

BOARD'S REPORT

Your Directors have pleasure in presenting the Tenth 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 2021.

1. FINANCIAL RESULTS:

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

(Rs. in Million)

Particulars	For the financial year ended March 31, 2021	For the financial year ended March 31, 2020
Net Sales/Income from operations		
Income from operations	18,851.65	15,373.13
Other Income	8.11	119.90
Total Income	18,859.76	15,493.03
Total Expenses	14,150.32	11,282.68
Profit before exceptional and extraordinary items and tax	4,709.44	4,210.67
Less: Exceptional Items	-	-
Profit Before Tax	4709.44	4,210.67
Less: Current tax	1,127.46	985.42
Less Deferred Tax	66.17	94.27
Net Profit After Tax	3,515.81	3,130.98

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

2. RESULTS OF OPERATIONS:

Total Income- Our total income increased by 21.73% to Rs. 18,859.76 million for the financial year 2021 from Rs. 15,493.03 million for the financial year 2020, primarily due to an increase in revenue from operations.

Revenue from Operations. Our revenue from operations increased by 9.42% to Rs. 15,373.13 million for the financial year 2020 from Rs. 14,050.26 million for the financial year 2019, primarily due to an increase in revenue from sale of products.

- Our revenue from the sale of products increased by 9.81% to Rs. 14,943.41 million for the financial year 2020 from Rs. 13,607.95 million for the financial year 2019, primarily due to a significant increase in our CDMO business, which increased by 104.45% to Rs. 2,004.9 million for the financial year 2020 from Rs. 980.61 million for the financial year 2019.
- Our other operating revenue decreased by 2.85% to Rs. 429.72 million for the financial year 2020 from Rs. 442.31 million for the financial year 2019, primarily due to a decrease in sale of scrap/by-products.

Other Income. Our other income increased to Rs. 119.90 million for the financial year 2020 from Rs. 4.71 million for the financial year 2019, primarily due to an exchange gain (net) of Rs. 112.39 million recorded in the financial year 2020 on account of depreciation of the India rupee against the US dollar during the financial year 2020.

Expenses

Cost of Materials. Cost of materials increased by 10.22% to Rs. 6,904.58 million for the financial year 2020 from Rs. 6,264.43 million during the financial year 2019. This increase was primarily due to an increase in the volume of raw materials purchased by us in line with the overall increase in the manufacturing and sale of our API products during the financial year 2020.

Employee Benefits Expenses. Employee benefits expenses increased by 9.70% to Rs. 1,422.80 million for the financial year 2020 from Rs. 1,296.99 million for the financial year 2019, primarily as a result of an increase in our number of employees as a result of the growth in our business and operations and annual compensation increments given to our employees. Our number of employees increased to 1,510 employees as of March 31, 2020 from 1,467 employees as of March 31, 2019.

Finance Costs. Our finance costs increased to Rs. 335.15 million for the financial year 2020 from Rs. 6.05 million for the financial year 2019 due to interest expense on business purchase consideration relating to the Spin-off of Rs. 335.15 million incurred in the financial year 2020.

Depreciation and Amortization Expense. Our depreciation and amortization expenses increased by 15.74% to Rs. 293.68 million for the financial year 2020 from Rs. 253.74 million for the financial year 2019, primarily on account of capital expenditure incurred towards expanding manufacturing capacities at our Ankleshwar site.

Other Expenses. Other expenses increased by 5.96% to Rs. 2,326.15 million for the financial year 2020 from Rs. 2,195.37 million for the financial year 2019, primarily due to an increase in labor charges by 23.13% to Rs. 429.41 million for the financial year 2020 from Rs. 348.74 million for the financial year 2019, an increase in insurance premium to Rs. 33.16 million for the financial year 2020 from Rs. 5.24 million for the financial year 2019, an increase in corporate social responsibility expenses by 85.86% to Rs. 26.28 million for the financial year 2020 from Rs. 14.14 million for the financial year 2019 and an increase in other expenses by 16.97% to Rs. 283.60 million for the financial year 2020 from Rs. 242.46 million for the financial year 2019.

Total Tax Expense

Our total tax expense decreased to Rs. 1,079.69 million for the financial year 2020 from Rs. 1,111.66 million for the financial year 2019, primarily as we availed the option to pay income tax in respect of our total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) under Section 115BAA of the Income Tax Act, 1961, with effect from the financial year 2020.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 6.98% to Rs. 3,130.98 million for the financial year 2020 from Rs. 2,926.73 million for the financial year 2019.

3. AMOUNT PROPOSED TO BE CARRIED TO ANY RESERVES:

The Company has not transferred any amount to general reserves for the financial year 2020-21.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary or Associate company as defined in the Companies Act, 2013 during the Financial Year under review. However, The Company is a wholly owned Subsidiary of Glenmark Pharmaceuticals Limited.

5. DIVIDEND:

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

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 any of the previous years.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the Company had appointed Mr. Sumantra Mitra (DIN - 08748014) as Whole Time Director (Additional Director) in their meeting held on 26 June, 2020. Further, the Members at their Annual General Meeting held on 28 September, 2020 had regularized his appointment as Whole Time Director.

The Board of Directors of the Company had appointed four Independent Directors (additional directors) in the below Board Meetings held during the Financial Year under review.

Sr.No.	Name	DIN	Date of Board Meetings
1.	Mr. Sridhar Gorthi	00035824	30 October, 2020
2.	Mrs. Manju Agarwal	06921105	30 October, 2020
3.	Mr. Taruvai Laxminarayanan Easwar	03135959	08 January, 2021
4.	Ms. Gita Nayyar	07128438	17 February, 2021

The Members of the Company at their Extraordinary General Meeting held on 8 March, 2021 had regularized appointment of above Independent Directors for a period of five years.

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company; Dr. Yasir Rawjee (DIN - 01965174) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mrs. Ruchita Gandhi resigned from the post of Chief Financial Officer (CFO) with effect from 1 December, 2020. The Board placed on record its appreciation for her invaluable contribution and guidance. Mr. Bhavesh Pujara was appointed as Chief Financial Officer (CFO) with effect from 1 December 2020.

During the year under review Mr. Rudolf Corriea (ACS-27911) was appointed as Company Secretary with effect from 23 February 2021.

Mrs. Cherylann Pinto (DIN-00111844) resigned from the Board of Directors with effect from 22 February, 2021, due to preoccupation. The Board placed on record its appreciation for her invaluable contribution and guidance.

All Independent Directors have declared that they meet the criteria of Independence as laid down

under Section 149(6) of the Companies Act, 2013. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended. They have also affirmed compliance to the Conduct for Independent Directors as prescribed in Schedule IV of the Act.

Key Managerial Personnel:

In terms of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel (KMP) of the Company:

Dr. Yasir Rawjee - Managing Director & CEO

Mr. Sumantra Mitra- Whole Time Director

Mr. Bhavesh Pujara – Chief Financial Officer

Mr. Rudolf Corriea - Company Secretary & Compliance Officer

8. MEETINGS OF THE BOARD OF DIRECTORS:

Eight Board Meetings were convened and held during the year. As on 31 March 2021, the Board comprised Eight Directors, of whom, two were Executive, two were Non-Executive and four were Non-Executive Independent Directors. The Chairman of the Board is Non- Executive Director.

Sr. No.	Date of Board Meeting	Names of Directors								
		Mr. Glenn Salda nha	Mr. Yasir Rawjee	Mr. V.S. Mani	Mrs. Cherylann Pinto ⁽⁶⁾	Mr. Sumant ra Mitra ⁽¹⁾	Mr. Sridhar Gorthi ⁽²⁾	Mrs. Manju Agarwal ⁽³⁾	Mr. T L Easwar ⁽⁴⁾	Ms. Gita Nayyar ⁽⁵⁾
1	26.06.2020	Y	N	Y	N	NA	NA	NA	NA	NA
2	14.08.2020	Y	N	Y	Y	Y	NA	NA	NA	NA
3	22.09.2020	Y	Y	Y	Y	Y	NA	NA	NA	NA
4	26.09.2020	Y	N	Y	Y	Y	NA	NA	NA	NA
5	15.10.2020	Y	N	Y	Y	Y	NA	NA	NA	NA
6	28.10.2020	Y	N	Y	Y	Y	NA	NA	NA	NA
7	23.02.2021	Y	Y	Y	NA	N	Y	Y	Y	Y
8	10.03.2021	Y	Y	Y	NA	N	Y	Y	Y	Y

Y– Present for the meeting in person

N– Absent for the meeting

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

⁽¹⁾ Mr. Sumantra Mitra was appointed as Whole Time Director with effect from 26 June, 2020

⁽²⁾⁽³⁾ Mr. Sridhar Gorthi and Mrs. Manju Agarwal were appointed as Independent Directors with effect from 30 October, 2020

⁽⁴⁾ Mr. T.L. Easwar was appointed as Independent Director with effect from 8 January, 2021

⁽⁵⁾ Ms. Gita Nayyar was appointed as Independent Director with effect from 17 February 2021

⁽⁶⁾ Mrs. Cherylann Pinto resigned with effect from 22 February, 2021

9. COMMITTEES OF THE BOARD OF DIRECTORS:

Audit Committee: Audit committee was constituted in the Board Meeting held on 23 February, 2021. The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Audit Committee will review periodically the internal control systems, scope of audit including the observations of auditors, if any and review the financial statements before submission to the Board and also ensures compliance with internal control system.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees under Section 177 of the Companies Act, 2013.

Composition of Audit Committee

Name of the Director	Position	Category
Mrs. Manju Agarwal	Chairperson	Independent Director
Mr. Sridhar Gorthi	Member	Independent Director
Mr. V. S. Mani	Member	Non-Executive Director

Nomination and Remuneration Committee: Nomination and Remuneration Committee was constituted in the Board Meeting held on 23 February, 2021. The purpose of the Remuneration Committee of the Company shall be to discharge the Board’s responsibilities relating to remuneration of the Company’s Executive Directors. The Committee has overall responsibility for formulating the criteria for determining qualifications and independence of a Director and recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

Composition of Nomination and Remuneration Committee:

Name of the Director	Position	Category
Mr. Sridhar Gorthi	Chairperson	Independent Director
Ms. Gita Nayyar	Member	Independent Director
Mr. Glenn Saldanha	Member	Non-Executive Director

Stakeholders Relationship Committee: Stakeholders Relationship Committee was constituted in the Board Meeting held on 23 February, 2021. The Committee was constituted for resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, notice for general meetings, etc. and for review of measures taken for effective exercise of voting rights by shareholders.

During the year under review, no meetings of the Stakeholders’ Relationship and Share Transfer Committee were held.

Composition of Stakeholders Relationship Committee:

Name of the Director	Position	Category
Mr. T L Easwar	Chairperson	Independent Director
Mrs. Manju Agarwal	Member	Independent Director
Dr. Yasir Rawjee	Member	Managing Director & CEO

Corporate Social Responsibility Committee: The Company has constituted the ‘Corporate Social Responsibility Committee’ for formulating and recommending to the Board of Directors a Corporate Social Responsibility Policy for the Company, which shall indicate the activities to be undertaken by the Company as specified in the Companies Act, 2013 and the rules made thereunder.

The Corporate Social Responsibility Committee recommends the amount of expenditure to be incurred by the Company on CSR activities and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year under review, the Corporate Social Responsibility Committee met on 26 June, 2020.

Composition of Corporate Social Responsibility Committee:

Name of the Director	Position	Category
Sridhar Gorthi	Chairperson	Independent Director
Dr. Yasir Rawjee	Member	Managing Director & CEO
Mr. V. S. Mani	Member	Non-Executive Director
Ms. Gita Nayyar	Member	Independent Director
Mrs. Cherylann Pinto ⁽¹⁾	Chairperson	Non-Executive Director

⁽¹⁾ Mrs. Cherylann Pinto ceased to be a Chairperson with effect from 22 February, 2021

10. 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 have been followed along with proper explanation relating to material departures; if any;
- b) appropriate accounting policies have been adopted 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 2021 and of the profit of the Company for that the period;
- c) proper and sufficient care have been taken for 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 have been prepared on a going concern basis;
- 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.

11. MEETINGS OF THE MEMBERS:

During the year under review the shareholders met Three (3) times. Ninth Annual General Meeting of the members was held on 28 September, 2020. Members of the Company also met at Extra-ordinary general meetings held on 8 March, 2021 and 26 March, 2021 for transacting Special Businesses.

12. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One meeting of Independent Directors was held during the year.

13. AUDITORS AND AUDITORS' REPORT:

Statutory Auditors: At the Extra Ordinary General Meeting of the Company held on 25 July 2018, the shareholders had approved appointment of M/s. Walker Chandiook & Co LLP., Chartered Accountants (Firm Registration no. 001076N/N500013) as the Statutory Auditors for a period of 5 years commencing from 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 the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their appointment, forms part of the Notice convening the Tenth Annual General Meeting. The Board recommends the same for approval of members.

Auditors Report:

Auditor's Report for the year under review forms part of this annual report. It does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor: Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Bhadresh Shah

and Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020 - 21.

Secretarial Audit Report in prescribed Form No. MR-3 is annexed to this report as "Annexure I". There are no qualifications or reservations or adverse remarks in the Secretarial Audit Report.

Cost Auditor:

The Company maintains cost records as per the provisions of Section 148(1) of the Act and the same are audited by the Cost Auditors.

The Board has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the financial year 2021 - 22. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their remuneration, forms part of the Notice convening the Tenth Annual General Meeting. Board recommends the same for approval of members.

Internal Auditor:

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

There were no qualification(s), reservations or adverse remarks made by the Auditors in their report.

14. 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.

15. STATEMENT OF INTERNAL FINANCIAL CONTROL:

The Company appointed M/s Sridhar & Associates, Chartered Accountants as Internal Auditors of the Company. 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.

16. RISK MANAGEMENT POLICY:

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

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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.

18. MATERIAL CHANGES AND COMMITMENTS AFTER BALANCE SHEET DATE:

In April 2021, the Company is contemplating an Initial Public Offer (IPO) comprising fresh issue of equity shares of face value of Rs. 2 each and an offer for sale of up to 7,305,245 equity shares of face value of Rs. 2 each of the Company, by holding company Glenmark Pharmaceuticals Limited. Accordingly, the Company has filed Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI).

19. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION (MOA) AND AMENDMENTS TO ARTICLES OF ASSOCIATION (AOA) OF THE COMPANY:

- The members of the Company at their Extraordinary Meeting held on March 8, 2021 had approved increase in Authorised Share Capital of the Company from Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each to Rs. 46,00,00,000/- (Rupees forty Six Crore only) divided into 4,00,00,000 (four Crore only) equity shares of Rs. 10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each.
Subsequently, 'Clause V' of the MOA was substituted as:
V. The Authorised Share Capital of the Company is Rs.46,00,00,000/- (Rupees forty Six Crore only) divided into 4,00,00,000 {Four Crore only} equity shares of Rs. 10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only).
- The members of the Company at their Extraordinary Meeting held on March 26, 2021 had approved the sub-division of the equity shares of the Company, including the paid up equity shares, subsequently, the authorised share capital of Rs. 40,00,00,000/- (Rupees Forty Crore only) of equity shares of Rs. 10/- each was sub-divided to 20,00,00,000 equity shares having face value of Rs. 2/- each ("Sub Division").
Subsequently, 'Clause V' of the MOA was substituted as:
V. The Authorised Share Capital of the Company is Rs. 46,00,00,000/- (Rupees Forty Six Crore only) divided into 20,00,00,000 (Twenty Crore only) Equity Shares of Rs. 2/- (Rupees Two only) each and 6,00,000 (Six Lakhs only) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each."
- In order to align the AOA of the Company with the requirements of Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company adopted new set of AOA by way of passing Special Resolution dated March 8, 2021.

20. CAPITAL STRUCTURE:

Increase of Authorised of Share Capital

The Authorised Share Capital of the Company was increased from Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each to Rs.46,00,00,000/- (Rupees forty Six Crore only) divided into 4,00,00,000 (four Crore only) equity shares of Rs. 10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- (Rupees Hundred only) each.

Sub-Divisions of Share Capital:

During the year under review, 4,00,00,000 equity shares of face value of Rs. 10 each were sub-divided into 20,00,00,000 Equity Shares of face value of Rs.2 each. Accordingly 19,60,090 paid-up equity shares of face value of Rs. 10 each were split into 98,00,450 Equity Shares of face value of Rs. 2 each.

Bonus Issue:

In compliance with the provisions of Sections 62 of the Companies Act. 2013 ("the Act") and Rules made thereunder and as per recommendation of the Board of Directors dated 10 March, 2021 and approval of the shareholders dated 26 March, 2021, the Company issued bonus equity shares of face value of Rs. 2 each in ratio of 10:1 (i.e. 10 (Ten) Bonus Shares for every 1 (One) Equity Share). Subsequently, the Board at its

meeting held on 6 April, 2021 had allotted 98,004,500 bonus equity shares of face value of Rs. 2 each out of free reserves and surplus of the Company aggregating to Rs. 196 Million/-. Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 215.61 million comprising of 107,804,950 equity shares of face value of Rs. 2 each.

21. EMPLOYEE STOCK OPTION SCHEME (ESOP):

In compliance with the provisions of Sections 62 of the Act and Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the SEBI SBEB Regulations”), the Company has formulated an employee stock option scheme, namely, Glenmark Life Sciences Limited Employee Stock Option Plan, 2021, (the “ESOP Scheme”).

ESOP Scheme of the Company aims to reward employees for their performance as well as to attract and retain talent in the organization. The Company views the ESOP as an instrument that would enable the Employees to get a share in the value, they create for the Company in the years to come.

9,51,734 ESOP options have been granted to the eligible employees/Directors at Nomination and Remuneration Committee meeting held on May 17, 2021. Disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 is attached as *Annexure-II* and forms part of this Annual Report. The ESOP scheme has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations and in accordance with the resolution passed by the shareholders at the Extraordinary General Meeting held on April 9, 2021, approving such scheme.

22. 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 III* 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, 2021.

23. 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) Conservation of Energy:

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

b) Technology absorption:

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

c) Foreign Exchange Earnings & Outgo are as follows:

(Amount in Rs. Mn)

Sr.No.	Particulars	March 31, 2021	March 31, 2020
1.	Foreign Exchange Inflow	7,870.11	6,266.05
2.	Foreign Exchange Outflow	3,955.11	2,924.24

24. DEPOSITS:

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

25. CORPORATE SOCIAL RESPONSIBILITY:

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through notification dated January 22, 2021 and brought major changes in the Rules through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The Board and CSR Committee has approved revised CSR Policy in line with The Companies (Corporate Social Responsibility Policy) Amendments Rules, 2021 and same is available on Company's website at: <https://www.glenmarklifesciences.com/pdf/Glenmark-Life-Sciences-CSR-Policy-2021.pdf>

The report on the CSR activities undertaken by the Company in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including the composition of the CSR Committee is appended herewith as *Annexure IV* to this Report.

26. ANNUAL RETURN:

Pursuant to Section 92 read with Section 134(3)(a) of the Act, the Annual Return as on 31 March, 2021 is available on the Company's website at www.glenmarklifesciences.com

27. 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.

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy.

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

29. DISCLOSURE REGARDING RECEIPT OF COMMISSION BY A DIRECTOR FROM THE HOLDING OR SUBSIDIARY OF A COMPANY, IN WHICH SUCH PERSON IS A MANAGING OR WHOLE TIME DIRECTOR:

There is no receipt of commission by a director from the holding or subsidiary of a company, in which such person is a managing or whole-time director

30. VIGIL MECHANISM:

The Company, as required under Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, has established a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances.

The Audit Committee of the Company shall oversee the vigil mechanism, which provides for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism.

All the employees and Directors of the Company are provided direct access to the Chairman of the Audit Committee.

31. COMPLIANCE WITH SECRETARIAL STANDARD

During the period under review the company has duly complied with the Secretarial Standard on the meeting of the Board of Directors (SS-1) and Secretarial Standard on the General Meeting (SS-2) as applicable to the Company.

32. 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/-
Yasir Rawjee
Managing Director & CEO
DIN: 01965174**

**Sd/-
V. S. Mani
Director
DIN: 01082878**

**Place: Mumbai
Date: 9 July, 2021**

BHADRESH SHAH & ASSOCIATES
PRACTICING COMPANY SECRETARY

M: 9920440720
E: csbhadreshshah@gmail.com

Office Address:
21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai Lane,
Behind Videocon House,
Fort, Mumbai - 400001

FORM NO. – MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To,
The Members,
Glenmark Life Sciences Limited
Plot No 170-172, Chandramouli Industrial Estate,
Mohol Bazarpath Solapur 413213

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Glenmark Life Sciences Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on **March 31, 2021** ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **March 31, 2021** according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **Not Applicable**
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder; **Not Applicable**
- iv. During the Audit period, there was no transaction relating to Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings observed under Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as amended from time to time - **Not Applicable**;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time - **Not Applicable**;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent of regulations pertaining to Initial Public Offer of the Company; **Not Applicable. However, at the meeting of the Board of Directors held on 6 April 2021, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company has passed the resolution to take necessary steps for Initial Public Offer of the Company.**

Residence: B 9/ 402, Prasanna Vastu Shantinagar CHS Ltd, Sector 6, Near Dena Bank,
Shanti Nagar, Mira Road East, Thane - 401107



BHADRESH SHAH & ASSOCIATES

PRACTICING COMPANY SECRETARY

M: 9920440720

E: csbhadreshshah@gmail.com

Office Address:
21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai Lane,
Behind Videocon House,
Fort, Mumbai - 400001

- d) The Company until the Audit period has not offered Employee Stock Option Scheme and Employee Stock Purchase Scheme under the Securities and Exchange Board of India (share based Employee Benefits) Regulations, 2014.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable**;
- g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - **Not Applicable**; and
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- ii. The Listing Agreement entered into by the Company with BSE and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as Amended from time to time. **Not Applicable**

During the period under review and as per the explanations and clarifications given to me, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further rely on the information & explanations made by the Company & its officers for systems and mechanism formed by the Company for compliance under other applicable acts, laws and regulations to the Company.

I further report on the basis of information received and records maintained by the Company that:

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance and in case of Meetings convened at shorter notice, requisite consent for holding such meetings at shorter notice was obtained by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

I further report that as per the explanation and clarification given to me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Residence: B 9/ 402, Prasanna Vastu Shantinagar CHS Ltd, Sector 6, Near Dena Bank,
Shanti Nagar, Mira Road East, Thane - 401107



BHADRESH SHAH & ASSOCIATES

PRACTICING COMPANY SECRETARY

M: 9920440720

E: csbhadreshshah@gmail.com

Office Address:
21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai Lane,
Behind Videcon House,
Fort, Mumbai - 400001

I report that the Company has filed all the forms and returns as required under the Companies Act, 2013. The Company is generally regular in filing the forms and returns within the prescribed time, where there were delays in filing of e-forms, the said e-forms were filed with additional fees;

I further report that during the Audit period under review, the Company has not undertaken any event/ action, except those as mentioned hereunder, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

I further report that during the audit period the Company has the following specific events:

1. During the period under review, the Company has carried out following important events:
 - a. The Company has appointed Mr. Sridhar Gorthi, Mrs. Manju Agarwal, Mr. Taruvai Laxminarayan Easwar and Ms. Gita Nayyar as Independent Directors vide Ordinary Resolution passed at the Extra Ordinary General Meeting held on March 8, 2021.
 - b. Constitution of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee.
 - c. Appointment of Mr. Bhavesh Pujara as Chief Financial Officer of the Company.
 - d. Appointment of Mr. Rudolf Corriea as a Company Secretary and Compliance Officer of the Company.
 - e. Adoption of new Corporate Social Responsibility Policy pursuant to Companies (CSR Policy) Amendment Rules, 2021 and reconstituted the Corporate Social Responsibility Committee.
 - f. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mrs. Cherylann Pinto to Mrs. Cherylann Pinto.
 - g. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mr. Glenn Saldanha to Mr. Glenn Saldanha.
 - h. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mr. Kanish Malik to Mr. Kapil Kriplani.
 - i. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mr. Sujesh Vasudevan to Mr. Praveen Kurkal.
 - j. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mr. Rajesh Desai to Mr. Rajesh Desai.
 - k. Transfer of one equity share held by Glenmark Pharmaceuticals Limited jointly with Mr. V.S Mani to Mr. V.S Mani.
2. Authorised capital of the Company was increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity shares of Rs.10/- each and 6,00,000 Cumulative Convertible Preference Shares of Rs.100/- each to Rs. 46,00,00,000/- (Rupees Forty Six Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs.100/- each by creation of additional capital of Rs.26,00,00,000/- (Rupees Twenty Six Crores Only) divided into 2,60,00,000/- (Two Crores Sixty Lakhs) Equity Shares of Rs.10/- each and the Clause V (a) of the Memorandum of Association of the Company is altered by way of passing an Ordinary Resolution in Extra Ordinary General Meeting dated March 8, 2021.
3. In order to align the Articles of Association of the Company (the 'Articles of Association') with the requirements of Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company adopted new set of Articles of Association by way of passing Special Resolution dated March 8, 2021.

Residence: B 9/ 402, Prasanna Vastu Shantinagar CHS Ltd, Sector 6, Near Dena Bank,
Shanti Nagar, Mira Road East, Thane - 401107



BHADRESH SHAH & ASSOCIATES

PRACTICING COMPANY SECRETARY

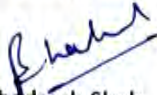
M: 9920440720

E: csbhadreshshah@gmail.com

Office Address:
21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai Lane,
Behind Videocon House,
Fort, Mumbai - 400001

4. Sub-division of equity shares of the Company, including the paid-up equity shares, such that the Authorised share capital of Rs.40,00,00,000/- (Rupees Forty Crores Only) of equity shares of Rs.10/- each shall be sub-divided to 20,00,00,000 equity shares having face value of Rs.2/- each. Also, the existing 19,60,090 paid-up equity shares of face value of Rs.10/- each of the Company shall stand to be sub-divided into 98,00,450 equity shares having the face value of Rs.2/- each, by way of passing Ordinary Resolution in Extra Ordinary General Meeting dated March 26, 2021. Pursuant to sub-division, the Clause V (a) of the Memorandum of Association of the Company is altered by way of passing a Special Resolution in Extra Ordinary General Meeting dated March 26, 2021.
5. As per recommendation of the Board of Directors dated March 10, 2021 and approval of the shareholders dated March 26, 2021, the Company has issued 98,004,500 bonus equity shares of face value of ₹ 2 each in ratio of 10:1 (i.e. 10 (Ten) Bonus Shares for every 1 (One) Equity Share). Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 215.61 million comprising of 107,804,950 equity shares of face value of ₹ 2 each.
6. Increase in investment limits for Non-Resident Indians and Overseas Citizens of India from 10% to 24% of the paid-up equity share capital of the Company.

For Bhadresh Shah and Associates,
Practicing Company Secretary



Bhadresh Shah
Proprietor

Membership No.: 23847

COP No.: 15957

UDIN: A023847C000603481



Place: Mumbai

Date: 9th July, 2021

Note: This Report is to be read with our letter annexed as Annexure-A which forms an integral part of this report.

BHADRESH SHAH & ASSOCIATES

PRACTICING COMPANY SECRETARY

M: 9920440720

E: csbhadreshshah@gmail.com

Office Address:

**21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai Lane,
Behind Videocon House,
Fort, Mumbai - 400001**

Annexure-A

To,
The Members
Glenmark Life Sciences Limited
Plot No 170-172, Chandramouli Industrial Estate,
Mohol Bazarpath Solapur 413213

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. My Responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances.
4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
5. I have obtained the management's representation about the compliances of laws, rules, regulations and happenings of events, wherever required.
6. Compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

Disclaimer:

- * I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- * This Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Bhadresh Shah and Associates,**
Practicing Company Secretary


Bhadresh Shah

Proprietor

Membership No.: 23847

COP No.: 15957

UDIN: A023847C000603481



Place: Mumbai

Date: 9th July, 2021

Annexure II

DISCLOSURE PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Glenmark Life Sciences Limited - Employee Stock Option Scheme, 2021

The Board, at its Meeting held on 6 April 2021 had approved the Glenmark Life Sciences Limited - Employee Stock Option Scheme, 2021 (ESOS). Further, the Shareholders' of the Company also approved the ESOS at the Extra-Ordinary General Meeting held on 9 April 2021.

The said ESOS has been formulated under SEBI (Share Based Employee Benefits) Regulations, 2014, or any statutory modification or re-enactment thereof, for the purpose of granting options to the permanent employees (including employees of the holding and subsidiaries whether Indian or foreign), Directors of the Company whether whole-time or not (excluding Independent Directors) and its holding and subsidiaries, as applicable to participate in the future growth and financial success of the Company.

The ESOS aims at achieving the twin objectives (i) to attract and retain critical and key talents and alignment with shareholders interest through Employee Stock Options; and (ii) to offer an opportunity of sharing the wealth created with those Employees who have contributed or are expected contribute to the growth and development of the Company. The Scheme contemplates fresh/ new issue of shares by the Company.

The ESOS are administered by the Nomination and Remuneration Committee of the Board constituted by the Company pursuant to the provisions of Section 178 of the Act. The Nomination and Remuneration Committee decisions, determinations and interpretations will be final and binding on all eligible employees and participants under ESOS.

At the Extra-Ordinary General Meeting held on 9 April 2021, the ESOS was approved for issue of stock options up to 1% of the paid-up share capital of the Company i.e. 10,78,050 equity shares of Rs. 2/- each.

The maximum number of Employee Stock Options that may be granted per Employee and in aggregate shall vary depending upon the designation and the appraisal / assessment process, however, shall not exceed 1% of the equity share capital of the Company.

The vesting of options will commence after a minimum period of 1 (one) year from the date of the grant, and may extend up to a maximum period of 6 (six) years from the date of the grant, with such lock in period as may be decided by the Board/ Nomination and Remuneration Committee. Further, the Nomination and Remuneration Committee may on merits of the case relax/ extend the vesting period.

The Exercise Price per Option shall be determined by the Committee at the time of Grant of such Option, subject to conforming to the accounting policies under the applicable law.

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

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

For and on behalf of the Board of Directors

**Sd/-
Yasir Rawjee
Managing Director & CEO
DIN:01965174**

**Sd/-
V. S. Mani
Director
DIN: 01082878**

**Place: Mumbai
Date: 9 July, 2021**

Annexure III

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 arm's length transactions under third proviso thereto.

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2021, 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 Company)
Nature of contracts/arrangements/ transactions	Sale/Purchase-Materials & Services
Duration of the contracts/arrangements/ transactions	Ongoing (Regular basis)
Salient terms of the contracts or arrangements or transactions including the value, if any: Based on Transfer Pricing Guidelines	Sale: Rs. 6751.71 million Purchase: Rs. 490.16 million
Date(s) of approval by the Audit Committee/ Board	Not applicable, since the contract was entered in the ordinary course of business and is on arm's length basis.
Amount paid as advances	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/-
Yasir Rawjee
Managing Director & CEO
DIN:01965174**

**Sd/-
V. S. Mani
Director
DIN: 01082878**

**Place: Mumbai
Date: 9 July, 2021**

Annexure IV

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline on CSR Policy of the Company:

We strive to serve our communities by creating substantive social changes that reflect our core values. Our Corporate Social Responsibility (CSR) interventions build replicable, sustainable solutions that actively contribute to both community and environment. We utilise a long term perspective that focuses on understanding, incorporating, and seeding real change through developmental interventions that improve the lives of communities around us.

Our Vision is to actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation.

Our emphasis is on understanding the outcomes of our interventions and ensuring our projects deliver meaningful value to the societies we serve.

Corporate Social Responsibility Focus Areas

Water Management

- Support innovative technologies for improving quality and accessibility of water at community level
- Support initiatives on water conservation, rejuvenation and rain water harvesting

Access to Healthcare

- Support initiatives in healthcare domain focussing on research, quality, accessibility and awareness based on community need and emerging requirements

Community Development

- Support local community initiatives focussing on rural development and slum area development based on the identified needs

Sustainable Livelihood

- Support sustainable livelihood initiatives through promoting education including enhancing vocational skills and supporting micro-entrepreneurs

Employee Volunteering Programs

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sridhar Gorthi*	Independent Director (Chairperson)	NA	NA
2	Dr. Yasir Rawjee	Managing Director & CEO	1	1
3	Mr. V. S. Mani	Non-Executive Director	1	1
4	Ms. Gita Nayyar*	Independent Director	NA	NA
5	Mrs. Cherylann Pinto**		1	1

*Appointed as member with effect from 23 February, 2021

** Mrs. Cherylann Pinto ceased to be a Chairperson/member with effect from 22 February, 2021.

3. The web-link of Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed on the website of the company:

www.glenmarklifesciences.com

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company for last three Financial Years: Rs.2,170.73 million

7. (a) Two percent of average net profit of the company: Rs.43.42 million

- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs. Million)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Responding to COVID-19 Challenges Prevention & Curative and Support Initiatives	Disaster management, including relief, rehabilitation and reconstruction activities. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra and Gujarat	Solapur and Pune Maharashtra and Bharuch Gujarat	1.47	Direct		
2.	Social and Economic development/ Project on Maternal and Child Health	Eradicating hunger, poverty and malnutrition, promoting health care	Yes	Gujarat	Bharuch	5.24	No	Glenmark Foundation	

	"Project Kavach"	including preventive health care							
3.	Skill Development Program	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Gujarat	Bharuch	16.03	No	Glenmark Foundation	
4.	Responding to COVID-19	Disaster management, including relief, rehabilitation and reconstruction activities. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and	Yes	Pan India		17.34	No	Glenmark Foundation	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (inRs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NA

- (a) Date of creation or acquisition of the capital asset(s)
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and Location of the capital asset).

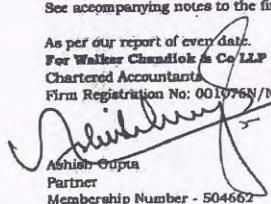
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

Glenmark Life Sciences Limited
Balance Sheet
 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,648.88	5,390.78
Capital work-in-progress	3	140.98	107.30
Intangible Assets	3	79.11	71.68
Intangible Assets under development	3	-	-
Financial Assets	4	-	-
(i) Investments		0.77	0.77
(ii) Other financial assets		85.46	84.32
Current tax asset (net)	5	11.61	-
Other non-current assets	7	18.63	0.05
Total non-current assets		5,980.34	5,654.90
Current assets			
Inventories	8	5,134.21	4,127.75
Financial Assets	9	-	-
(i) Trade receivables		6,195.00	6,386.28
(ii) Cash and cash equivalents		1,155.96	99.98
(iii) Other financial assets		275.89	207.70
Other current assets	10	1,229.35	779.43
Total current assets		13,990.41	11,601.14
Total assets		19,970.75	17,256.04
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11 & 12	19.60	19.60
Other Equity		7,507.37	3,997.32
Total Equity		7,527.47	4,016.92
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities (net)	6	228.88	164.48
Total non-current liabilities		228.88	164.48
Current liabilities			
Financial Liabilities	13	-	0.21
(i) Borrowings		-	0.21
(ii) Trade payables		-	-
(a) Total outstanding dues of Micro enterprises and Small enterprises		357.71	100.66
(b) Total outstanding dues of other than Micro enterprises and Small enterprises		1,855.34	1,910.05
(iii) Other current financial liabilities		9,550.87	10,736.57
Other current liabilities	14	114.53	103.72
Provisions	15	199.02	139.83
Current tax liabilities (net)	16	136.93	83.60
Total current liabilities		12,214.40	13,074.64
Total liabilities		12,443.28	13,239.12
Total equity and liabilities		19,970.75	17,256.04

See accompanying notes to the financial Statement.

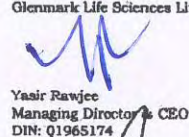
As per our report of even date.
 For Walkers Chandhok & Co LLP
 Chartered Accountants
 Firm Registration No: 0010768/N500013

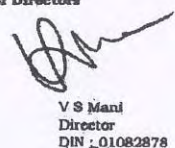

 Ashish Gupta
 Partner
 Membership Number - 504662

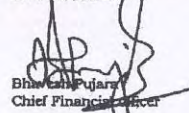


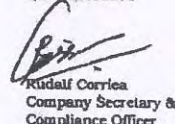
Place: New Delhi
 Date: 26 May 2021

For and on behalf of the Board of Directors
 Glenmark Life Sciences Limited


 Yasir Rawjee
 Managing Director & CEO
 DIN: 01965174


 V S Mani
 Director
 DIN: 01082878


 Bhanu Pujari
 Chief Financial Officer


 Riddalf Corlea
 Company Secretary &
 Compliance Officer

Place: Mumbai
 Date: 26 May 2021

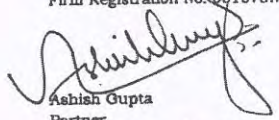


Glenmark Life Sciences Limited
Statement of profit and loss
 (All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	17	18,851.65	15,373.13
Other income	18	8.11	119.90
Total income		18,859.76	15,493.03
Expenses			
Cost of materials consumed	19	9,761.98	6,951.00
Changes in inventories of finished goods and work-in-progress	20	(707.01)	(46.42)
Employee benefits expense	21	1,491.31	1,422.80
Finance costs	22	875.47	335.15
Depreciation and amortisation expense	3	333.94	293.68
Other expenses	23	2,394.63	2,326.15
Total expenses		14,150.32	11,282.36
Profit before Tax		4,709.44	4,210.67
Tax expense:	6		
Current tax		1,127.46	985.42
Deferred tax		66.17	94.27
Total tax expense		1,193.63	1,079.69
Profit for the year		3,515.81	3,130.98
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation	24	(7.03)	6.35
- Income tax relating to the above		1.77	(1.66)
Other comprehensive income for the year		(5.26)	4.69
Total comprehensive income for the year		3,510.55	3,135.67
Earnings per equity share of Rs. 2 each	27		
Basic (in Rs)		32.61	29.04
Diluted (in Rs)		32.61	29.04

See accompanying notes to the financial statements.

As per our report of even date.
 For Walker Chandiek & Co LLP
 Chartered Accountants
 Firm Registration No: 001076N/NS00013

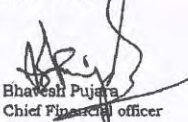

 Ashish Gupta
 Partner
 Membership Number - 504662

Place: New Delhi
 Date: 26 May 2021

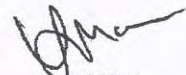


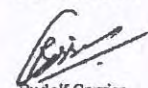
For and on behalf of the Board of Directors
 Glenmark Life Sciences Limited


 Yasir Rawjee
 Managing Director & CEO
 DIN: 01965174


 Bhavesh Pujara
 Chief Financial officer

Place: Mumbai
 Date: 26 May 2021


 V S Mani
 Director
 DIN : 01082878


 Rudolf Corriea
 Company Secretary &
 Compliance Officer



Glenmark Life Sciences 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 2019	19.60
Add: Fresh equity shares issued	-
Balance as at 31 March 2020	19.60
Add: Fresh equity shares issued	-
Balance as at 31 March 2021	19.60

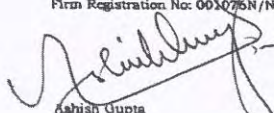
Refer notes 11 and 12 for details on equity share capital

B. Other Equity

Particulars	Reserves	Total
Balance as at 1 April 2019	861.68	861.68
Add: Profit for the year	3,130.98	3,130.98
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (Refer Note 24)	4.69	4.69
Balance as at 31 March 2020	3,997.32	3,997.32
Add: Profit for the period	3,515.81	3,515.81
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (Refer Note 24)	(5.26)	(5.26)
Balance as at 31 March 2021	7,507.87	7,507.87

See accompanying notes to the financial statements.

As per our report of even date,
 For Walker Chandiek & Co LLP
 Chartered Accountants
 Firm Registration No: 001076N/NS00013

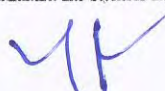


Ashish Gupta
 Partner
 Membership Number - 504662

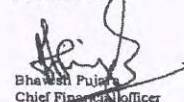
Place: New Delhi
 Date: 26 May 2021



For and on behalf of the Board of Directors
 Glenmark Life Sciences Limited

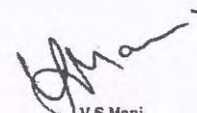


Yasir Rawjee
 Managing Director & CEO
 DIN: 01965174



Bhavesh Pujari
 Chief Financial Officer

Place: Mumbai
 Date: 26 May 2021



V S Mani
 Director
 DIN: 01082878



Rudolf Corria
 Company Secretary &
 Compliance Officer



Glenmark Life Sciences Limited

Statement of Cash Flows

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

Sr. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A.	Cash flow from operating activities		
	Profit before tax	4,709.44	4,210.67
	Adjustments for:		
	Depreciation and amortisation expenses	333.94	293.68
	Finance costs	874.70	335.15
	Interest income	(4.30)	(3.55)
	Loss on sale of Property, plant and equipments	5.84	12.30
	Provision for gratuity and compensated absence	34.98	23.58
	Unrealised foreign exchange loss/ (gain)	87.94	(93.77)
	Operating profit before working capital changes	6,042.54	4,778.06
	Adjustments for changes in working capital:		
	- Decrease/(Increase) in trade receivables	81.01	(1,781.09)
	- Decrease/(Increase) in other receivables	(491.21)	(195.24)
	- Decrease/(Increase) in inventories	(1,006.46)	(119.32)
	- Increase /(Decrease) in trade and other payables	340.89	193.02
	Cash generated from operations	4,966.77	2,875.43
	- Taxes paid (net of refunds)	(1,085.64)	(925.36)
	Net cash generated from operating activities	3,881.13	1,950.07
B.	Cash flow from investing activities		
	Purchase of Property, plant and equipment and Intangible assets (including Capital work in progress)	(679.93)	(511.66)
	Proceeds from sale of Property, plant and equipment and Intangible assets	16.34	2.93
	Investment in Fixed deposit	(28.05)	-
	Interest received	4.30	3.55
	Net cash used in investing activities	(687.34)	(505.18)
C.	Cash flow from financing activities		
	Proceeds from fresh issue of share capital including securities premium (net of issue expenses)	-	-
	Proceeds from /(repayment) of borrowings from related parties and Payment of business purchase liability	(2,137.81)	(1,365.52)
	Net cash generated used in financing activities	(2,137.81)	(1,365.52)
	Net increase in cash and cash equivalents	1,055.98	79.37
	Opening balance of cash and cash equivalents	99.98	20.61
	Closing balance of cash and cash equivalents	1,155.96	99.98
	Cash and cash equivalents comprise of :		
	Cash on hand	1.10	1.10
	Balances with banks in current accounts	1,154.86	98.88
		1,155.96	99.98



Glenmark Life Sciences Limited
Statement of Cash Flows
(All amounts in million of Indian Rupees, unless otherwise stated)

Notes:

- 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 For changes in liability arising from financing activities - Refer note 13(iv)

See accompanying notes to the financial statements.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 26 May 2021



For and on behalf of the Board of Directors
Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Bhavishji Bajara
Chief Financial Officer

Place: Mumbai
Date: 26 May 2021

V S Mani
Director
DIN : 01082878

Rudani Corrieta
Company Secretary &
Compliance Officer



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 Pune, India. The registered office of the Company is at Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpet, Solapur - 413213, 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, Ankleshwar and Dahej in India and manufacturing facilities are located at Ankleshwar, Dahej, Mohol, and Kurkumbh.

NOTE 2 - BASIS OF PREPARATION AND MEASUREMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 2.1 The preparation of these financial information 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 section 2.18.

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

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, Presentation of Financial Statements

2.2 Fair value measurement

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

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

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

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

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



2.3 Foreign currency transactions

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

2.4 Revenue recognition

The Company applies principles provided under Ind AS 115 'Revenue from contracts with customers' which provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products. The average duration of a sales order is less than 12 months.

Revenue (other than sale)

Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

Export benefits

Export benefits/incentives constituting Duty Draw back, incentives under FTS/FMS/MEIS and duty free advance license scheme are accounted for on accrual basis where there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received.

Revenue from Sale of Products

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Goods and Service Tax and other value added taxes are excluded from revenue.



2.5 Property, plant and equipment

Recognition and measurement

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

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

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

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

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.



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.

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.



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.



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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.

2.11 Inventories

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

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

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

2.12 Accounting for income taxes

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

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 it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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

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

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

2.13 Leases

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



2.14 Equity

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

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

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

2.15 Employee benefits

Short-term benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Defined benefit costs are recognised as follows:

- Service cost in the statement of profit and loss
- Net interest on the net defined benefit liability (asset) in the statement of profit and loss
- Remeasurement of the net defined benefit liability/ (asset) in other comprehensive income

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

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

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

Compensated leave of absence

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

Termination benefits

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



2.16 Provisions, contingent liabilities and contingent assets

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

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

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

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

Contingent assets are not recognised.

2.17 Share based compensation

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

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

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

2.18 Critical accounting 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

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate
- estimating the lease term

Deferred tax

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

Research and developments costs

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

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



Glenmark Life Sciences Limited
Notes to the Financial statements

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

Estimation Uncertainty

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

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

Useful lives of various assets

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

Post-employment benefits

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

Fair value of financial instruments

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

Impairment

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

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

Current and deferred income taxes

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

Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i Trade receivables.
- ii Financial assets measured at amortised cost other than trade receivables.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

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

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

2.19 Standards issued but not yet effective

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial information.

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2021.



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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 2019	122.57	1,478.56	3.35	2,970.44	88.75	23.38	0.13	4,687.18	803.29
- Acquisitions	43.59	396.62	-	704.56	38.99	10.68	-	1,194.44	29.30
- Disposals/ Transfers/ adjustments	-	(11.78)	-	(3.39)	(0.70)	-	-	(15.87)	(725.29)
Balance as at 31 March 2020	166.16	1,863.40	3.35	3,671.61	127.04	34.06	0.13	5,865.75	107.30
- Acquisitions	7.18	169.27	87.08	322.31	9.73	10.82	0.37	606.76	362.27
- Disposals/ Transfers/ adjustments	-	(3.88)	-	(43.06)	(2.35)	(1.20)	(0.38)	(50.87)	(328.59)
Balance as at 31 March 2021	173.34	2,028.79	90.43	3,950.86	134.42	43.68	0.12	6,421.64	140.98
Accumulated Depreciation									
Balance as at 1 April 2019	2.35	21.64	0.13	147.17	10.67	5.45	0.06	187.47	-
- Depreciation charge for the year	3.20	30.45	0.07	229.24	17.61	7.41	0.07	288.05	-
- Disposals/ Transfers/ adjustments	-	(0.32)	-	(0.06)	(0.17)	-	-	(0.55)	-
Balance as at 31 March 2020	5.55	51.77	0.20	376.35	28.11	12.86	0.13	474.97	-
- Depreciation charge for the period	3.59	36.29	0.08	261.50	16.19	8.47	0.37	326.49	-
- Disposals/ Transfers/ adjustments	-	(0.97)	-	(23.98)	(2.17)	(1.20)	(0.38)	(28.70)	-
Balance as at 31 March 2021	9.14	87.09	0.28	613.87	42.13	20.13	0.12	772.76	-
Carrying value									
As at 1 April 2020	120.22	1,456.92	3.22	2,823.27	78.08	17.93	0.07	4,499.71	803.29
As at 31 March 2020	160.61	1,811.63	3.15	3,295.26	98.93	21.20	0.00	5,390.78	107.30
As at 31 March 2021	164.20	1,941.70	90.15	3,336.99	92.29	23.55	-	5,648.88	140.98

Note:

Addition to Property, Plant and Equipment for the period ended 31 March 2021 includes capital expenditure of Rs. 19.25 (31 March 2020 - Rs. 22.76) incurred at approved R&D centres.

*Upfront lease premium paid to respective Industrial Development Corporations at the time of execution of lease deed represents the present value of total consideration related to lease payments for the entire tenure of lease



Glenmark Life Sciences Limited
Notes to the Financial statements

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

NOTE 3- INTANGIBLE ASSETS

Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	22.48	46.01	68.49	0.65
- Additions	13.97	-	13.97	1.00
- Disposals/ Transfers/ adjustments	-	-	-	(1.65)
Balance as at 31 March 2020	36.45	46.01	82.46	-
- Additions	9.76	5.12	14.88	-
- Disposals/ Transfers/ adjustments	-	-	-	-
Balance as at 31 March 2021	46.21	51.13	97.34	-
Amortisation and impairment				
Balance as at 1 April 2019	5.15	-	5.15	-
- Amortisation for the year	5.63	-	5.63	-
- Disposals/ Transfers/ adjustments	-	-	-	-
Balance as at 31 March 2020	10.78	-	10.78	-
- Amortisation for the period	7.41	0.04	7.45	-
- Disposals/ Transfers/ adjustments	-	-	-	-
Balance as at 31 March 2021	18.19	0.04	18.23	-
Carrying value				
Balance as at 1 April 2019	17.33	46.01	63.34	0.65
Balance as at 31 March 2020	25.67	46.01	71.68	-
Balance as at 31 March 2021	28.02	51.09	79.11	-

At the period 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.



Glenmark Life Sciences Limited
Notes to the Financial statements
 (All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 4 - NON-CURRENT FINANCIAL ASSETS
(i) INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted		
Equity shares (FVTPL)		
76,800 shares of Narmada Clean Tech	0.77	0.77
Total	0.77	0.77

Note - The fair values of investments in equity shares being carried at Rs. 0.77 (31 March 2020 - Rs. 0.77) cannot be reliably determined and therefore the company is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

(ii) OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits*	85.46	84.32
Total	85.46	84.32

*Security deposits represent utility deposit given in the normal course of business realisable after twelve months from the reporting date.

NOTE 5 - CURRENT TAX ASSET

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax (net of provision for tax)	11.51	-
Total	11.51	-



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 6- TAXES

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current income tax expense	1,127.46	985.42
Deferred income tax expense	66.17	71.71
Minimum Alternate Tax (MAT) Credit (Entitlement)/Utilization	-	22.56
Total	1,193.63	1,079.69

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 2021	Year ended 31 March 2020
Income tax expense at tax rates applicable	1,185.27	1,059.74
<i>Tax adjustments</i>		
- Change in tax rate impact (reduction in DTL)	-	(13.10)
- Change in tax regime (loss of MAT credit)	-	22.56
- Disallowance of donation/corporate social responsibility expenses	11.33	6.65
- Other (Allowances)/ Disallowance	(2.97)	3.84
Actual tax expense (net)	1,193.63	1,079.69

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:

For the year ended 31 March 2021:

Particulars	As at 31 March 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred tax assets				
Provision for sales return	-	8.15	-	8.15
Other items	1.31	9.03	1.77	12.11
Total	1.31	17.18	1.77	20.26
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	163.68	85.46	-	249.14
Other taxable temporary differences	2.11	(2.11)	-	-
Total	165.79	83.35	-	249.14
Net deferred income tax asset / (liabilities)	(164.48)	(66.17)	1.77	(228.88)



Glenmark Life Sciences Limited
Notes to the Financial statements
 (All amounts in million of Indian Rupees, unless otherwise stated)

For the year ended 31 March 2020:

Particulars	As at 31 March 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
MAT credit entitlement	22.56	(22.56)	-	-
Other items	0.29	1.02	-	1.31
Total	22.85	(21.54)	-	1.31
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	90.96	72.72	-	163.68
Other taxable temporary differences	0.45	-	1.66	2.11
Total	91.41	72.72	1.66	165.79
Net deferred income tax asset / (liabilities)	(68.56)	(94.26)	(1.66)	(164.48)

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 including taxable temporary difference in the future periods are reduced.



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 7 - OTHER NON-CURRENT ASSETS

Particulars	As at	As at
	31 March 2021	31 March 2020
Capital advances	13.63	0.05
Total	13.63	0.05

NOTE 8 - INVENTORIES

Particulars	As at	As at
	31 March 2021	31 March 2020
Raw material	1,170.22	864.86
Packing material	11.51	10.59
Work-in-progress	3,418.94	2,716.98
Stores and spares	182.78	189.61
Finished goods	350.76	345.71
Total	5,134.21	4,127.75

NOTE 9 - CURRENT FINANCIAL ASSETS

(i) TRADE RECEIVABLES

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured		
Considered good* (Refer note 32)	6,195.00	6,386.28
Total	6,195.00	6,386.28
*Includes amount receivable from related parties (Refer Note 25)	2,833.90	3,390.10

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been reviewed for indications of impairment.

(ii) CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	31 March 2021	31 March 2020
Balances with banks in current accounts	1,154.86	98.88
Cash on hand	1.10	1.10
Total	1,155.96	99.98

(iii) OTHER CURRENT FINANCIAL ASSETS

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured, considered good		
Export incentives	241.64	207.70
Bank Deposit	28.05	-
Other receivable	6.20	-
Total	275.89	207.70

NOTE 10 - OTHER CURRENT ASSETS

Particulars	As at	As at
	31 March 2021	31 March 2020
Advances recoverable	621.35	560.98
Input taxes receivable	445.85	126.07
Advance to vendors	152.73	89.03
Prepaid expenses	9.42	3.35
Total	1,229.35	779.43



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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.

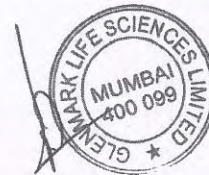
The Company has an authorised share capital of 200,000,000 equity shares of Rs. 2 each (31 March 2020 - 14,000,000 of Rs 10 each).

b) Preference shares

The Company has an authorised share capital of 600,000 Cumulative Convertible Preference Shares of Rs. 100 each (31 March 2020 - 600,000).

c) Reserves

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



Glenmark Life Sciences Limited**Notes to the Financial statements**

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

NOTE 12 - EQUITY SHARE CAPITAL

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
(a) Share capital				
Authorised				
Equity Shares of Rs. 2 each (31 March 2020- Rs. 10 each)	2000,00,000	400.00	140,00,000	140.00
Cumulative Convertible Preference Shares of Rs. 100 each	6,00,000	60.00	6,00,000	60.00
Issued, subscribed and fully paid-up equity shares (refer note 12(d))				
At the beginning of the period (Rs. 10 each)	19,60,090	19.60	19,60,090	19.60
Add: Increase in share on account of sub-division	78,40,360	-	-	-
-Loan conversion to Equity	-	-	-	-
-Preferential Issue	-	-	-	-
At the end of the year of Rs. 2 each (31 March 2020- Rs. 10 each) (A)	98,00,450	19.60	19,60,090	19.60
Other equity (B)		7,507.87		3,997.32
Total Equity (A+B)		7,527.47		4,016.92

	As at 31 March 2021		As at 31 March 2020	
	% of Holding	No. of Shares	% of Holding	No. of Shares
(b) List of shareholders holding more than 5% shares				
Glenmark Pharmaceuticals Limited	100%	98,00,450	100%	19,60,090

(c) 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.



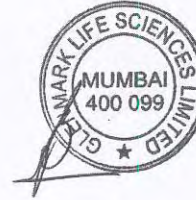
(d) Sub-division of shares and Issue of bonus shares

i) As per recommendation of Board of directors dated 23 February 2021 and approval of Shareholders dated 8 March 2021, the Company has increased its authorised share capital to Rs. 460 million consisting of 40,000,000 equity shares of face value of Rs. 10 each and 600,000 Cumulative Convertible Preference Shares of Rs. 100 each.

ii) Further, as per the recommendation of the Board of Directors dated 10 March 2021 and approval of the shareholders dated 26 March 2021, the existing equity shares are sub-divided into 200,000,000 equity shares of face value of Rs. 2 each. Pursuant to this resolution the existing issued, paid up and subscribed share capital of the Company stands subdivided to 9,800,450 equity shares of Rs. 2 each.

iii) As per recommendation of the Board of Directors dated 10 March 2021 and approval of the shareholders dated 26 March 2021, the Company at its board meeting held on 6 April 2021 has allotted 98,004,500 bonus equity shares of face value of Rs. 2 each in ratio of 10:1 (i.e. 10 Bonus Shares for every 1 Equity Share). Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 215.61 million comprising of 107,804,950 equity shares of face value of Rs. 2 each.

These shares are retrospectively considered for the computation of basic and diluted EPS.



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 13 - CURRENT FINANCIAL LIABILITIES

(i) BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loans		
Loan from related Parties (Refer Note 25)	-	0.21
Total	-	0.21

(ii) TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006 (Refer Note (i) below)	357.71	100.66
Trade payables outstanding dues to creditors other than micro, small and medium enterprises	1,629.91	1,691.70
Trade payables to related party (Refer note 25)	225.43	218.35
Total	2,213.05	2,010.71

Note (i)

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

Particulars	As at 31 March 2021	As at 31 March 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	357.71	100.62
b) Interest due remaining unpaid to any supplier at the end of the year	-	0.04
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, except stated above.



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

(iii) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Employee dues	4.99	0.02
Sundry creditors for capital goods	12.90	23.96
Accrued expenses	204.31	121.02
Payable to related parties (Refer note 25)	9,328.67	10,591.57
Total	9,550.87	10,736.57

(iv) CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITY ARE AS FOLLOWS-

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	10,591.78	9,561.42
Interest Accrued	874.70	335.15
Repayments of Borrowings during the year	(0.21)	-
Amount repaid during the year	(2,137.60)	(1,365.52)
Closing balance	9,328.67	10,591.78
Represented by-		
Payable to related parties		
Borrowings	-	0.21
Other current financial liability	9,328.67	10,591.57
	9,328.67	10,591.78

NOTE 14 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	41.63	49.62
Advance from customers	72.90	54.10
Total	114.53	103.72

NOTE 15 - PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for sales return	32.40	-
Provisions for employee benefits :		
Provision for gratuity (Refer note 24)	102.76	84.57
Provision for compensated absences (Refer note 24)	63.86	55.26
Total	199.02	139.83

Movement in provision for sale return

Opening balance	-	-
Additions during the year	32.40	-
Closing balance	32.40	-

NOTE 16 - CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax)	136.93	83.60
Total	136.93	83.60



Glenmark Life Sciences Limited
Notes to the Financial statements

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

NOTE 17- REVENUE FROM OPERATIONS

Particulars	Year ended 31 March	Year ended 31 March
	2021	2020
Sale of products	18,613.95	14,943.41
Other operating revenue*	237.70	429.72
Total	18,851.65	15,373.13

*Other Operating revenue primarily comprises of Export incentives of Rs. 118.46 (31 March 2020 - Rs. 282.78), and Sale of scrap and others of Rs. 119.24 (31 March 2020 - Rs. 146.94).

Disaggregation of revenue :

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

Geographical area	Year ended 31 March	Year ended 31 March
	2021	2020
Within India	10,480.71	7,874.10
Outside India	8,370.94	7,499.03
Total	18,851.65	15,373.13

Reconciliation of the amount of revenue recognised in the income statement with the contracted price

Particulars	Year ended 31 March	Year ended 31 March
	2021	2020
Revenue as per contracted price	18,897.55	15,393.59
Less: Trade discounts, sales and expiry returns	45.90	20.46
Revenue from contract with customers	18,851.65	15,373.13

Contract liabilities from contracts with customers :

The Company records a contract liability when cash payments are received or due in advance of its performance.

Particulars	Year ended 31 March	Year ended 31 March
	2021	2020
Advance from Customer	72.90	54.10

NOTE 18 -OTHER INCOME

Particulars	Year ended 31 March	Year ended 31 March
	2021	2020
Interest income	4.30	3.55
Exchange gain (net)	-	112.39
Miscellaneous income	3.81	3.96
Total	8.11	119.90



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 19- COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of raw material and packing material	9,481.65	6,686.61
Consumption of stores and spares	280.33	264.39
Total	9,761.98	6,951.00

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

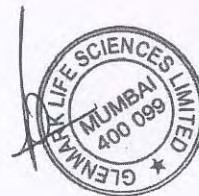
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(Increase)/Decrease in stock of finished goods, work-in-process	(707.01)	(46.42)
Total	(707.01)	(46.42)
(Increase)/Decrease in stocks		
At the year end		
Finished goods	350.76	345.71
Work-in-process	3,418.94	2,716.98
	3,769.70	3,062.69
At the beginning of the year		
Finished goods	345.71	189.74
Work-in-process	2,716.98	2,826.53
	3,062.69	3,016.27
Changes	(707.01)	(46.42)

NOTE 21- EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	1,389.57	1,331.03
Contribution to provident and other funds and retirement benefits (Refer note 24)	95.02	79.18
Staff welfare expenses	6.72	12.59
Total	1,491.31	1,422.80

NOTE 22 - FINANCE COSTS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on		
- Business Purchase Consideration	874.70	335.15
- Others	0.77	-
Total	875.47	335.15



Glenmark Life Sciences Limited
Notes to the Financial statements

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

NOTE 23 - OTHER EXPENSES

Particulars	Year ended 31 March	Year ended 31 March
	2021	2020
Power, fuel and water charges	741.90	767.48
Labour charges	403.56	429.41
Stores and spares consumed	83.74	94.89
Repairs and maintenance - plant and machinery	55.60	48.36
Repairs and maintenance - building	34.99	55.92
Repairs and maintenance - others	196.86	160.57
Rent (Refer note - 31)	1.63	0.57
Other manufacturing expenses	18.16	26.81
Selling and Marketing expenses	9.72	15.02
Sales promotion expenses	60.55	121.26
Export commission	127.74	31.64
Travelling expenses	45.63	62.74
Freight outward	139.87	95.32
Telephone expenses	1.67	1.62
Rates and taxes	21.96	22.33
Insurance premium	33.12	33.16
Auditors remuneration		
- Audit Fees	4.00	2.50
- Out of pocket expenses	0.72	0.20
Loss on sale of assets	5.84	12.30
Exchange loss (net)	34.59	-
Corporate Social Responsibility Activities and Donations (Refer Note 34)	44.97	26.28
Test and Trials and Development Expenses	2.90	-
Legal & professional expenses	35.45	34.17
Other expenses	289.46	283.60
Total	2,394.63	2,326.15



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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 2021	31 March 2020
Current service cost	12.34	12.53
Net interest on defined benefit schemes	5.78	6.13
Net periodic expense	18.12	18.66

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

Particulars	31 March 2021	31 March 2020
Actuarial (gains)/losses		
Based on adjustment of financial assumptions	3.30	(7.65)
Based on adjustment of demographic assumptions	-	(0.06)
Due to liability experience adjustment	4.06	1.26
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.33)	0.10
Total remeasurement gain recognised in the statement of other comprehensive income	7.03	(6.35)

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 2021	31 March 2020
Present value of funded obligations	105.54	87.01
Fair value of plan assets	(2.78)	(2.45)
Net defined benefit liability	102.76	84.56
Being:		
Retirement benefit assets	(2.78)	(2.45)
Retirement benefit liabilities	105.54	87.01

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

Particulars	31 March 2021	31 March 2020
Beginning balance	84.57	81.06
Cost recognised in statement of profit and loss	18.12	18.65
Remeasurement (gains) / losses recognised in other comprehensive income	7.03	(6.35)
Acquired through business transfer	-	-
Actual employer contributions	-	(2.50)
Benefits paid	(6.96)	(6.29)
Closing balance	102.76	84.57

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

Particulars	31 March 2021	31 March 2020
Beginning balance	87.01	81.06
Current service cost	12.34	12.53
Interest cost on the defined benefit obligations	5.78	6.16
Acquired through business transfer	-	-
Actual benefit payments	(6.96)	(6.30)
Actuarial (gains)/losses	7.37	(6.44)
Closing balance	105.54	87.01



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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

Particulars	31 March 2021	31 March 2020
Beginning balance	2.45	-
Interest income on plan assets	-	0.05
Actual employer contributions	-	2.50
Actual return on assets (excluding interest income on plan assets)	0.33	(0.10)
Closing balance	2.78	2.45

The principal actuarial assumptions used for the defined benefit obligations are as follows:

Particulars	31 March 2021	31 March 2020
Discount Rate	6.25%	6.65%
Salary Escalation rate (%)	3.00%	3.00%

Mortality rates have been set in accordance with current best practices. The average remaining working life in years on the

Particulars	31 March 2021	31 March 2020
Average remaining working life (years)	25.16	25.38

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

Particulars	31 March 2021	31 March 2020
Assets administered by respective insurance companies	100%	100%

A breakup of the defined benefit plan related balance sheet amounts is shown below.

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	105.54	87.01
Fair value of plan assets	(2.78)	(2.45)
Net defined benefit liability	102.76	84.56

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 2021	31 March 2020
Discount rate +0.5 % p.a.	(4.11)	(3.42)
Discount rate - 0.5 % p.a.	4.41	3.67
Rate of compensation increase + 0.5 % p.a.	4.30	3.60
Rate of compensation decrease - 0.5 % p.a.	(4.05)	(3.38)



Glenmark Life Sciences Limited
Notes to the Financial statements
 (All amounts in million of Indian Rupees, unless otherwise stated)

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	9 years
---	---------

Expected cash flows over the next (valued on undiscounted basis):	31 March 2021
1 year	12.80
2 to 5 years	30.22
6 to 10 years	40.10
More than 10 years	110.05

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

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

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

Particulars	31 March 2021	31 March 2020
Current service cost	10.26	10.36
Personnel expenses	10.26	10.36
Net interest on long term benefit schemes	3.83	4.47
Actuarial (gains)/losses	-	-
Based on adjustment of financial assumptions	2.23	(5.88)
Based on adjustment in demographic assumptions	-	(0.04)
Due to liability experience adjustment	0.87	(4.09)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.33)	0.10
Net periodic expense	16.86	4.92

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 2021	31 March 2020
Present value of funded obligations	66.64	57.71
Fair value of plan assets	(2.78)	(2.45)
Net long term benefit liability	63.86	55.26
Being:		
Retirement benefit assets	(2.78)	(2.45)
Retirement benefit liabilities	66.64	57.71

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

Particulars	31 March 2021	31 March 2020
Beginning balance	55.26	59.38
Cost recognised in the statement of profit and loss	16.86	4.92
Business transfer	-	-
Actual employer contributions	-	(2.50)
Benefits paid	(8.26)	(6.54)
Closing balance	63.86	55.26

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

Particulars	31 March 2021	31 March 2020
Beginning balance	57.71	59.38
Current service cost	10.26	10.36
Interest cost on the long term benefit obligations	3.83	4.52
Actual benefit payments	(8.26)	(6.54)
Actuarial (gains)/losses - Financial assumptions	2.23	(5.88)
Actuarial (gains)/losses - Demographic assumptions	-	(0.04)
Actuarial (gains)/losses - Liability experience adjustment	0.87	(4.09)
Business transfer	-	-
Closing balance	66.64	57.71



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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

Particulars	31 March 2021	31 March 2020
Beginning balance	2.45	-
Actual employer contributions	-	2.50
Interest income on plan assets	-	0.05
Return on plan assets	0.33	(0.10)
Closing balance	2.78	2.45

The principal actuarial assumptions used for the long term benefit obligations are as follows:

Particulars	31 March 2021	31 March 2020
Discount rate (weighted average)	6.25%	6.65%
Rate of compensation increase (weighted average)	3.00%	3.00%

Mortality rates have been set in accordance with current best practices. The average remaining working life in years on the

Particulars	31 March 2021	31 March 2020
Average remaining working life (in years)	25.16	25.38

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

Particulars	31 March 2021	31 March 2020
Insurance contracts	100%	100%

A breakup of the long term benefit plan related balance sheet amounts, is shown below .

Particulars	31 March 2021	31 March 2020
Present value of obligations	66.64	57.71
Fair value of plan assets	(2.78)	(2.45)
Net long term benefit liability	63.86	55.26

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 2021	31 March 2020
Discount rate + 0.5 % p.a.	(2.77)	(2.39)
Discount rate - 0.5 % p.a.	2.97	2.56
Rate of compensation increase + 0.5 % p.a.	3.06	2.64
Rate of compensation decrease - 0.5 % p.a.	(2.87)	(2.48)

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. During the year ended 31 March 2021, the Company contributed approximately Rs. 60.04 (31 March 2020 - Rs. 55.60) towards the provident fund plan.



Glenmark Life Sciences Limited**Notes to the Financial statements**

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

NOTE 25 - RELATED PARTY DISCLOSURES**a) Parent entity**

Name	Type	Place of incorporation	Ownership interest	
			31 March 2021	31 March 2020
Glenmark Pharmaceuticals Ltd.	Immediate and ultimate parent entity	India	100%	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
 Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)
 Glenmark Holding S. A., Switzerland
 Glenmark Pharmaceuticals S.R.L., Romania (liquidated with effect from 30 July 2020)
 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 (Liquidated with effect from 2 December 2019)
 Viso Farmaceutica S.L.U., Spain
 Glenmark Specialty S A, Switzerland
 Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic
 Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
 Glenmark Pharmaceuticals Nordic AB, Sweden
 Glenmark Ukraine LLC, Ukraine
 Glenmark-Pharmaceuticals Ecuador S.A., Ecuador
 Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore
 Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA), Switzerland
 Ichnos Sciences Inc., USA (w.e.f. 31 May 2019)
 Glenmark Distribuidora De Medicamentos E Produtos Cosméticos Ltda, Brazil. (w.e.f. 20 March 2020; upto 23 December 2020)

c) Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation

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

Glenmark Pharmaceuticals Inc., USA
 Glenmark Pharmaceuticals Ltd., India
 Glenmark Pharmaceuticals Europe Ltd., U.K.
 Glenmark Pharmaceuticals B.V., Netherlands
 Glenmark Farmaceutica Ltda., Brazil
 Viso Farmaceutica S.L.U., Spain
 Glenmark Pharmaceuticals Egypt S.A.E., Egypt
 Glenmark Foundation
 Dr. Yasir Rawjee (Managing Director & CEO, CEO with effect from 2 May 2019 and Managing Director with effect from 13 August 2019)
 Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)
 Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)
 Ms. Ruchita Gandhi (effective from 1 January 2019 and till 1 December 2020)
 Mr. Rudolf Corria (Company Secretary & Compliance Officer with effect from 23 February 2021)



Glenmark Life Sciences Limited

Notes to the Financial statements

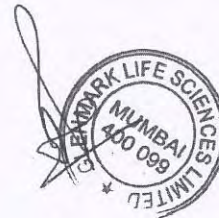
(All amounts in million of Indian Rupees, unless otherwise stated)

e) Key Management Personnel

Mr. Glenn Saldanha (Chairman & Non-executive Director)
 Mr. V S Meni (Non-executive Director)
 Ms. Cherylan Pinto (Non-executive Director with effect from 16 March 2020 till 22 February 2021)
 Dr. Yasir Rawjee Managing Director & CEO, CEO with effect from 2 May 2019 and Managing Director with effect from 13 August 2019)
 Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)
 Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)
 Ms. Ruchita Gandhi (Chief Financial Officer till 1 December 2020)
 Mr. Kanish Malik (Non-executive Director effective till 6 June 2019)
 Mr. Sridhar Gorthi (Non-executive Independent Director with effect from 30 October 2020)
 Ms. Manjiv Agarwal (Non-executive Independent Director with effect from 30 October 2020)
 Mr. Taruwal Laxminarayanan Easwar (Non-executive Independent Director with effect from 8 January 2021)
 Ms. Gita Nayyar (Non-executive Independent Director with effect from 17 February 2021)
 Mr. Rudalf Corria (Company Secretary & Compliance Officer with effect from 23 February 2021)

f) Related party transaction

	Year ended 31 March 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2020
1 Sale of materials & services		7,702.89		6,308.57
Glenmark Pharmaceuticals Inc., USA	951.67		1,262.84	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	(0.50)		0.50	
Glenmark Pharmaceuticals Ltd., India	6,751.71		5,040.23	
2 Purchase of materials & services		552.62		473.74
Glenmark Pharmaceuticals Ltd., India	490.16		413.25	
Glenmark Pharmaceuticals B.V., Netherlands	10.87		44.70	
Viso Farmaceutica S.L.U., Spain	9.97		10.38	
Glenmark Pharmaceuticals Europe Ltd., U.K.	5.43		5.41	
Glenmark Farmaceutica Ltda., Brazil	36.19		-	
3 Expenses incurred on behalf of Glenmark Lifesciences Ltd		29.97		119.46
Glenmark Pharmaceuticals Europe Ltd., U.K.	-		5.50	
Glenmark Farmaceutica Ltda., Brazil	-		45.26	
Glenmark Pharmaceuticals Ltd., India	16.50		68.68	
Glenmark Pharmaceuticals Inc., USA	13.47		0.02	
4 Expenditure incurred for CSR activities to		42.00		26.27
Glenmark Foundation	42.00		26.27	
5 Key management personnel		72.51		41.11
Remuneration				
Ms Ruchita Gandhi (Chief Financial Officer effective from 1 January 2019 and till 1 December 2020)	9.02		11.94	
Dr. Yasir Rawjee (CEO with effect from 2 May 2019 and Managing Director with effect from 13 August 2019)	50.71		29.17	
Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)	8.02		-	
Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)	4.63		-	
Mr. Rudalf Corria (Company Secretary & Compliance Officer with effect from 23 February 2021)	0.13		-	
6 Loan repaid to related parties		0.21		
Glenmark Pharmaceuticals Ltd., India	0.21		-	
7 Interest expense on business purchase transaction		874.70		335.15
Glenmark Pharmaceuticals Ltd., India	874.70		335.15	
8 Payment of amount due for business purchase transaction		2,137.60		1,365.51
Glenmark Pharmaceuticals Ltd., India	2,137.60		1,365.51	



Glenmark Life Sciences Limited
 Notes to the Financial statements
 (All amounts in million of Indian Rupees, unless otherwise stated)

g) Related party balances

	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
1				
Receivable/(Payable) from/ (to) fellow subsidiary companies/enterprise		(6,720.20)		(7,420.03)
Glenmark Farmaceutica Ltda., Brazil	(8.44)		(24.15)	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		0.52	
Glenmark Pharmaceuticals B.V., Netherlands	(121.39)		(105.66)	
Glenmark Pharmaceuticals Europe Ltd., U.K.	(71.39)		(60.46)	
Glenmark Pharmaceuticals Inc., USA	1,471.41		1,298.43	
Viso Farmaceutica S.L.U., Spain	(24.21)		(27.85)	
Glenmark Pharmaceuticals Ltd., India	(7,966.18)		(8,500.62)	
Glenmark Foundation	(0.00)		(0.24)	



Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 26 - RESEARCH AND DEVELOPMENT EXPENSES

During the year ended, the Company's expenses on research and development ("R&D") is:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expenditure incurred at our R&D facilities approved by Department of Scientific and Industrial Research	289.88	329.18
Expenditure incurred at Other R&D facilities	115.29	71.10
	405.17	400.28

NOTE 27 - EARNINGS PER SHARE ("EPS")

The basic earnings per share 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 2021	Year ended 31 March 2020
Profit attributable to equity shareholders, for basic and diluted	3,515.81	3,130.98
Weighted average number of shares outstanding during the year end*	9,800,450	9,800,450
Equity shares post bonus (Refer Note - 12(d))		
Weighted average number of shares outstanding during the year for basic EPS	107,804,950	107,804,950
Weighted average number of shares outstanding during the year for diluted EPS	107,804,950	107,804,950
Basic (In Rs)	32.61	29.04
Diluted (In Rs)	32.61	29.04

*Considering impact of sub-division of shares (Refer Note - 12(d))

NOTE 28 - SEGMENT REPORTING

Business segment:

The Chief Operating Decision Maker ("CODM") reviews the financial performance, 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.

Geographical information:

Geographical segment disclosure given below are based on location of the company's customers in case of revenue. The disclosure of carrying amount of segment assets are based on geographical location of segment assets.

- 1 Within India
- 2 Outside India

Information about revenues by geography:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) Revenue from external customers		
Within India	10,480.71	7,874.10
Outside India	8,370.94	7,499.03
	18,851.65	15,373.13

Analysis of assets by geography:

As at 31 March 2021	India	Total
Tangible Assets	5,648.88	5,648.88
Intangible Assets	79.11	79.11
Total	5,727.99	5,727.99
As at 31 March 2020	India	Total
Tangible Assets	5,390.78	5,390.78
Intangible Assets	71.68	71.68
Total	5,462.46	5,462.46



Glenmark Life Sciences Limited
Notes to the Financial statements

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

NOTE 29 - COMMITMENTS AND CONTINGENCIES

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed taxes and duties	22.16	22.16

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2021 aggregate Rs. 150.12 (31 March 2020 - 111.19).



Glenmark Life Sciences Limited
Notes to the Financial statements

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

NOTE 30- FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at 31 March 2021				As at 31 March 2020			
	FVTPL	Amortised cost	Total carrying value	Total fair value	FVTPL	Amortised cost	Total carrying value	Total fair value
Financial assets								
Non-current financial assets	-	85.46	85.46	85.46	-	84.32	84.32	84.32
Trade receivables	-	6,195.00	6,195.00	6,195.00	-	6,386.28	6,386.28	6,386.28
Cash and cash equivalents	-	1,155.96	1,155.96	1,155.96	-	99.98	99.98	99.98
Investments	0.77	-	0.77	0.77	0.77	-	0.77	0.77
Other current financial assets	-	275.89	275.89	275.89	-	207.70	207.70	207.70
Total	0.77	7,712.31	7,713.08	7,713.08	0.77	6,778.28	6,779.05	6,779.05
Financial Liabilities								
Trade payables	-	2,213.05	2,213.05	2,213.05	-	2,010.71	2,010.71	2,010.71
Short term borrowings	-	-	-	-	-	0.21	0.21	0.21
Other current financial liabilities	-	9,550.87	9,550.87	9,550.87	-	10,736.57	10,736.57	10,736.57
Total	-	11,763.92	11,763.92	11,763.92	-	12,747.49	12,747.49	12,747.49

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

Fair value hierarchy :

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.



Glenmark Life Sciences Limited
Notes to the Financial statements

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

Note 31: LEASES

Company as lessee

The Company has applied low value exemption for leases and accordingly are excluded from Ind AS 116. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

(i) The following are the amounts recognised in profit or loss for the year:

Particulars	31 March 2021	31 March 2020
Expense relating to short-term leases and low value assets	1.63	0.57



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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)

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 2021		31 March 2020	
	USD (million)	INR	USD (million)	INR
Short-term exposure				
Financial assets	51.78	3,791.85	44.82	3,349.97
Financial liabilities	(9.16)	(670.86)	(7.78)	(581.41)
Total	42.62	3,120.99	37.04	2,768.56

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Net results for the period	(312.10)	(276.86)
Equity	-	-

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Net results for the period	312.10	276.86
Equity	-	-



Glenmark Life Sciences Limited
Notes to the Financial statements

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

Considering the volatility in direction of strengthening EUR upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2021		31 March 2020	
	EUR (million)	INR	EUR (million)	INR
Short term exposure				
Financial assets	0.43	37.27	0.29	23.83
Financial liabilities	(1.77)	(152.05)	(1.67)	(137.19)
Total	(1.34)	(114.78)	(1.38)	(113.36)

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Net results for the period	11.48	11.34
Equity	-	-

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Net results for the period	(11.48)	(11.34)
Equity	-	-

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	31 March 2021	31 March 2020
Cash & cash equivalents	1,155.96	99.98
Trade receivables	6,195.00	6,386.28
Current financial assets	275.89	207.70
Non current financial assets	86.23	85.09
Total	7,713.08	6,779.05



Glenmark Life Sciences Limited
Notes to the Financial statements

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

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the 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.

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

Particulars	As at	As at
	31 March 2021	31 March 2020
Outstanding for more than 6 months	632.70	283.88
Others	5,562.30	6,102.40
Total	6,195.00	6,386.28

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.



Glenmark Life Sciences Limited
Notes to the Financial statements

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

The Company's liabilities have contractual maturities which are summarised below:

As at 31 March 2021

	Current	Non-Current
	Within 1 year	1 to 5 years
Trade payable	2,213.05	-
Other current financial liabilities	9,550.87	-
Total	11,763.92	-

As at 31 March 2020

	Current	Non-Current
	Within 1 year	1 to 5 years
Trade payable	2,010.71	-
Short term borrowings	0.21	-
Other current financial liabilities	10,736.57	-
Total	12,747.48	-



Glenmark Life Sciences Limited
Notes to the Financial statements

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

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 2021	31 March 2020
Total debt	9,328.67	10,591.78
Less: Cash & cash equivalents	1,155.96	99.98
Net debt	8,172.71	10,491.80
Total Equity	7,527.47	4,016.92

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:

Gross amount spent by the company for the year ended 31 March 2021 is Rs 43.47 (31 March 2020 - Rs. 26.28) . Gross amount required to be spent for the year ended 31 March 2021 Rs. 43.42 (31 March 2020 - 15.25).



Glenmark Life Sciences Limited
Notes to the Financial statements

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

Note 35 - EVENTS OCCURRING AFTER THE REPORTING PERIOD

i) As per recommendation of the Board of Directors dated 10 March 2021 and approval of the shareholders dated 26 March 2021, the Company at its board meeting held on 6 April 2021 has allotted 98,004,500 bonus equity shares of face value of Rs. 2 each in ratio of 10:1 (i.e. 10 Bonus Shares for every 1 Equity Share). Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 215.61 million comprising of 107,804,950 equity shares of face value of Rs. 2 each.

ii) As per the recommendation by Nomination and Remuneration Committee ("the Committee") on 6 April 2021, approval of Board of Directors on 6 April 2021, and approval of shareholders by special resolution dated 9 April 2021, the Committee was approved to grant up to 1,078,050 Employee Stock Options to the Employees, in one or more tranches, from time to time under the Glenmark Life Sciences Limited - Employee Stock Option Plan 2021 ("ESOP 2021"), being exercisable into not exceeding 1,078,050 equity shares of a face value of Rs. 2 each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.

Options granted under ESOP 2021 shall in respect of each Option Grantee vest within the minimum period of 1 year and maximum period of 6 years from the date of Grant of such Options to the Option Grantee.

The committee granted 9,51,734 options in its meeting dated 17 May 2021 under the said scheme.

Note 36 - IMPACT OF COVID-19

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Even in India the outbreak has been declared an epidemic or pandemic and on 24 March 2020, the Government of India ordered a nationwide lockdown, limiting movement of population of India as a preventive measure against the COVID-19 pandemic. As a result most of the businesses are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organisations.

However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of receivables, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

Note 37- COMPARATIVES

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



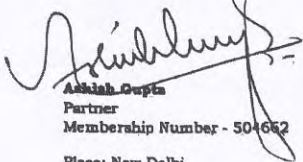
Glenmark Life Sciences Limited
Notes to the Financial statements
(All amounts in million of Indian Rupees, unless otherwise stated)

NOTE 34 - AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 26 May 2021.

As per our report of even date.

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



Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 26 May 2021



For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

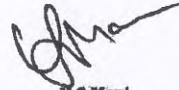


Yasir Rawjee
Managing Director & CEO
DIN: 01965174



Shavesh Rajani
Chief Financial Officer

Place: Mumbai
Date: 26 May 2021



V S Mami
Director
DIN: 01082878



Kundali Curries
Company Secretary &
Compliance Officer

