all the immovable properties owned by the Company (which are included under the head 'Property, plant and equipment) are held in the name of the Company.

ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

iv. In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

(b) There are no dues in respect of income tax, sales tax, service tax, duty of customs and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of duty of excise on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount (₹ In Million)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty on domestic clearances	14.18	14.18	April 2005 to April 2009	Custom, Excise & service tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Excise duty on domestic clearances	7.99	7.99	Jan 2010 to March 2011	Custom, Excise & service tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Disallowances of rebate claims	5.48	5.48	April 2008 to March 2011	Jt. Secretary, Dept. of Revenue , Ministry of Finance
The Central Excise Act, 1944	Disallowances of refund on duty wrongly paid	24.01	24.01	Jan 2008	Custom, Excise & service tax Appellate Tribunal, Mumbai

viii. The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained

x. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

xi. The Company has not paid or provided for any managerial remuneration. Accordingly, the provision of Clause 3 (xi) of the Order are not applicable.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

xiii. In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Glenmark Lifesciences Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the guidance Note issued by the ICAI. Those Standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 29 May 2019

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Balance Sheet
(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Non current assets				
Property, plant and equipment	3	4,499.71	0.01	0.02
Capital work-in-progress	3	803.29	-	
Other Intangible Assets	4	63.34	-	
Intangible Assets under development	4	0.65	-	
Financial Assets	5			
(i) Investments		0.77	-	
(ii) Other non current financial assets		78.94	-	
Other non-current assets	7	0.29	-	
Total non- current assets		**5,446.99**	**0.01**	**0.02**
Current assets				
Inventories	8	4,008.43	0.38	0.83
Financial Assets	9			
(i) Trade receivables		4,480.88	0.31	
(ii) Cash and cash equivalents		20.61	0.07	0.02
(iii) Other current financial assets		57.87	0.08	0.08
Other current assets	10	739.17	-	
Total current assets		**9,306.96**	**0.84**	**0.93**
Total assets		**14,753.95**	**0.85**	**0.95**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11 &12	19.60	0.10	0.10
Other Equity		861.65	(14.08)	(9.73)
Total equity		**881.25**	**(13.98)**	**(9.63)**
Liabilities				
Non-current liabilities				
Deferred tax liabilities (net)	6	68.56	-	(4.21)
Total non-current liabilities		**68.56**	-	**(4.21)**
Current liabilities				
Financial Liabilities	13			
(i) Borrowings		0.21	-	
(ii) Trade payables				
(a) dues of micro enterprises and small enterprises		220.92	-	
(b) dues of creditors other than above		1,607.96	0.13	0.58
(iii) Other financial liabilities		11,763.14	14.50	9.65
Other current liabilities	14	47.93	0.10	4.48
Provisions	15	140.44	0.09	0.09
Current tax liabilities (net)	16	23.54	-	
Total current liabilities		**13,804.14**	**14.82**	**14.79**
Total liabilities		**13,872.70**	**14.82**	**10.58**
Total equity and liabilities		**14,753.95**	**0.84**	**0.95**

See accompanying notes to the financial statements.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Glenn Saldanha
Director
DIN: 00050607

V S Mani
Director
DIN : 01082878

Ruchita Gandhi
Chief Financial officer

Place: Mumbai
Date: 29 May 2019

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Profit and Loss
(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	17	8,864.21	2.48
Other income	18	4.44	-
Total income		8,868.65	2.48
Expenses			
Cost of materials consumed	19	6,538.87	0.38
Changes in inventories of finished goods and work-in-progress	20	(3,015.89)	0.46
Employee benefits expense	21	1,062.80	1.53
Finance costs	22	6.05	-
Depreciation and amortisation expense	3 & 4	192.62	0.00
Other expenses	23	1,801.23	0.25
Total expenses		6,585.68	2.61
Profit before tax		2,282.97	(0.13)
Tax expense:	6		
Current tax		258.95	-
Deferred tax		68.10	4.21
Total tax expense		**327.05**	**4.21**
Profit for the period		**1,955.92**	**(4.34)**
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	24	1.55	-
- Income tax relating to above		(0.45)	-
Other comprehensive income/(loss) for the period, net of tax		1.10	-
Total comprehensive income for the period		1,957.02	(4.34)
Earnings per equity share of Rs 10 each	27		
Basic (in Rs)		1,355.76	(433.82)
Diluted (in Rs)		1,355.76	(433.82)

See accompanying notes to the financial statements.

As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Glenn Saldanha
Director
DIN: 00050607

V S Mani
Director
DIN : 01082878

Rudrita Gandhi
Chief Financial officer

Place: Mumbai
Date: 29 May 2019

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 *

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Cash Flows
(All amounts in million of Indian Rupees, unless otherwise stated)

Sr. No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit before tax	2,282.97	(0.14)
	Adjustments for:		
	Depreciation and amortisation expenses	192.62	0.00
	Restatement of business purchase transaction	(1,081.29)	
	Adjustment in Property, plant and equipment and Intangible assets on account of common control transaction	(123.14)	
	Assets written off	0.44	-
	Liabilities written off	(0.24)	-
	Finance costs	6.05	-
	Interest income	(4.11)	-
	Provision for gratuity and compensated absence	4.69	-
	Unrealised foreign exchange (gain)/loss	(6.50)	-
	Operating profit before working capital changes	**1,271.49**	**(0.13)**
	Adjustments for changes in working capital :		
	- Decrease/(Increase) in trade receivables	(334.76)	(0.31)
	- Increase in trade receivables - Inter co	(523.41)	-
	- Increase in other receivables	(72.35)	-
	- Decrease/(Increase) in inventories	588.13	0.46
	- Increase /(Decrease) in trade and other payables	(613.04)	(4.82)
	- Decrease in trade and other payables - inter company	22.87	-
	Cash generated from operations	**338.93**	**(4.81)**
	- Taxes paid (net of refunds)	(235.41)	-
	Net cash generated from/(used in) operating activities	**103.52**	**(4.81)**
B.	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets (including Capital work in progress)	(93.25)	-
	Interest received	4.11	-
	Net cash generated from/ (used in) investing activities	**(89.14)**	-
C.	**Cash flow from financing activities**		
	Proceeds from fresh issue of share capital including securities premium (net of issue expenses)	15.00	-
	Proceeds from /(repayment) of short-term borrowings (net) from related parties	(9.65)	4.86
	Net cash generated from financing activities	**5.35**	**4.86**
	Net increase in cash and cash equivalents	**19.74**	**0.05**
	Opening balance of cash and cash equivalents	**0.07**	**0.02**
	Cash acquired on business purchase	**0.81**	-
	Closing balance of cash and cash equivalents	**20.62**	**0.07**
	Cash and cash equivalents comprise of :		
	Cash on hand	0.40	0.01
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	20.21	0.06
		20.61	**0.07**

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS *

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 *

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Cash Flows
(All amounts in million of Indian Rupees, unless otherwise stated)
Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
2 Figures in bracket indicate cash outflow.
3 Reconciliation of short term borrowings in financing activities

Particulars	Amount
As at 31 March 2018	14.50
Borrowings made during the year	0.21
Amount repaid during the year	(9.86)
Amount written off	(0.14)
Loan converted to equity	(4.50)
As at 31 March 2019	0.21

4 Non-cash activities: Settlement of proceeds for acquisition of business (refer note 35)

See accompanying notes to the financial statements.

As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 29 May 2019

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Glenn Saldanha
Director
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Ruchita Gandhi
Chief Financial officer

Place: Mumbai
Date: 29 May 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GLENMARK LIFE SCIENCES LIMITED
MUMBAI
400 099

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Changes in Equity for the year ended
(All amounts in million of Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2017	**0.10**
Fresh equity shares issued	-
Balance as at 31 March 2018	**0.10**
Conversion of loan into equity shares	4.50
Fresh equity shares issued	15.00
Balance as at 31 March 2019	**19.60**

B. Other equity

Particulars	Statement of profit and loss	Total
Balance as at 1 April, 2018	**(14.08)**	**(14.08)**
Add: profit for the year (includes profit presented on account of common control transaction)	1,955.92	**1,955.92**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax)	1.10	1.10
Less: Adjustment on account of common control transaction (Refer note 35)	(1,081.29)	**(1,081.29)**
Balance as at 31 March 2019	**861.65**	**861.65**

Particulars	Statement of profit and loss	Total
Balance as at 1 April, 2017	**(9.73)**	**(9.73)**
Profit for the period	(4.35)	**(4.35)**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax)	-	-
Balance as at 31 March 2018	**(14.08)**	**(14.08)**

As per our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Glenn Saldanha
Director
DIN: 00050607

V S Mani
Director
DIN : 01082878

Rudrika Gandhi
Chief Financial officer

Place: Mumbai
Date: 29 May 2019

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 ★

NOTE 1 - BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY INFORMATION

Glenmark Life Sciences Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur Maharashtra, India.

The Company is primarily engaged in the business of development, manufacture and marketing of active pharmaceutical ingredients. The Company's research and development facilities are located at Mahape in India and manufacturing facilities are located at Ankleshwar, Mohol, Kurkumbh, and Aurangabad.

NOTE 2 - BASIS OF PREPARATION AND MEASUREMENT

2.1 The standalone financial statements (financial statements) of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.
The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

The preparation of these financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in 3 and 3.1.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including investments), defined benefit plans, plan assets and share-based payments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.3 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gain/loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognised in the statement of profit and loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

2.4 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and includes excise duty upto 30th June, 2017 and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts, allowances, goods and services tax (GST) and amounts collected on behalf of third parties.

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

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of active pharmaceutical products. The Company recognise revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/ discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts. The payment terms are generally ranges from 0-180 days.

(ii) Export entitlements

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive incentive 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.

(iii) Other income

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

2.5 Property, plant and equipment

Recognition and measurement

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

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The below given useful lives best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Factory and other buildings	26 - 61 years
Plant and machinery	1 – 21 years
Furniture, fixtures and office equipment	1 – 10 years
Vehicles	1– 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.6 Borrowing costs

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

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2.7 Intangible assets

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as incurred.

The Company's internal drug development expenditure is capitalised only if they meet the recognition criteria as mentioned above. Where uncertainties exist that the said criteria may not be met, the expenditure is recognised in the statement of profit and loss as incurred. Where the recognition criteria are met, intangible assets are recognised. Based on the management estimate of the useful lives, indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licensed to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised on a straight-line basis, over their useful economic lives from when the asset is available for use. During the periods prior to their launch, these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

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

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

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

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

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

Amortisation

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

The estimated useful lives of intangible assets are 1 - 10 years.

2.8 Impairment Testing of property, plant and equipment, and intangible assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

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

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2.9 Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income/expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income/expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments
The Company subsequently measures all equity investments other than those elected to be at cost under Ind AS 27 at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

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

Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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De-recognition of financial assets
A financial asset is derecognised only when
• The Company has transferred the rights to receive cash flows from the financial asset or
• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

2.10 Financial liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

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

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

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

2.1 Inventories

Inventories of finished goods, stock in trade, work in process, consumable stores and spares, Raw material, Packing material are valued at cost or net realisable value, whichever is lower. Cost of inventories is determined on a weighted moving average basis. Cost of work-in-process and finished goods include the cost of materials consumed, labour, manufacturing overheads and other related costs incurred in bringing the inventories to their present location and condition.

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

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

2.1 Accounting for income taxes

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

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

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

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

2.1 Leases

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

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

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

Operating leases

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

2.1 Equity

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

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

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

2.2 Employee benefits

Short-term benefits
Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

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

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

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

Defined benefit costs are recognised as follows:
- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability/ (asset) in other comprehensive income

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

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

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

Compensated leave of absence

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

Termination benefits

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

2.2 Provisions, contingent liabilities and contingent assets

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

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

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

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

Contingent assets are not recognised.

2.2 Share based compensation

All employee services received in exchange for the grant of any equity-settled share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is ultimately recognised as an expense in the statement of profit and loss with a corresponding credit to equity (Stock compensation reserve). If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to expense recognised in prior periods if fewer share options are ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities premium.

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2.2 CRITICAL ACCOUNITNG ESTIMATES AND SIGNIFICANT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

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

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

Leases

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

a) 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

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

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

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

2.2 Estimation Uncertainty

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

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

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

Post-employment benefits

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

Fair value of financial instruments

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

Impairment

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

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

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Current and deferred income taxes
Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Expected credit loss
The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i Trade receivables.
ii Financial assets measured at amortised cost other than trade receivables.
In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

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

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

2.20 Standards issued but not yet effective:

Ind AS 116 – Leases
On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.
The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.
The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments
On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is insignificant.

Amendment to Ind AS 12 – Income Taxes
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's financial statements.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the financial statement is insignificant.

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Note 3 - Property, Plant and Equipment
Property, plant and equipment comprise the following:

Particulars	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost									
Balance as at 1 April 2018	-	-	-	-	-	**0.01**	-	**0.01**	
- Other acquisitions	120.99	1,464.09	3.24	2,877.07	81.51	19.73	0.09	4,566.72	805.89
- Disposals/ Transfers/ adjustments	1.58	14.49	0.11	93.37	7.24	3.64	0.04	120.47	(2.60)
Balance as at 31 March 2019	**122.57**	**1,478.58**	**3.35**	**2,970.44**	**88.75**	**23.38**	**0.13**	**4,687.20**	**803.29**
Accumulated Depreciation									
Balance as at 1 April 2018	-	-	-	-	-	-	-	-	
- Depreciation charge for the year	0.77	7.16	0.02	53.80	3.43	1.80	0.02	67.00	-
- Disposals/ Transfers/ adjustments	1.58	14.49	0.11	93.37	7.24	3.65	0.04	120.48	-
Balance as at 31 March 2019	**2.35**	**21.65**	**0.13**	**147.17**	**10.67**	**5.45**	**0.06**	**187.48**	**-**
Carrying value									
As at 1 April 2018	-	-	-	-	-	0.01	-	0.01	-
As at 31 March 2019	**120.22**	**1,456.94**	**3.22**	**2,823.27**	**78.08**	**17.93**	**0.07**	**4,499.73**	**803.29**

Note:
Addition to Property, Plant and Equipment includes capital expenditure of Rs. 83.34 incurred at approved R&D centres.

NOTE 4- INTANGIBLE ASSET
Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2018	-	-	-	-
- Additions	19.82	46.01	65.83	0.65
- Disposals/ Transfers/ adjustments	2.66	-	2.66	
Balance as at 31 March 2019	**22.48**	**46.01**	**68.49**	**0.65**
Amortisation and impairment				
Balance as at 1 April 2018	-	-	-	-
- Amortisation for the year	2.49	-	2.49	-
- Disposals/ Transfers/ adjustments	2.66	-	2.66	-
Balance as at 31 March 2019	**5.15**	**-**	**5.15**	**-**
Carrying value				
As at 1 April 2018	-	-	-	-
As at 31 March 2019	**17.33**	**46.01**	**63.34**	**0.65**

At the year end, the intangible with indefinite or indeterminable lives were tested for impairment based on conditions at that date. In performing the impairment testing management considers various factors such as the size of the target market, competition, future possible price/volume erosion.

Discount rates and long term growth rates
The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset. The present value of the expected cash flows of each asset is determined by applying a discount rate of 7.80% and terminal growth rate of 2%.

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NOTE 5 - NON-CURRENT FINANCIAL ASSETS

(i) INVESTMENTS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unquoted			
Equity shares (FVTPL)			
76,800 shares of Bharuch Eco-Aqua Infrastructure limited	0.77	-	-
Total	**0.77**	-	-

Note - The investment in equity shares been stated at cost less impairment charges as these are unlisted and therefore the fair value of the Company's equity investment in this entity cannot be reliably measured.

(ii) Other non-current financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured			
Security deposits considered good*	78.94	-	-
Total	**78.94**	-	-

*Security deposits represent trade deposit given in the normal course of business realisable after twelve months

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NOTE 6 -TAXES

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax expense	258.95	-
Deferred income tax expense	90.67	4.21
Minimum Alternate Tax (MAT) Credit (Entitlement)	(22.56)	-
Total	**327.05**	**4.21**

Note: The Company acquired API division of Glenmark Pharmaceuticals Limited (the parent company) on 01 January 2019. Due to accounting guidance under Ind AS 103 for common control transaction the Company has restated the transactions from period 10 July 2018 to 31 December 2018 i.e. considering 10 July 2018 as the effective date on which the parent company acquired the common control (Refer Note 35 for more details). Accordingly, profit for the period 10 July 2018 to 31 December 2018 is included and therefore, offered for taxation in the books of the parent company and hence, the Company, for taxation purpose, has offered profit amounting to Rs 1201.68 for the period 1 January 2019 to 31 March 2019.

The relationship between the expected tax expense based on the applicable tax rate of the Company and the tax expense actually recognised in the statement of profit and loss can be reconciled as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income tax expense at tax rates applicable	**349.93**	-
Tax adjustment for tax-exempt income		-
- Income exempt from tax	-	-
Other tax adjustments		-
- Additional deduction for research and development expenditure	(21.73)	-
- Additional deduction for accelerated depreciation	-	-
- Disallowance of donation/corporate social responsibility expenses	0.54	-
- Income exempt from tax	(1.69)	
- Other disallowance		
Actual tax expense (net)	**327.05**	-

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 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
MAT credit entitlement	-	22.56	-	22.56
Other items	-	0.29	-	0.29
Total	-	**22.85**	-	**22.85**
Deferred tax liabilities				
Difference in depreciation on property, plant and equipment	-	90.96	-	90.96
Other taxable temporary differences	-	-	0.45	0.45
Total	-	**90.96**	**0.45**	**91.41**
Net deferred income tax asset / (liabilities)	-	**(68.10)**	**(0.45)**	**(68.56)**

Particulars	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax assets				
Unabsorbed depreciation and carried forward business loss	4.21	(4.21)		-
Total	**4.21**	**(4.21)**	-	-
Net deferred income tax asset	**4.21**	**(4.21)**	-	-

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income in the future periods are reduced.

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NOTE 7 - OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital advances	0.29	-	-
Total	**0.29**	-	-

NOTE 8 - INVENTORIES

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Raw material	799.62	0.38	0.83
Packing material	10.31	-	-
Work-in-process	2,826.53	-	-
Stores and spares	182.23	-	-
Finished goods	189.74	-	-
Total	**4,008.43**	**0.38**	**0.83**

The Company recorded inventory write down (net) of Rs.0.38. This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock -in- trade in the statement of profit and loss.

NOTE 9 - CURRENT FINANCIAL ASSETS

(i) TRADE RECEIVABLES

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured			
Considered good	4,480.88	0.31	-
Total	**4,480.88**	**0.31**	-

(ii) CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	20.21	0.06	0.02
Cash on hand	0.40	0.01	-
Total	**20.61**	**0.07**	**0.02**

(iii) OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security deposits-unsecured, considered good	-	0.08	0.08
Export incentives	57.87	-	-
Total	**57.87**	**0.08**	**0.08**

NOTE 10 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advances recoverable in kind (unsecured)	135.91	-	-
Input taxes receivable	558.74	-	-
Advance to vendors	44.52	-	-
Total	**739.17**	-	-

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NOTE 11 - EQUITY AND RESERVES

a) Ordinary shares

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

The Company has an authorised share capital of 2,000,000 equity shares of Re.10 each.

b) Reserves

Statement of profit and loss – Accumulated earnings include all current and prior period profits as disclosed in the statement of profit and loss.

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NOTE 12 - EQUITY SHARE CAPITAL

Share capital	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(I) Authorised						
Equity Shares of Rs 10 each	2,000,000	20.00	10,000	0.10	10,000	0.10
Issued, subscribed and fully paid-up equity shares of Rs 10 each						
At the beginning of the year	**10,000**	**0.10**	**10,000**	**0.10**	**10,000**	**0.10**
Add: Issued during the year						
-Loan conversion to Equity	450,090	4.50				
-Preferential Issue	1,500,000	15.00				
At the end of the year	**1,960,090.00**	**19.60**	**10,000**	**0.10**	**10,000**	**0.10**

(II) List of shareholders holding more than 5 % shares	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares
Glenmark Pharmaceuticals Limited	100%	1,960,090				
Ashwin Jain			33.33%	3,333	33.33%	3,333
Damanjit Singh			33.33%	3,333	33.33%	3,333
Sanjay Desai			33.34%	3,334	33.34%	3,334

(III) 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.

(IV) In the financial year 2019, unsecured loan of Rs. 4.5 received from Mr. Sanjay Desai (Director and shareholder) was converted in to equity shares of Rs 10 each fully paid up. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

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NOTE 13 - CURRENT FINANCIAL LIABILITIES

(i) BORROWINGS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured loans			
Loan from related Parties	0.21	-	-
Total	**0.21**	**-**	**-**

(ii) TRADE PAYABLES

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006	220.92	-	-
Trade payables outstanding dues to creditors other than micro, small and medium enterprises	1,479.71	0.13	0.58
Trade payables to related party (Refer note 25)	128.25	-	-
Acceptances		-	-
Total	**1,828.88**	**0.13**	**0.58**

Note (i)

Dues to Micro and Small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) The principal amount remaining unpaid to any supplier at the end of the year	220.92	-	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

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(iii) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Employee dues	0.02	-	-
Sundry creditors for capital goods	45.05	-	-
Accrued expenses	96.13	-	-
Payable to related parties (Refer note 25)	11,621.94	14.50	9.65
Total	**11,763.14**	**14.50**	**9.65**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

NOTE 14 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory dues	19.65	-	-
Advance from customers	28.28	-	-
Other liabilities	-	0.10	4.48
Total	**47.93**	**0.10**	**4.48**

Other liabilities includes advance from customers and other such adjustable balances

NOTE 15 - PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provisions for employee benefits :			
Provision for gratuity (Refer note 24)	81.06	0.09	0.09
Provision for compensated absences (Refer note 24)	59.38	-	-
Total	**140.44**	**0.09**	**0.09**

NOTE 16 - CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for income tax (net of advance tax of Rs. 235.41)	23.54		
Total	**23.54**	-	-

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NOTE 17- REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	8,521.99	2.33
Other operating revenue	342.22	0.15
Total	**8,864.21**	**2.48**

NOTE 18 -OTHER INCOME

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Dividend income		
Interest income	4.11	-
Miscellaneous income	0.33	-
Total	**4.44**	**-**

NOTE 19- COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of raw material and packing material	6,335.60	0.38
Consumption of stores and spares	203.27	-
Total	**6,538.87**	**0.38**

NOTE 20- CHANGES IN INVENTORIES OF WORK-IN-PROCESS, STOCK-IN-TRADE AND FINISHED GOODS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(Increase)/Decrease in stock of finished goods, work-in-process and stock-in-trade	(3,015.89)	0.46
Total	**(3,015.89)**	**0.46**
(Increase)/Decrease in stocks		
At the year end	-	
Finished goods	189.74	-
Work-in-process	2,826.53	-
	3,016.27	0.38
At the beginning of the year	-	0.38
Stock-in-trade	0.38	
	0.38	0.84
Total	**(3,015.89)**	**(0.38)**

NOTE 21- EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	987.92	1.53
Contribution to provident and other funds and retirement benefits (Refer note 26)	58.85	-
Staff welfare expenses	16.04	-
Total	**1,062.80**	**1.53**

NOTE 22 - FINANCE COSTS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on		
- Others	6.05	-
Total	**6.05**	**-**

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NOTE 23 - OTHER EXPENSES

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Power, fuel and water charges	578.13	-
Labour charges	248.88	-
Stores and spares consumed	72.49	-
Repairs and maintenance - plant and machinery	42.64	-
Repairs and maintenance - building	35.61	-
Repairs and maintenance - others	148.25	-
Rent	11.11	-
Other manufacturing expenses	19.76	-
Selling and marketing expenses	(5.44)	-
Sales promotion expenses	95.47	-
Export commission	33.51	-
Travelling expenses	50.47	-
Freight outward	150.17	-
Telephone expenses	1.75	-
Rates and taxes	17.72	-
Insurance premium	2.96	-
Auditors remuneration		
- Audit Fees	3.43	-
- Out of pocket expenses	0.19	-
Loss on sale of assets	6.26	-
Exchange loss (net)	67.19	-
Corporate Social Responsibility Activities	11.80	-
Test and Trials and Development Expenses	1.44	0
Legal & professional expenses	80.67	-
Other expenses	126.77	0.25
Total	**1,801.23**	**0.25**

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NOTE 24 - EMPLOYEE POST- RETIREMENT BENEFITS

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

a) Gratuity (defined benefit plan)

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

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

Particulars	31 March 2019	31 March 2018
Current service cost	4.08	
Personnel expenses	4.08	
Net interest on defined benefit schemes	1.67	
Net periodic expense	5.75	-

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

Particulars	31 March 2019	31 March 2018
Actuarial (gains)/losses		
Based on adjustment of financial assumptions	-	
Based on experience variance	(1.55)	
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	-	
Total remeasurement loss recognised in the statement of other comprehensive income	(1.55)	-

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

Particulars	31 March 2019	31 March 2018
Present value of funded obligations	81.06	
Fair value of plan assets	-	
Net defined benefit liability	81.06	
Being:		
Retirement benefit assets	-	
Retirement benefit liabilities	81.06	

The movements in the net defined benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Cost recognised in statement of profit and loss	5.75	
Remeasurement (gains) / losses recognised in other comprehensive income	(1.55)	
Acquired through business transfer	76.86	
Actual employer contributions	-	
Benefits paid	-	
Closing balance	81.06	

The change in the present value of defined benefit obligations is as follows:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Current service cost	4.08	
Interest cost on the defined benefit obligations	1.67	
Acquired through business transfer	76.86	
Actual benefit payments	-	
Actuarial (gains)/losses - Liability experience /Financial assumptions	(1.55)	
Closing balance	81.06	

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The following table shows the change in the fair value of plan assets:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Interest income on plan assets	-	
Actual employer contributions	-	
Actual return on assets (excluding interest income on plan assets)	-	
Closing balance	-	-

The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2019 are as follows:

Particulars	31 March 2019	31 March 2018
Discount Rate	7.60%	
Salary Escalation rate (%)	5.00%	

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

Particulars	31 March 2019	31 March 2018
Average life expectancy (Years)	25.81	

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2019	31 March 2018
Assets administered by respective insurance companies	100%	

A breakup of the defined benefit plan related balance sheet amounts as at 31 March 2019 and 2018, is shown below.

Particulars	31 March 2019	31 March 2018
Present value of funded obligations	81.06	
Fair value of plan assets	-	
Net defined benefit liability	81.06	-

The present value of defined benefit obligations by category of members at 31 March 2019 and 2018, is shown below:

Particulars	31 March 2019	31 March 2018
Active number of employees	1,473	
Present value of funded obligations	81.06	

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

Particulars	31 March 2019	31 March 2018
Discount rate +0.5 % p.a.	(3.36)	
Discount rate - 0.5 % p.a.	3.61	
Rate of compensation increase + 0.5 % p.a.	3.51	
Rate of compensation decrease - 0.5 % p.a.	(3.29)	

The experience adjustment relating to gratuity is summarised as follows:

Particulars	On plan liability (gain)/loss	On plan assets gain/(loss)
2018-19	(1.55)	

b) Compensated leave of absence plan (other long term benefit plan)

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

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

Particulars	31 March 2019	31 March 2018
Current service cost	2.92	
Personnel expenses	**2.92**	
Net interest on long term benefit schemes	1.31	
Actuarial (gains)/losses		
Based on adjustment of financial assumptions		
Due to liability experience adjustment	(5.28)	
Return on plan assets (excluding amounts in net interest on defined benefit schemes)		
Net periodic expense	**(1.05)**	-

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

Particulars	31 March 2019	31 March 2018
Present value of funded obligations	59.38	
Fair value of plan assets	-	
Net long term benefit liability	59.38	-
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	59.38	-

The movements in the net long term benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Cost recognised in the statement of profit and loss	(1.05)	
Business transfer	60.43	
Benefits paid	-	
Closing balance	59.38	

The change in the present value of long term benefit obligations is as follows:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Current service cost	2.92	
Interest cost on the long term benefit obligations	1.31	
Actual benefit payments	-	
Actuarial (gains)/losses - Financial assumptions	-	
Actuarial (gains)/losses - Liability experience adjustment	(5.28)	
Business transfer	60.43	
Closing balance	59.38	-

The following table shows the change in the fair value of plan assets:

Particulars	31 March 2019	31 March 2018
Beginning balance	-	
Interest income on plan assets	-	
Return on plan assets	-	
Closing balance	-	-

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The principal actuarial assumptions used for the long term benefit obligations at 31 March 2019 and 2018 are as follows:

Particulars	31 March 2019	31 March 2018
Discount rate (weighted average)	7.60%	
Rate of compensation increase (weighted average)	5.00%	

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

Particulars	31 March 2019	31 March 2018
Average life expectancy	25.81	

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2019	31 March 2018
Insurance contracts	100%	

A breakup of the long term benefit plan related balance sheet amounts at 31 March 2019 and 2018, is shown belo

Particulars	31 March 2019	31 March 2018
Present value of obligations	59.38	
Fair value of plan assets	-	
Net long term benefit liability	59.38	-

The present value of long term benefit obligations by category of members at 31 March 2019 and 2018, is shown below:

Particulars	31 March 2019	31 March 2018
Active number of employees	1,473	
Present value of obligations	59.38	

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

Particulars	31 March 2019	31 March 2018
Discount rate + 0.5 % p.a.	(2.60)	
Discount rate - 0.5 % p.a.	2.80	
Rate of compensation increase + 0.5 % p.a.	2.85	
Rate of compensation decrease - 0.5 % p.a.	(2.67)	

c) Provident fund and others (defined contribution plan)

Apart from being covered under the gratuity plan described earlier, employees participate in a provident fund plan; a defined contribution plan. The Company makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Company does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. The Company contributed approximately Rs. 11.63 towards the provident fund plan during the year ended 31 March 2019.

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NOTE 25 - RELATED PARTY DISCLOSURES

a) Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31 March 2019	31 March 2018
Glenmark Pharmaceuticals Ltd.	Immediate and ultimate parent entity	India	100%	-

b) Entities under common control (Fellow subsidiary companies)

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.
Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Pharmaceuticals S.R.O., Czech Republic
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Glenmark Pharmaceuticals S. A., Switzerland
Glenmark Holding S. A., Switzerland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Pharmaceuticals Inc., USA
Glenmark Therapeutics Inc., USA
Glenmark Farmaceutica Ltda., Brazil
Glenmark Generics SA., Argentina
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Colombia SAS, Colombia
Glenmark Uruguay S.A., Uruguay
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela
Glenmark Dominicana, SRL, Dominican Republic
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Pharmaceuticals FZE., United Arab Emirates
Glenmark Impex L.L.C., Russia
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia
Glenmark South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals B.V., Netherlands
Glenmark Arzneimittel Gmbh., Germany
Glenmark Pharmaceuticals Canada Inc., Canada
Glenmark Pharmaceuticals Kenya Ltd, Kenya
Glenmark Therapeutics AG, Switzerland
Viso Farmaceutica S.L.U., Spain
Glenmark Specialty S A, Switzerland
Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
Glenmark Pharmaceuticals Nordic AB, Sweden
Glenmark Ukraine LLC, Ukraine
Glenmark-Pharmaceuticals Ecuador S.A., Ecuador
Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore

c) Enterprise over which key managerial personnel excercise significant influence

Glenmark Foundation
Glenmark Aquatic Foundation
Apara Agencies (effective till July 16, 2018)

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

Glenmark Pharmaceuticals Inc., USA
Glenmark Pharmaceuticals Ltd., India
Apara Agencies (effective till July 16, 2018)
Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)
Glenmark Pharmaceuticals B.V., Netherlands
Glenmark Farmaceutica Ltda., Brazil
Glenmark Pharmaceuticals Ltd.
Viso Farmaceutica S.L.U.
Glenmark Foundation
Ms. Ruchita Gandhi (effective from January 01, 2018)
Mr. Ashwin Jain (effective till July 16, 2018)
Mr. Sanjay Desai (effective till July 16, 2018)
Mr. Damanjit Singh (effective till July 16, 2018)

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e) Key Management Personnel
Mr. Glenn Saldanha (effective from July 06, 2018)
Mr. V S Mani (effective from July 06, 2018)
Mr. Kanish Malik (effective from July 06, 2018)
Ms. Ruchita Gandhi (effective from January 01, 2018)
Mr. Ashwin Jain (effective till July 16, 2018)
Mr. Damanjit Singh (effective till July 16, 2018)
Mr. Sanjay Desai (effective till July 16, 2018)

(f) Related party transaction

		Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2018
1	**Sale of materials & services**		2,200.79		2.33
	Glenmark Pharmaceuticals Inc., USA	861.71			
	Glenmark Pharmaceuticals Ltd., India	1,339.08			
	Apara Agencies (effective till July 16, 2018)			2.33	
2	**Purchase of materials & services**		313.96		
	Glenmark Pharmaceuticals Ltd., India	313.96			
3	**Expenses incurred on behalf of Glenmark Lifesciences Ltd**		120.98		-
	Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)	22.42		-	
	Glenmark Pharmaceuticals B.V., Netherlands	27.65			
	Glenmark Farmaceutica Ltda., Brazil	28.68			
	Glenmark Pharmaceuticals Ltd.	19.22			
	Glenmark Pharmaceuticals Inc., USA	15.21			
	Viso Farmaceutica S.L.U.	7.80			
4	**Contribution incurred for CSR activities to**		1.82		-
	Glenmark Foundation	1.82		-	
5	**Key management personnel**				
	Remuneration		1.67		
	Ms. Ruchita Gandhi (effective from January 01, 2018)	1.67			
6	**Loan taken from related parties**				
	Loan taken from directors/shareholders		0.37		6.37
	Mr. Ashwin Jain (effective till July 16, 2018)	0.13		1.17	
	Mr. Sanjay Desai (effective till July 16, 2018)	0.04		5.20	
	Glenmark Pharmaceuticals Ltd., India	0.21			
7	**Loan repaid to related parties**				
	Loan repaid to the directors/shareholders		10.02	-	1.52
	Mr. Ashwin Jain (effective till July 16, 2018)	4.76		1.52	
	Mr. Damanjit Singh (effective till July 16, 2018)	3.77		-	
	Mr. Sanjay Desai (effective till July 16, 2018)	1.50		-	
8	**Conversion of loan to equity share capital**				
	Director's loan converted to equity share capital		4.50		-
	Mr. Sanjay Desai (effective till July 16, 2018)	4.50		-	
9	**Business transfer transaction with parent**				
	As part of business transfer agreement, assets and liabilities are taken over for a net consideration payable to:		11,621.94		-
	Glenmark Pharmaceuticals Ltd., India	11,621.94		-	
10	**Other incomes**				
	Loan written off		0.14		-
	Mr. Sanjay Desai (effective till July 16, 2018)	0.14		-	
11	**Equity shares issued to parent**		15.00		-
	Glenmark Pharmaceuticals Ltd., India	15.00		-	

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(g) Related party balances

		As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017	As at 1 April 2017
1	**Receivable/(Payable) from/ (to) subsidiary companies/enterprise**		**(10,343.29)**		**(55.89)**		**(5.30)**
	Glenmark Farmaceutica Ltda., Brazil	(7.89)		-		-	
	Glenmark Pharmaceuticals B.V., Netherlands	(56.11)		-		-	
	Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)	(48.14)		-		-	
	Glenmark Pharmaceuticals Inc., USA	889.11		-		-	
	Viso Farmaceutica S.L.U.	(16.11)		-		-	
	Glenmark Pharmaceuticals Ltd., India	(11,104.15)		-		-	
	Mr. Ashwin Jain	-		(46.33)		(4.98)	
	Mr. Damanjit Singh	-		(3.77)		(3.77)	
	Mr. Sanjay Desai	-		(6.10)		(0.90)	
	Apara Agencies (effective till July 16, 2018)	-		0.31		4.35	

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NOTE 26- RESEARCH AND DEVELOPMENT EXPENSES

During the year, the Company's expenses (revenue) on research and development is Rs. 67.51.

NOTE 27 - EARNINGS PER SHARE (EPS)

The basic earnings per share for the year ended 31 March 2019 has been calculated using the net profits attributable to equity shareholders.

Calculation of basic and diluted EPS is as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit attributable to equity shareholders, for basic and diluted	1,957.02	(4.34)
Weighted average number of shares outstanding during the year for basic EPS	1,443,493	10,000
Weighted average number of shares outstanding during the year for diluted EPS	1,443,493	10,000
Basic EPS, in Rs.	**1,355.76**	**(433.82)**
Diluted EPS, in Rs.	**1,355.76**	**(433.82)**

NOTE 28 - SEGMENT REPORTING

A. General information:

(a) Factors used to identify the entity's reportable segments, including the basis of organisation -

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director (MD) of the company. The company has identified only one segment i.e. API as reporting segment based on the information reviewed by CODM.

B. Information about geographical segment

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Revenue from external customers		
Within India	3,559.20	-
Outside India	5,305.01	-
	8,864.21	-

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NOTE 29 - REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives for the year ended 31 March 2018 have not been restated. Under Ind AS 115, an entity recognizes revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did/ did not result in a material impact on the retained earnings as at 1 April 2018, statement of profit and loss and Cash flow statement for the year ended 31 March 2019 or balance sheet as of 31 March 2019.

The Company determines revenue recognition through the following steps:
1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company is primarily engaged in the business of development, manufacture and marketing of API.

a) Disaggregated revenue information

The company has identified only one segment i.e. API as reporting segment based on the information reviewed by the Chief Operating Decision Maker.

i) The Company's revenue disaggregated by primary geographical markets is as follows:

Geographical area	Total revenue
Within India	3,559.20
Outside India	5,305.01
Total	**8,864.21**

ii) The Company's revenue disaggregated by pattern of revenue recognition is as follows:

Particulars	Total revenue
Goods transferred at a point in time	8,864.21
Goods transferred over time	-
Total	**8,864.21**

b) i) Contract balances

Particulars	As at 31 March 2019
Trade receivables	4,480.88
Contract Assets	-
Contract Liabilities	28.29

ii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended 31 March 2019
Revenue as per contracted price	8,864.21
sales return	
Revenue from contract with customers	8,864.21

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NOTE 30 - COMMITMENTS AND CONTINGENCIES

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed taxes and duties	27.64	-
Others	-	-

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2019 aggregate Rs. 144.09.

(b) Estimated amount of contracts remaining to be executed on other than capital commitment and not provided for (net of advances) as at 31 March 2019 aggregate Rs. 1,701.17.

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NOTE 31- FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at 31 March 2019				As at 31 March 2018			As at 1 April 2017		
	FVTPL	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Financial assets										
Non-current financial assets	-	78.94	78.94	78.94	-	-	-	-	-	-
Trade receivables	-	4,480.88	4,480.88	4,480.88	0.31	0.31	0.31	-	-	-
Cash and cash equivalents	-	20.61	20.61	20.61	0.07	0.07	0.07	0.02	0.02	0.02
Investments	0.77		0.77	0.77	-	-	-			
Other current financial assets	-	57.87	57.87	57.87	0.08	0.08	0.08	0.08	0.08	0.08
Total	**0.77**	**4,638.30**	**4,639.07**	**4,639.07**	**0.46**	**0.46**	**0.46**	**0.10**	**0.10**	**0.10**
Financial Liabilities										
Trade payables	-	1,828.88	1,828.88	1,828.88	0.13	0.13	0.13	0.58	0.58	0.58
Short term borrowings	-	0.21	0.21	0.21	-	-	-	-	-	-
Other current financial liabilities	-	11,763.14	11,763.14	11,763.14	14.50	14.50	14.50	9.65	9.65	9.65
Total	-	**13,592.22**	**13,592.22**	**13,592.22**	**14.63**	**14.63**	**14.63**	**10.22**	**10.22**	**10.22**

Trade receivables comprise amounts receivable from the sale of goods and services.
The management considers that the carrying amount of trade and other receivables approximates their fair value.
Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.
Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates to their fair value.
Fair value hierarchy :
Level 1 : Quoted (unadjusted) marketprices in active markets for identicalassets or liabilities
Level 2 : All FVTPL financial assets are classified under level 2 of fair value hierarchy.
Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

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NOTE 32- RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company focuses on actively securing its short to medium term cash flows by minimising the exposure to financial markets.

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

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

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

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

Foreign Currency sensitivity

The foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR)
US Dollar conversion rate was Rs. 64.82 at the beginning of the year and scaled to a high of Rs. 74.21 and to low of Rs. 64.76. The closing rate is Rs. 69.32. Considering the volatility in direction of strengthening dollar upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2019	
	USD (million)	INR
Short-term exposure		
Financial assets	41.12	2,850.73
Financial liabilities	(8.00)	(554.31)
Total	**33.12**	**2,296.42**

If the INR had strengthened against the US Dollar by 10% then this would have the following impact:

Particulars	31-Mar-19
	INR
Net results for the year	(229.64)
Equity	-

If the INR had weakened against the US Dollar by 10% then this would have the following impact:

Particulars	31-Mar-19
	INR
Net results for the year	229.64
Equity	-

EUR conversion rate was Rs. 79.86 at the beginning of the year and scaled to a high of Rs. 85.59 and to low of Rs. 77.69. The closing rate is Rs. 77.76. Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31-Mar-19	
	EUR (million)	INR
Short term exposure		
Financial assets	0.55	43.03
Financial liabilities	(0.93)	(72.16)
Total	**(0.38)**	**(29.13)**

If the INR had strengthened against the EUR by 10% then this would have the following impact:

Particulars	As at 31 March 2019
	INR
Net results for the year	2.91
Equity	-

If the INR had weakened against the EUR by 10% then this would have the following impact:

Particulars	As at 31 March 2019
	INR
Net results for the year	(2.91)
Equity	-

Note: There are no foreign currency denominated financial assets and liabilities as on 1 April 2017 and 31 March 2018

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Credit risk analysis
The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash & cash equivalents	20.61	0.07	0.02
Trade receivables	4,480.88	0.31	
Current financial assets	57.87	0.08	0.08
Non current financial assets	78.94	-	
Total	**4,638.30**	**0.46**	**0.10**

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 Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates and are of good credit quality, including those that are past due. None of the Company's financial assets are secured by collateral or other credit enhancements.

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

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

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

As at 31 March 2019, the Company's liabilities have contractual maturities which are summarised below:

	Current	Non-Current
	Within 1 year	**1to 5 years**
Trade payable	1,828.89	-
Short term borrowings	0.21	-
Other non-current financial liabilities	11,763.14	-
Total	**13,592.24**	-

NOTE 33 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Net Debt = total borrowings less cash and cash equivalent. Total 'equity' as shown in the balance sheet.

	31 March 2019	31 March 2018	1 April 2017
Total debt	0.21	-	
Less: Cash & cash equivalents	20.61	0.07	0.02
Net debt (A)	**(20.40)**	**(0.07)**	**(0.02)**

NOTE 34 - NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2019:

(i) The Company is not required to incur expenditure on CSR as per the companies act requirement for the year ended 31 March 2019.

(ii) Amount spent during the year on vocational skills livelihood enhancement project: Rs. 1.82

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NOTE 35 - BUSINESS COMBINATION

Acquisition of business

On 1 January 2019, the Company has acquired the API division of Glenmark Pharmaceuticals Limited (the parent company). The business is transferred in order to provide a separate strategic focus to API business. Since the business is acquired from the parent company and form part of the Glenmark Group, accordingly, the transfer of business is considered as Business combinations of entities under common control as per Appendix C of Ind AS 103. Thus disclosures and accounting is done as per pooling of interest method as per Ind AS 103.

The parent company on 10 July 2018 obtained control of the Company by acquiring the 100% shareholding from its erstwhile shareholders. Thus, in order to comply with the guidance on pooling of interest method prior period transactions are restated from 10 July 2018. However, the transactions for the period prior to 01 January 2019 relating to API division are legally and contractually carried on by the parent company and all statutory liabilities (including income tax, GST, PF, Gratuity etc.) prior to 01 January, 2019 have been accounted and discharged by the parent company.

Accordingly, transactions and profit for the period 10 July 2018 to 31 December 2018 related to API division legally, beneficially and contractually carried on by the parent are shown below as "Transactions undertaken by and attributable to the parent company". Further, the transactions relating to and attributable to the Company, including the transactions in respect of the API Division, are shown below as "Transactions undertaken by and attributable to the Company".

Reconciliation of the Statement of Profit and Loss prepared as per Schedule III of the Act for the year ending 31 March 2019.

Particulars	Total	Transactions undertaken by and attributable to the parent company	Transactions undertaken by and attributable to the Company
Income			
Revenue from operations	8,864.21	4,898.85	3,965.36
Other income	4.44	-	4.44
Total income	8,868.65	4,898.85	3,969.80
Expenses			
Cost of materials consumed	6,538.87	1,641.33	4,897.54
Changes in inventories of finished goods and work-in-progress	(3,015.89)	-	(3,015.89)
Employee benefits expense	1,062.80	768.86	293.94
Finance costs	6.05	-	6.05
Depreciation and amortisation expense	192.62	123.13	69.49
Other expenses	1,801.23	1,284.24	516.99
Total expenses	6,585.68	3,817.56	2,768.12
Profit before exceptional items and tax	2,282.97	1,081.29	1,201.68
Exceptional items	-	-	-
Profit before tax	2,282.97	1,081.29	1,201.68
Tax expense:			
Current tax	258.95	-	258.95
Deferred tax	68.10	-	68.10
Total tax expense	**327.05**	-	**327.05**
Profit for the period	**1,955.92**	**1,081.29**	**874.63**
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	1.55	-	1.55
- Income tax relating to above	(0.45)	-	(0.45)
Other comprehensive income/(loss) for the period, net of tax	1.10	-	1.10
Total comprehensive income for the period	1,957.02	1,081.29	875.71

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Details of the purchase consideration and the net assets acquired for API business are as follows:

Purchase consideration	**Amount**
Payable to Glenmark Pharmaceuticals Ltd.	11,621.94
Total purchase consideration	**11,621.94**

Net identifiable assets acquired (01 January 2019 balances)	**Amount**
Assets and liabilities taken over	
Fixed Assets	5,298.47
Inventory	4,596.56
Debtors	3,634.43
Other assets and liabilities	640.35
Creditors	(2,547.87)
Net identifiable assets acquired	**11,621.94**

NOTE 36 - Certain prior year amounts have been reclassified for consistency with the current year presentation. As a result, certain line items have been amended in the financial statements. These reclassifications had no effect on the reported results of operations. Comparative figures have been adjusted to conform to the current year's presentation.

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Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Notes to the Financial Statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 37- First time adoption of Ind AS

Transition to Ind AS

These are the company's first consolidated financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2018, pursuant to acquisition by Glenmark Pharmaceuticals Limited, with a transition date of 1st April, 2017. These financial statements for the year ended 31st March, 2019 are the first the company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2018, the company prepared its financial statements in accordance with the previously applicable Indian GAAP (hereinafter referred to as "IGAAP")

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the company has prepared financial statements which comply with Ind AS for year ended 31st March, 2019, together with the comparative information as at and for the year ended 31st March, 2018. The Company's opening Ind AS Balance Sheet has been prepared as at 1st April, 2017, the date of transition to Ind AS.

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the company in restating its IGAAP financial statements, including the Balance Sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

A.1 Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

A.1.1 Deemed cost

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

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their IGAAP carrying value.

A.2 Ind AS mandatory exceptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with IGAAP.

Consequently, the company has applied the above requirement prospectively.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. No reconciliation item was identified from previous GAAP to Ind AS.

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NOTE 38 - AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors on 29 May 2019.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number : 001076N/N500013

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 29 May 2019

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Glenn Saldanha
Director
DIN: 00050607

V S Mani
Director
DIN : 01082878

Ruchita Gandhi
Chief Financial officer

Place: Mumbai
Date: 29 May 2019

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