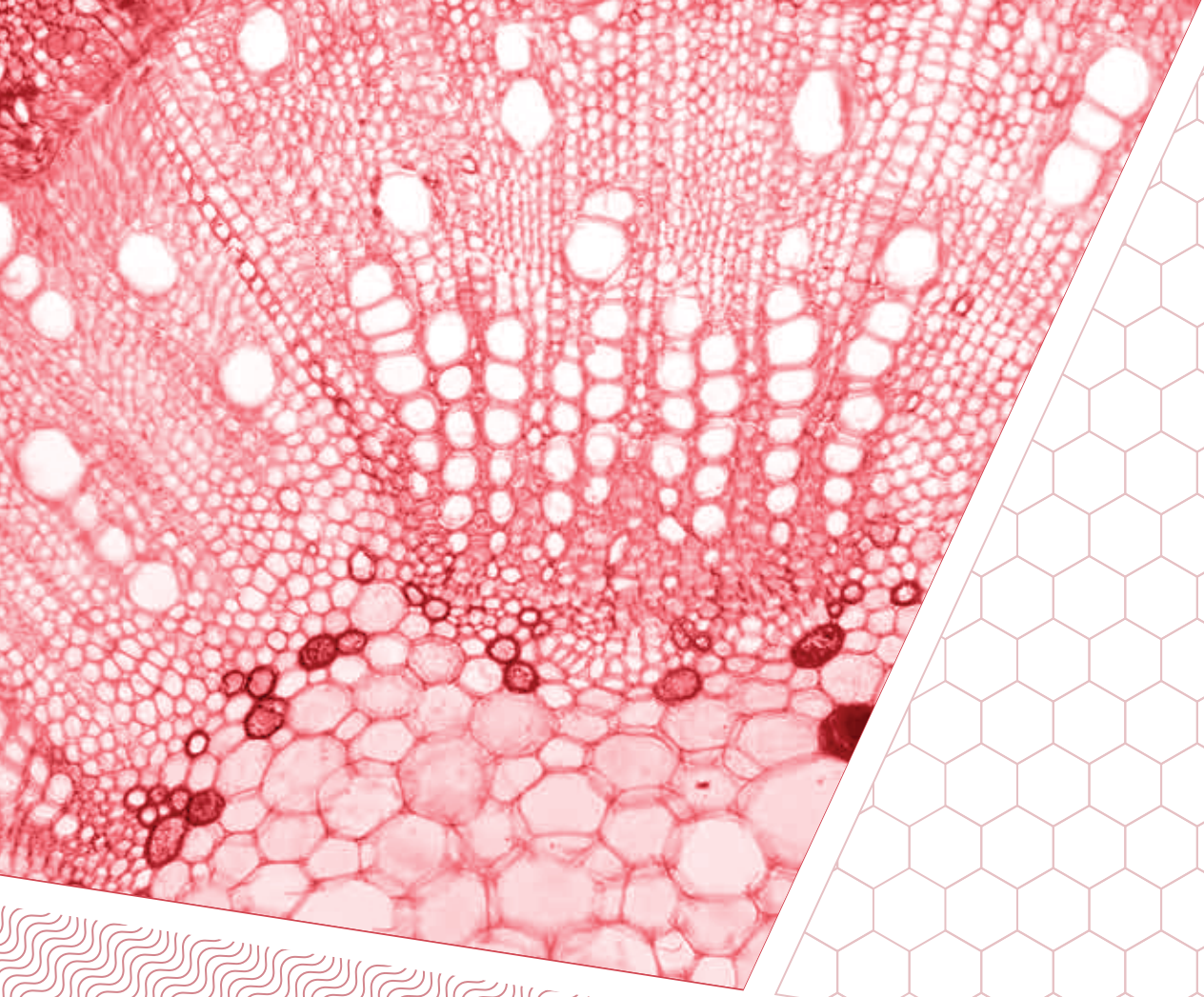
ANNUAL REPORT 2020-2021

Glenmark
A new way for a new world

INNOVATION

SHAPING TODAY AND TOMORROW



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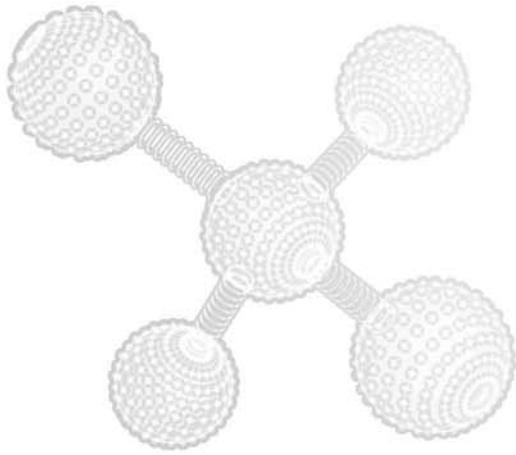


At Glenmark, we explore the unparalleled possibilities of science and innovation to create breakthrough therapies for the global patient population.

Over the last four decades, Glenmark has persisted along the high road to innovation, progressing from a generics company to an integrated, research-led, global pharmaceutical company. Our sustained investment in research and development helps us identify and advance promising treatments that benefit millions of patients.

We are home to some of the best global scientific talent that continuously challenges treatment paradigms and builds on the success of established franchises. Today, our portfolio of differentiated medicines in respiratory, dermatology and oncology is acclaimed as breakthrough solutions for a wide range of diseases.

With the COVID-19 pandemic yet to be brought under control, Glenmark recognizes that embracing the transformative power of innovation is now a prerequisite for sustained growth and accelerated profitability in the new normal.

As a corporate citizen, Glenmark is deeply committed to sustainable development as well as social and ethical responsibilities.

We dedicate this Annual Report to our people, whose undying passion, unwavering focus, and steely resilience made 2021 a year of scientific triumph — for us, and for millions of patients around the world.

VISION

To emerge as a leading, integrated, research-led global pharmaceutical company

VALUES

Achievement

We value Achievement of objectives and consistently strive towards our vision with perseverance

Respect

We Respect all our stakeholders

Knowledge

We value Knowledge such that it empowers our people to find innovative solutions to manage change

COMPANY PROFILE

Operations in over **80 countries globally**

Ranks among the world's **top 50 Generics and Biosimilars companies***

Integrated across the pharmaceutical value chain with **strong presence in drug discovery, API and finished dose formulations**

Established research excellence in both **novel small molecule** and **biologics research,** with drugs in **different stages** of clinical development

*As per the Top 50 Company Rankings, 2020, from Informa's Generics Bulletin

MORE
THAN FOUR DECADES OF PROGRESS AND INNOVATION

THE BEGINNING **1977** Founder Emeritus Late Mr. Gracias Saldanha sets up Glenmark

Glenmark enters dermatology; launches Candid cream - a top selling brand even today **1979** **FIRST LAUNCH**

FIRST R&D CENTER **1999** Glenmark sets up R&D Center at Sinnar, Maharashtra

Glenmark sets up 2nd R&D Centre at Mahape, Navi Mumbai, for innovation in Novel Chemical Entities (NCE) **2000** **INNOVATION BEGINS**

GOES PUBLIC Glenmark lists on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India with a market capitalization of USD 40 Mn

Glenmark starts manufacturing APIs at Kurkumbh, Maharashtra **2001** **DIVERSIFICATION IN API**

DIVERSIFICATION CONTINUES **2002** Glenmark acquires API manufacturing facility at Ankleshwar, Gujarat

2004

FIRST MOLECULE OUT-LICENSED

Glenmark out-licenses GRC 3886 to Forest Laboratories for USD 35 Mn (upfront and milestone payments)

2005

ENTERS US MARKET

Glenmark begins commercial operations in the US. Sets up manufacturing facility to US FDA specifications in Goa

OUT-LICENSES 2ND MOLECULE

Glenmark out-licenses Oglemilast to Teijin Pharma, Japan for USD 6 Mn (upfront payment)

2006

BIOLOGICS R&D BEGINS

Glenmark establishes 1st R&D center in Switzerland for Novel Biologics Entities (NBE)

OUT-LICENSES 3RD MOLECULE

Glenmark out-licenses Melogliptin to Merck KGaA for USD 31 Mn (total payment)

2007

OUT-LICENSES 1ST PORTFOLIO

Glenmark out-licenses TRPV1 antagonist molecules to Eli Lilly for USD 45 Mn (upfront fee)

2010

OUT-LICENSES FIRST-IN-CLASS MOLECULE

Glenmark out-licenses GRC 15300, a first-in-class TRPV3 antagonist to Sanofi-Aventis for USD 25 Mn (upfront payment)

2011

OUT-LICENSES FIRST NEW BIOLOGIC ENTITY

Glenmark out-licenses GBR 500 to Sanofi-Aventis for USD 50 Mn (upfront payment) and USD 5 Mn (milestone payment) in 2014

2012

OUT-LICENSES ANOTHER NOVEL MOLECULE

Glenmark out-licenses mPGES-1 inhibitor to Forest Labs for USD 15 Mn (upfront payment)

MORE
THAN FOUR DECADES OF PROGRESS AND INNOVATION

2014

EXPANDS OPERATIONS

Glenmark commissions a new manufacturing facility in North Carolina, US for the development of injectables and oral solid dosages. Also sets up a new facility in La Chaux-de-Fonds, Switzerland for development of clinical GMP-grade biologics for clinical trials

2015

GROWS RESPIRATORY PORTFOLIO

Glenmark enters into an agreement with Celon, Poland for generic Seretide Accuhaler in Europe; receives approval for generic version in Russia

2016

LAUNCHES DIFFERENTIATED GENERICS

Glenmark introduces Ezetimibe, generic version of Zetia in the US

STRENGTHENS ONCOLOGY

Glenmark expands oncology portfolio to include GBR 1302, GBR 1342 and GBR 1372 from the BEAT® platform

2018

CONTINUES OUT-LICENSING

Glenmark Pharmaceuticals and Harbour Biomed sign an exclusive license agreement in Greater China to develop, manufacture and commercialize GBR 1302

ADVANCES RESPIRATORY PORTFOLIO WITH RYALTRIS™

Glenmark's leading respiratory pipeline candidate Ryaltris™, an investigational fixed-dose combination nasal spray accepted by the US FDA for review as a treatment for allergic rhinitis

2019

SPINS OUT API AND INNOVATION SUBSIDIARIES

Glenmark spins out its API arm into a new subsidiary Glenmark Life Sciences. Also spins out a new innovation subsidiary Ichnos Sciences Inc. focused on immuno-oncology

2020

LAUNCHES ANTIVIRAL FOR COVID-19

FabiFlu® (favipiravir) launches for mild to moderate COVID-19 in June 2020. By June 2021, FabiFlu® is available in 24 countries.

RECEIVES RECOGNITION FOR SUSTAINABILITY EFFORTS

Glenmark included in Dow Jones Sustainability Emerging Markets Index 2020 for the third year in a row, ranks 13 amongst global pharma companies

COMPANY
AT A GLANCE

#1
fastest growing pharma company amongst top 20 companies in Indian pharmaceutical market[1]

2nd & 3rd
rank in dermatology and respiratory respectively[2]

15th largest
amongst US generic pharma companies in terms of volume[3]

1,035
inventions till date

950
patents granted for innovations in New Molecular Entities, Formulations and API

~ USD 200 Mn
worth of out-licensing deals signed

> 80
countries where we operate

~ USD 1.5 Bn
global revenue in FY21

> 65%
turnover from international operations

1. MAT March 2021 | 2. As per IQVIA MAT March 2021 | 3. IQVIA National Sales Perspectives Audit – Last 12 Months Ending March 2021 Includes Generics and Branded Generics; Rx Only

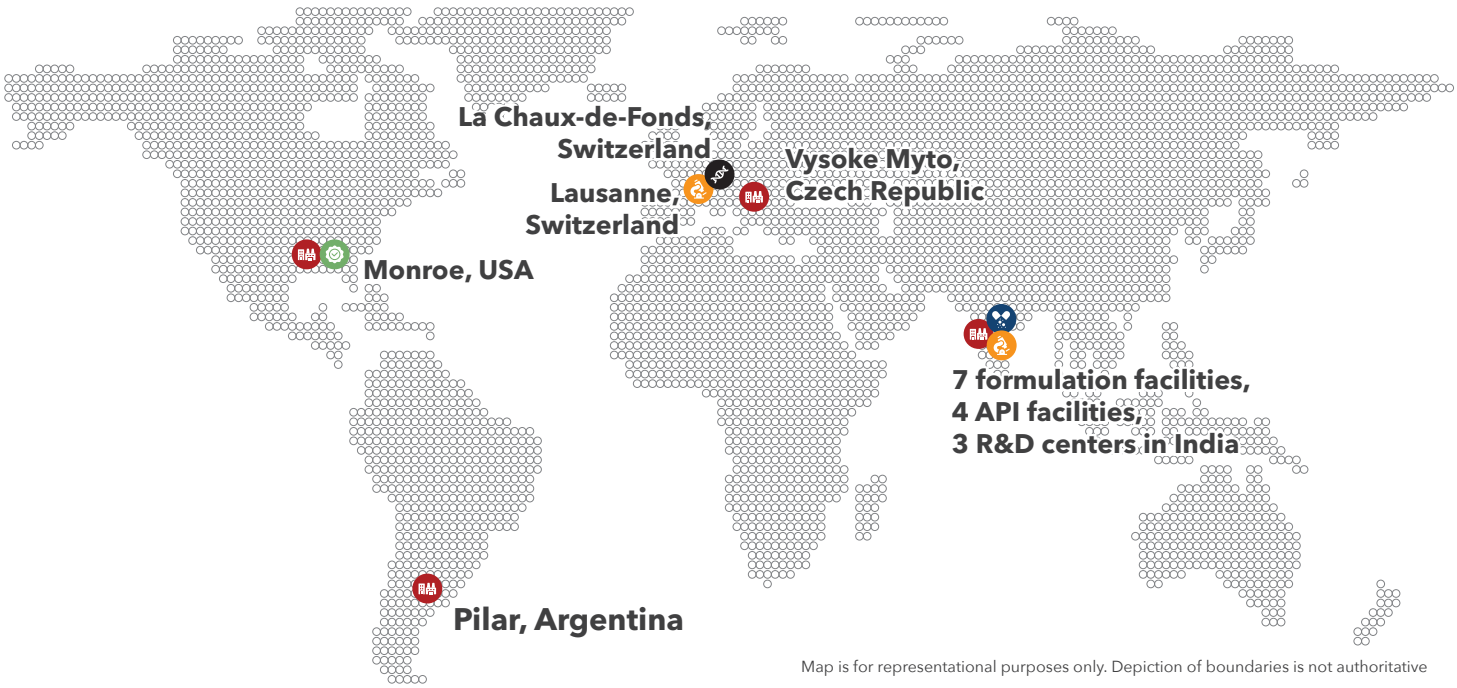
GLOBAL

R&D AND MANUFACTURING FOOTPRINT

14
world class manufacturing facilities

4
continents where our facilities are present

8
manufacturing facilities approved by US FDA



Map is for representational purposes only. Depiction of boundaries is not authoritative

Formulation Facility | **API Facility** | **NBE Facility** | **US FDA Approved** | **R&D Centers**

Goa	Sikkim	Ankleshwar	Sinnar
Indore	Aurangabad	Dahej	Mahape
Baddi	Monroe	Kurkumbh	Taloja
Nalagarh	Pilar	Mohol	Lausanne
Nashik	Vysoke Myto	La Chaux-de-Fonds	

CONSOLIDATED
FINANCIAL HIGHLIGHTS

Revenue for the year
₹ 109,439 Mn

EBITDA Margin
19.0%

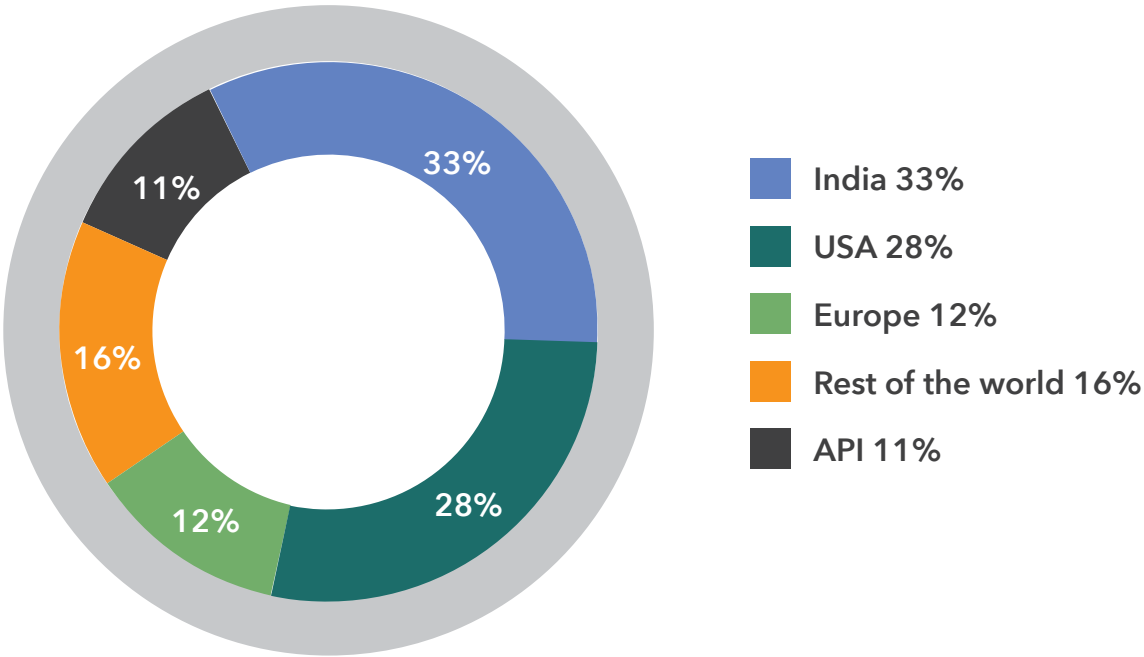
EBITDA
₹ 20,844 Mn

Profit for the year (after tax)
₹ 9,701 Mn

Profit after tax margin
8.9%

Earnings per share
₹ 34.4

GLENMARK'S REVENUE COMPOSITION



Note: All numbers are for the financial year 2020-21.

Glenn Saldanha
Chairman and Managing Director

PURPOSEFUL

INNOVATION DURING CHALLENGING TIMES

Chairman's Message

Dear Shareholder,

We have just seen a year of extraordinary challenges, a year that has changed our lives in different ways. The COVID-19 pandemic has created immense disruption in the global economy and the healthcare sector. The unpredictability remains, and we expect that the coming year will continue to test our resilience and determination to navigate volatility.

As an organization, it was apparent to us right at the beginning that COVID-19 was a one-of-a-kind situation facing humanity and our industry, and its effects would be far-reaching. We also realized that to succeed in such a business environment, organizations needed to adopt a different mindset. Undoubtedly, the tenets of doing business in a post-COVID world are resilience, adaptability, and flexibility. Only with these capabilities can an organization align itself to the changing reality, and continue to create value for its customers and other stakeholders.

Our response to COVID-19 was unparalleled, and it put us on par with other global pharmaceutical companies that worked against the clock to find treatment options for COVID-19.

Our performance demonstrated our operational robustness and ability to cater to diverse patient needs in challenging situations. Our competitive advantage came from our timely action, quick adaptation, and purposeful innovation – with a firm focus on business continuity. Every team and business function across Glenmark embraced agility in its way of working from the onset of the pandemic.

FabiFlu®: Glenmark's timely response to the pandemic

Our oral antiviral, FabiFlu® (favipiravir), is a testament to the deep capabilities that define brand Glenmark. In March 2020, the World Health Organization declared the COVID-19 a global pandemic.

In less than three months, Glenmark became the first pharmaceutical company in India to receive emergency use authorization for FabiFlu®. I am proud to say that we ploughed through all challenges to ensure that our therapy reached more than 5 million patients in India, making the impact real, tangible, and timely. By April 2021, FabiFlu® had become the highest selling drug in the Indian pharma market amongst all therapies.

Recalibration for a new reality

We demonstrated operational resilience and agility in our successful clearing of virtual audits, and in our introduction of digital tools to communicate with doctors and sales staff.

Our collaborative mindset saw our Operations and Manufacturing teams working seamlessly round the clock to produce an uninterrupted supply of medicines for patients around the world. Thus honoring our commitment to patients, partners, and the community.

Our frontline and corporate functions further re-examined and recalibrated their business models, and worked in unison to achieve new milestones and set new benchmarks of excellence.

Leading through innovation

Innovation is how we generate value. Our investments in R&D go beyond launching generics, and fuel development of innovative products that raise the standard of care for diseases with significant unmet needs.

We launched a number of products in FY21. In addition to FabiFlu®, the other significant launch was Ryaltris™ (olopatadine hydrochloride and mometasone furoate monohydrate), an anti-allergy nasal spray that is being marketed globally. Ryaltris™ sales continue to progress well in Australia, South Africa, Ukraine and Uzbekistan. We have initiated launch in Russia and received marketing approval for launch in the Philippines. We are entering into partnership agreements for the commercialization of Ryaltris™ in other countries and plan to launch it on our own in some markets.

Glenmark's novel, patent-protected, and globally-researched sodium glucose co-transporter-2 (SGLT2) inhibitor, Remogliflozin Etabonate (Remogliflozin), for the treatment of type 2 diabetes, continues to do well in India.

Furthermore, Glenmark has received a positive response to the launch of the Remogliflozin + Vildagliptin fixed dose combination, under the brand names Remo V and Remozen V, for adults with type 2 diabetes in India. The brands have gained a market share of 37.9% in the SGLT/DPP4 market, according to IQVIA Jan-March 2021 data.

The tenets of doing business in a post-COVID world are resilience, adaptability, and flexibility

Strategic restructuring will enable us to build a leading, focused, and integrated pharmaceutical company

Our vision is to drive tangible ESG impact and develop programs that help us emerge as a company with global benchmarks

Our specialty/innovative pipeline

GRC 17536 (TRPA1 antagonist) is a specialty asset being developed as an orally administered treatment for patients with painful diabetic peripheral neuropathy.

We announced the successful Phase 1 results of GBR 310 that suggest similarity in pharmacokinetic, pharmacodynamic, safety, and immunogenicity profiles between GBR 310 and the reference product, omalizumab, marketed in the US under the brand name Xolair®. We are in discussions with potential partners and plan to finalize a deal before initiating Phase 3 studies.

GRC 39815 (RORγt antagonist) is the company's respiratory pipeline asset, that is being developed as an inhaled therapy for the treatment of mild to moderate chronic obstructive pulmonary disease (COPD). It is currently under Phase 1 clinical development with a single ascending dose study in the US. The Phase 1 study is expected to be completed in the next few quarters.

In oncology, our pipeline molecule - GRC 54276 (HPK1 inhibitor) - is being developed as an orally administered, immuno-oncology-adjuvant treatment for patients with solid tumors.

In the dermatology segment, we are evaluating GRC 4039 (PDE4 inhibitor) as a topically administered treatment for patients with mild to moderate atopic dermatitis.

An impressive pipeline from Ichnos

Our biologics pipeline in Ichnos is gaining traction. In FY21, we made a strategic decision to refine the Ichnos pipeline by sharpening our focus on oncology biologics based on BEAT®, our proprietary, bi-/trispecific engineering platform, and out-licensing our immunology assets.

The technology platform is enabling us to develop novel immune cell engagers and modulators in oncology. It will help us realize our mission to provide breakthrough therapies that will extend and improve lives, and thereby write a new chapter in healthcare.

Ichnos' current, multi-specific oncology pipeline consists of five programs, including a clinical-stage, first-in-class T-cell engager, ISB 1342, that targets CD38 and CD3; and a preclinical-stage, first-in-class CD38 x CD47 immune cell engager, ISB 1442, which leverages multiple mechanisms of cellular cytotoxicity.

Additionally, Ichnos is working to out-license two antibodies with potential across a range of autoimmune diseases. ISB 830 (telazorlimab), an OX40 antagonist monoclonal antibody (mAb), is in Phase 2b trials for the treatment of atopic dermatitis. ISB 880 is a preclinical stage, high-affinity IL-1RAP antagonist mAb that is being targeted for IND submission by the end of fiscal year 2021-2022.

A positive performance

Despite multiple challenges, our business has remained stable and is growing. For the year under review (2020-21), Glenmark's consolidated revenue recorded an increase of 2.8% to reach INR 1,09,439 Mn, as against INR 1,06,410 Mn over the previous corresponding period. Net profit stood at INR 9,701 Mn in FY21, as against INR 7,760 Mn in the previous fiscal – a growth of 25%.

Glenmark stayed its course as one of the fastest growing companies in India, with a growth of 14% versus the average growth rate of 6% in the Indian pharmaceutical market. Our prescription (Rx) business in India continued to drive market share in respiratory, dermatology, oncology, and cardio-metabolics. Today, Glenmark is ranked 2nd in dermatology, 3rd in respiratory medicine, 6th in cardiology, and is amongst the top 15 companies in the diabetes and oncology space in the country.

The Glenmark Consumer Care (GCC) business maintained its lead with top brands Candid®, LaShield®,

and Scalpe®. It is a matter of pride for us that in FY21, Candid® powder became the first GCC brand with sales of over INR 1 Bn (INR 100 Cr+).

Broadening our global presence

In the fiscal year 2020-21, Glenmark received approval for 14 ANDAs that comprised 10 final approvals and four tentative approvals. Today, Glenmark is ranked 15th in the US amongst generic companies (in terms of volume) and 17th in terms of total prescriptions. Our products fill about 83 Mn prescriptions each year in the US, and this number is expected to continue increasing annually.

Glenmark has built a strong presence across key markets in Western and Central Eastern Europe. Our present geographies include the UK, Germany, the Netherlands, Spain, the Czech Republic, the Nordic countries, Slovakia, Poland, and Romania. For this financial year, the European region signed 21 major contracts for in-licensing products. Rest of the world markets continue to be an emerging growth area. We have now expanded in regions such as Australia and Thailand.

Reorganizing to resurge

A strategic restructuring of the organization enabled us to build a leading, focused, and integrated pharmaceutical company powered by advanced therapy platforms. We spun off our API business and biologics divisions into separate subsidiaries, to unlock their value and propel them into new growth trajectories.

Following the restructuring, the company's flagship brand, Glenmark Pharmaceuticals Ltd., continues to focus on generics, branded, and specialty/innovative products. The API subsidiary (Glenmark Life Sciences) is expected to show robust growth, with the world looking at India to de-risk its supply chain for its API needs. Ichnos Sciences Inc. is Glenmark's US-based innovation biologics business that is working on expediting the development of oncology and autoimmune medicines. All three entities operate independently with separate management teams and Boards of Directors.

Glenmark Life Sciences is now separately listed on the Indian Stock Exchanges (BSE and NSE) under the ticker 'GLS'.

Future outlook

Glenmark will continue to forge ahead as an integrated, innovation-led, global pharmaceutical company. It extends across the pharmaceutical value chain from API to finished formulations, harnesses technologies from complex chemistry to biologics, and makes products from affordable generics to value-added specialties, and soon, cutting-edge innovation.

We expect to see robust growth across major geographies and emerging markets. Our focus for FY22 comprises deepening our presence in existing geographies and expanding our portfolio in new markets. We are also working on building a strong, global compliance framework, and investing in further automation across our manufacturing plants, to drive quality and efficiency.

Glenmark Pharmaceuticals:

The long-term goal of Glenmark Pharmaceuticals is to move up the value chain into complex generics, specialty products, and innovative products. We continue our present focus on the key therapy areas of respiratory, dermatology, and oncology, and aim to develop a strong regional presence in select therapeutic areas.

In India, we expect to drive our market leading growth by centering our efforts on our key therapy areas, expanding our reach by utilizing new ways of digital communications, and growing our portfolio of OTC products.

Glenmark signed an exclusive partnership with Canadian biotech SaNOtize Research & Development Corp. to manufacture, market and distribute its novel preventive breakthrough Nitric Oxide Nasal Spray (NONS) for COVID-19 treatment in India and other Asian markets. Glenmark's FabiSpray®, is an effective antiviral treatment to prevent COVID-19 transmission, shorten its course, and reduce symptom severity. We expect to complete Phase III clinical trials for NONS, followed by its commercial launch in India, by the fourth quarter of 2021.

In North America, Glenmark has over 171 products authorized for distribution in the US and another 41 products pending authorization. We are working to file 18-20 ANDAs in FY22, including 5-6 filings that got delayed in FY21 because of the pandemic. The Monroe facility will play a critical role in this endeavor.

The European region is expected to benefit from significant product launches. The launch of Tiotropium Bromide Dry Powder Inhaler and Ryaltris™ in the European Region in FY22, will give further impetus to our growth.

The easing of pandemic restrictions in certain rest of the world (ROW) markets is promising, and we expect a sustained improvement in FY22. In addition, we continue to look at a number of global in-licensing opportunities to accelerate our growth and expand our scale.

Glenmark Life Sciences:
In the ambition to become a major player in the API and Contract Development and Manufacturing Organization (CDMO) space, we are leveraging our process research, analytical research, and chemistry capabilities to improve our service capabilities to global corporations and specialty companies.

Work is also underway to expand to new lines of businesses such as complex APIs. Over the next five years, I see Glenmark Life Sciences furthering its ambition to become one of the leading API and CDMO companies in India.

Ichnos Sciences:
The company is rapidly advancing its pipeline of novel drug candidates, with a strong focus on biologics in oncology.

Impact beyond business

We have strived to emerge as a sustainable enterprise that progressively minimizes its environmental footprint. Glenmark's environmental, social, and corporate governance (ESG) approach is recognized by globally acclaimed benchmarks such as the Dow Jones Sustainability Index (DJSI). Our commitment in this space is further reflected in our decision to set up an ESG committee of the Board, which I am certain will ensure a strong governance system.

We have set ourselves ambitious targets in our ESG journey — we aim to achieve water neutrality by 2025, zero-waste-to-landfill by 2027, and carbon neutrality* by 2030.

Glenmark's initiatives in community development reflect our commitment to society. Our CSR interventions have bettered over 2 million lives, across areas of child and maternal health, education, sustainable livelihood, and skill development.

Our dedicated environment, health, and safety (EHS) team ensures the effective management of occupational health and safety. This year, the team set new benchmarks for water and electricity conservation, co-processing of waste, and reduction of carbon emissions. We met 100% of our targets in FY20 and FY21 for the recycling of plastic waste. I am certain that these achievements will continue in the years to come. Ultimately, it is our vision to drive tangible ESG impact and develop programs that help us emerge as a company with global standards.

In closing

Our achievements in the year gone by are the result of our employees' unwavering dedication, commitment, and belief in the Glenmark vision. To each and every one of you, your families, and to our shareholders, I thank you for standing by us and supporting us to achieve new laurels and new excellence.

Glenn Saldanha
Chairman and Managing Director

*Our targets only include our Scope 1 and Scope 2 emissions

HIGHLIGHTS

BOARD OF DIRECTORS

Glenn Saldanha
Chairman and Managing Director

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

V. S. Mani
Executive Director and Global Chief Financial Officer

Mr. Mani leads the organization's worldwide finance operations, legal and secretarial function, including global accounting, financial reporting, tax, treasury and compliance. He has over 30 years of rich industry experience across treasury, taxation, accounting, financial planning and analysis, secretarial, legal, audits, risk management and investor relations. Prior to joining Glenmark in 2017, he was the President, Finance at the Bhartiya Group. He has also held the position of Chief Financial Officer at Cipla.

Cherylann Pinto
Executive Director – Corporate Services

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

Bernard Munos
Non-Executive Director

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

Sridhar Gorthi
Non-Executive Director

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

Saira Ramasastry
Non-Executive Director

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

Brian W. Tempest
Non-Executive Director

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

Blanche E. Saldanha
Non-Executive Director

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

Rajesh V. Desai
Non-Executive Director

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

D. R. Mehta
Non-Executive Director

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

Dipankar Bhattacharjee
Non-Executive Director

Mr. Dipankar Bhattacharjee has over 30 years of global experience leading healthcare businesses across North America, Europe, APAC and MEA. Mr. Bhattacharjee was President & CEO - Global Generics Medicines at Teva Pharmaceutical Industries, and earlier held senior leadership roles at Bausch & Lomb, Bank of America and Nestle. He currently advises investors in mergers and acquisitions in the European Generics space.

INNOVATION

OUR APPROACH TO BREAKTHROUGH MEDICINE

GLENMARK'S STRENGTH LIES IN TRANSFORMATIVE INNOVATION

Globally, the pharmaceutical and life sciences sectors rely heavily on research and development for product pipelines, particularly for diseases for which effective treatment options are still not available. Steady focus on R&D over the years has ushered in a new era of medicine, where many diseases previously regarded fatal are now manageable and potentially curable.* Glenmark's investment in R&D is consistently higher than our industry peers. We have established a global reputation of being an innovation-led organization for existing and emerging medical challenges.

*Research & Development https://www.phrma.org/policy-issues/research-development

₹ 12,210 Mn
R&D spend 11.2% of sales

7
molecules in Ichnos' innovative biologics pipeline

5
molecules in Glenmark Pharmaceuticals' speciality/ innovative pipeline

Our continual investments in R&D are focused on developing novel treatment solutions for existing and emerging disease challenges, as well as expanding our product range. The results have seen significant innovation in products that cater to unmet medical needs or which offer affordable solutions compared to their expensive counterparts.

During the year under review, Glenmark spent 11.2% of sales, i.e., ₹ 12,210 Mn, on R&D, placing us far ahead of the Indian pharma industry average of 6%. Despite the challenging pandemic year, we continued to deliver differentiated innovative drugs to patients across the globe.

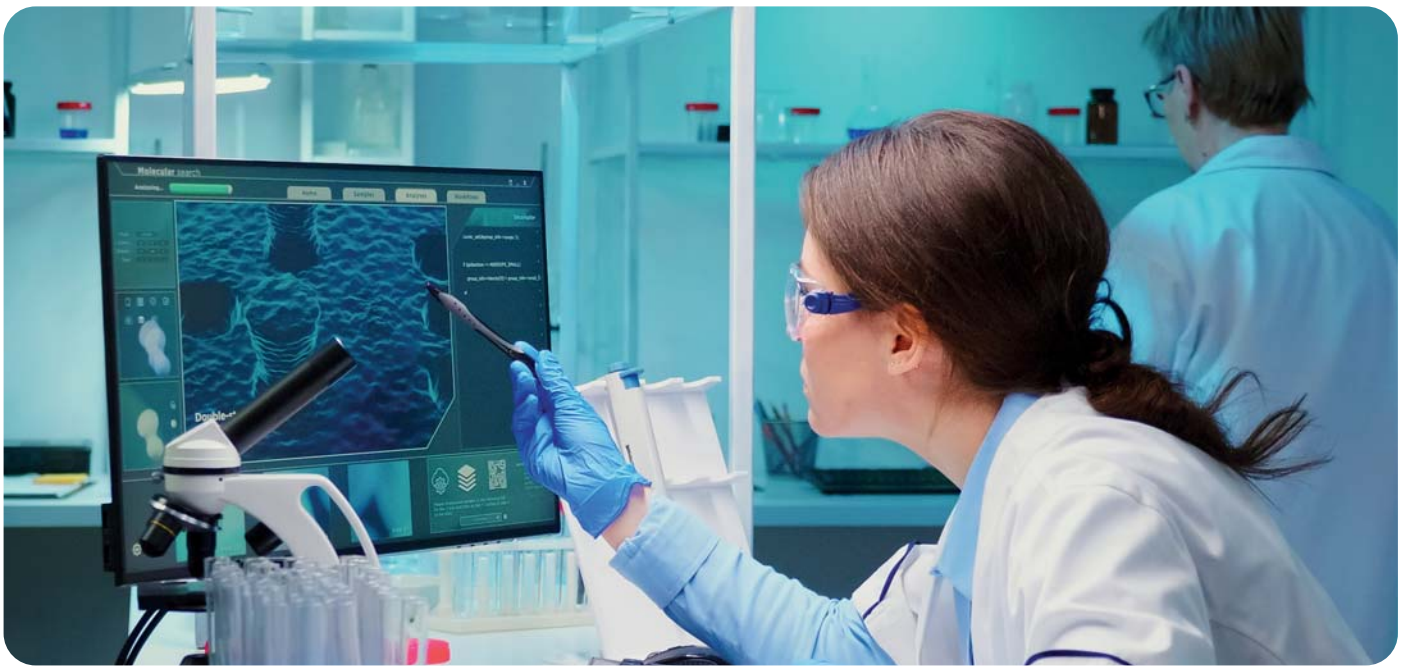
We see a vast unmet need across our core therapeutic areas of respiratory, dermatology, and oncology. Our teams will continue to challenge their current treatment paradigms and work to deliver breakthrough therapeutics for the future.

Making medicine affordable

A key part of our R&D strategy is to pursue new discovery and development approaches in our core disease segments, to provide effective, quality and affordable treatment options for patients.

In FY21, we filed 7 ANDAs and received 14 approvals from the US FDA. We will continue to invest in the US market to move up the value chain by filing and launching extended-release tablets, injectables, inhalers, nebulizers, capsules, and immediate release oral solids.

INNOVATION IN FOCUS



OUR SPECIALTY/INNOVATIVE PIPELINE

The current specialty/innovative pipeline consists of molecules in various stages of clinical development in the areas of respiratory and pain. Each of these molecules holds the potential to make a difference to patient outcomes by proving to be safer and more effective than existing therapies in the market.

Therapy	Molecule	MoA/Class	Indication	Pre Clinical	Phase 1	Phase 2	Phase 3	Approval
Respiratory	Ryaltris™ GSP 301	Steroid + AH	Allergic Rhinitis					
Pain	GRC 17536	TRPA1 Inhibitor	DPN					
Respiratory	GBR 310	Biosimilar	Asthma, CIU					
Respiratory	GRC 39815	ROR γt Inverse Agonist	COPD					
Oncology	GRC 54276	HPK1 Inhibitor	Solid Tumors					

GRC 17536 (TRPA1 antagonist) is a specialty drug that is being developed as an orally administered treatment for patients with diabetic peripheral neuropathy (DPN). Painful DPN has major implications on the quality of life, morbidity, and costs from a public health perspective. It affects 10-20% of patients with diabetes, and 40-50% of those with diabetic neuropathy. The current centrally acting DPN therapies have adverse effects and a low responder rate, which contribute to suboptimal clinical outcomes. This results in a high unmet need for specific treatments with a better safety profile and for novel approaches, to identify patients likely to respond to treatment.

Six single and multiple dose Phase 1 clinical pharmacology studies and one Phase 2a study have been successfully completed without any safety issues. A Phase 2b dose range finding study in patients with DPN and preserved small nerve fiber function, will be planned in the future.

GRC 39815 (RORγt inhibitor) is being evaluated as an inhaled compound for the possible treatment of chronic obstructive pulmonary disorder (COPD). GRC 39815 is a potent and selective retinoid-related orphan receptor gamma t (RORγt) inverse agonist that suppresses T helper type 17 (Th17) cell differentiation and interleukin 17 (IL-17) production. COPD is projected to become the third leading cause of death worldwide by 2020, and is the third leading cause of mortality and morbidity in the US. A Phase 1 single ascending dose study in healthy volunteers is currently underway, and a Phase 1 multiple ascending dose study in healthy volunteers will be planned in the future.

Innovation excellence embedded across all our efforts

GBR 310 (omalizumab) is a biosimilar of XOLAIR® that is marketed in the US as a treatment for chronic idiopathic urticaria or chronic hives. Phase 1 results suggest that GBR 310 has pharmacokinetic, pharmacodynamic, safety, and immunogenicity profiles that are similar to the reference product. We are in discussions with potential partners to conclude these deals before initiating Phase 3 studies.

GRC 54276 (HPK1 Inhibitor) is being developed as an orally administered IO-adjuvant treatment for patients with solid tumors. HPK1 is a negative regulator of T and B cell receptor, signaling and an attractive therapeutic strategy for immuno-oncology based treatment in cancers. GRC 54276 is a novel, orally active

We have been investing in new biologic entities (NBE) for over a decade

Ichnos' proprietary BEAT® platform is amongst the most advanced in the field

We will build core brands, drive sales efficiency, and focus on strategic new launches

HPK1 inhibitor that demonstrates excellent stand-alone efficacy and enhances current immunotherapy efficacy. Further evaluation of GRC 54276 is ongoing to advance toward clinical trials. Phase 1 enabling pre-clinical studies are currently underway.

In the dermatology segment, we are evaluating GRC 4039 (PDE4 inhibitor) - a topically administered treatment for patients with mild to moderate atopic dermatitis.

TRANSFORMATIVE TREATMENTS IN ONCOLOGY AND AUTOIMMUNE DISEASE

Glenmark preempted the potential for rapid and significant growth in new biologic entities (NBE), and has been investing in this area for over a decade. The biologics discovery team in Switzerland has already created numerous compounds with the potential to treat several cancers and autoimmune diseases. These compounds, and our proprietary BEAT® bi-/trispecific antibody platform 1, were the foundation for Glenmark's innovation arm, Ichnos Sciences, which was launched in 2019.

Ichnos, headquartered in New York City, has two research sites in Switzerland and has grown to over 200 employees. The company's pipeline comprises five assets based on BEAT®, including ISB 1342, a first-in-class CD38xCD3 bispecific antibody in Phase 1 for relapsed/refractory multiple myeloma; and two first-in-class monoclonal antibodies with a potential to treat a range of autoimmune disorders. Moving forward, Ichnos will focus on oncology and plans to out-license the autoimmune disease compounds.

Best-in-class technology

Ichnos' proprietary BEAT® platform is amongst the most advanced in the field. By mimicking the natural antibody format, it overcomes challenges encountered by earlier bispecific antibodies, optimizing druggability and developability, and enabling the creation of novel immune cell engagers and modulators in oncology. Ichnos aims to use this technology to produce new compounds that may treat hematologic malignancies and solid tumors.

For more information on BEAT® and the Ichnos pipeline, please refer to the Ichnos business update in this Annual Report.

Advancing our research capabilities in our core therapy areas

[1]Bispecific Engagement by Antibodies based on the T-cell receptor

INNOVATIVE PRODUCTS FOR UNMET PATIENT NEEDS

FabiFlu®: Innovative oral antiviral repurposed for COVID-19

Glenmark developed the antiviral medication FabiFlu® (Favipiravir) as an effective treatment for mild to moderate COVID-19. During the pandemic, favipiravir was repurposed for use in COVID-19 treatment for its ability to inhibit the multiplication of SARS-CoV-2, the virus that causes COVID-19.

Our end-to-end development capabilities made Glenmark the first pharma company to receive emergency use authorization in India. We launched the antiviral in June 2020, to help fight the outbreak and reduce the hospital burden in the country.

Ryaltris™: Innovative novel fixed-dose combination nasal spray for allergic rhinitis

Ryaltris™ is Glenmark's novel treatment for allergic rhinitis. It is a fixed-dose combination nasal spray that combines an antihistamine (Olopatadine Hydrochloride 665 mcg) with a steroid (Mometasone Furoate 25 mcg). The development of Ryaltris™, our first branded specialty product globally, was an important milestone for Glenmark as it underscored our ability to develop and commercialize proprietary specialty pharmaceuticals globally.

Ryaltris™ is available in Australia, South Africa, Ukraine and Uzbekistan. It is awaiting approval from the US FDA and other regulatory authorities in several countries.

Remo®: Innovative globally researched molecule

Glenmark was the first company to launch Remo® (Remogliflozin etabonate), a novel SGLT2 inhibitor for diabetes in India. India was the first country to access this drug. SGLT2 inhibitors reduce blood glucose and HbA1c levels, and can be prescribed as an alternative first line treatment to metformin or as an adjunctive treatment for type 2 diabetes.

Remogliflozin is the only SGLT2 inhibitor that has completed Phase 3 clinical data from Indian patients. It has been tested in 30 clinical studies with more than 2600 subjects from India, US, Europe, Japan, and South America.

Discovering health solutions for today and tomorrow

Adhering to the highest benchmarks of quality at every step


FABIFLU®
TIMELY
INNOVATION
FOR COVID-19

GLOBAL CHALLENGE

After the World Health Organization (WHO) declared COVID-19 outbreak a pandemic in March 2020, Glenmark's immediate focus was to find a solution that would rapidly address the global health crisis looming on the horizon. There was a need for an efficacious, scientifically verified oral treatment protocol with proven global efficacy. Our goal was to contain the rapidly spreading virus and reduce the burden on India's healthcare infrastructure.

FabiFlu® becomes the #1 brand in Indian Pharma Market in its very first year (AWACS April 2021).

FABIFLU® - ORAL ANTIVIRAL FOR MILD TO MODERATE COVID-19 PATIENTS

As the world grappled with the global healthcare crisis, Glenmark acted promptly by mobilizing its research and development, active pharmaceutical ingredients (APIs) and formulations teams to develop an effective, timely therapy against COVID-19. Our experts determined that repurposing favipiravir, an antiviral that inhibits RNA viruses like SARS-CoV-2 from replicating inside cells, would be an effective solution. And so Glenmark created FabiFlu® (favipiravir), a global antiviral medication to treat mild to moderate COVID-19.

Favipiravir is an anti-influenza drug developed by a subsidiary of the Japanese conglomerate Fujifilm and approved in 2014 in Japan for the treatment of novel or re-emerging flu viruses. It has been studied in global trials involving over 3,000 subjects across Japan, China, Italy, Egypt, France, UK, India, Russia, and the United States.

Two important American trials were sponsored by Fujifilm Pharmaceuticals USA and Stanford University respectively.

In June 2020, Favipiravir became the first approved drug for COVID-19 treatment in Russia, and was later approved for use on compassionate grounds in Canada, Japan, China, and Italy.

In the same month, Glenmark became the first pharmaceutical company in India to receive restricted emergency use approval for oral favipiravir under an accelerated process.

Disclaimer: The patient stories shared in this Annual Report depict individual patient responses to our medicines and are not representative of all patient responses. Discussions in the Annual Report about our brands/products are not intended to be a substitute for professional medical advice and should not be relied on as health or personal advice. Always seek the guidance of qualified health professional with any questions you may have regarding your health or a medical condition.

GLENMARK'S DEVELOPMENT CAPABILITIES

Glenmark's end-to-end capabilities made us the first pharmaceutical company to receive approval for clinical trials with FabiFlu® in India. This set the stage for the success of FabiFlu® under the Make in India initiative. Since its launch, FabiFlu® has benefited nearly 5 Mn patients and their families.

OUR PRODUCT FABIFLU®

THE ORAL ANTIVIRAL

Favipiravir is a generic antiviral medication that inhibits an RNA enzyme. This drug stops an RNA virus, such as SARS-CoV-2, from replicating and multiplying inside the cells.

FabiFlu® has emerged as the numero uno brand in India. Its unique mechanism of action stops the replication cycle of the SARS-CoV-2 virus. Where most re-purposed drugs attempt to prevent the entry and exit of the virus from a patient's cells, FabiFlu® works by inhibiting a viral enzyme called RNA-dependent RNA polymerase. This helps control the multiplication of the virus, aiding treatment and recovery.

FabiFlu® trials in India showed immense promise, in line with global test results on favipiravir. In clinical trials, it repeatedly demonstrated clear benefits like rapid reduction in viral load, faster fever resolution, and faster clinical recovery. For instance, patients experienced fever resolution in just three days, rapid reduction of viral load by the fourth day, and faster clinical recovery by day seven, thereby protecting patients from COVID-19 related complications.

FabiFlu® is orally administered, making it more convenient than intravenous medications. It can therefore be used in out-of-hospital settings, which helps reduce the hospital burden.

Glenmark has exported FabiFlu® to several countries, helping them meet their healthcare requirements. Besides India, favipiravir is now sold in several countries in Europe, Asia, CIS, LATAM, and MEA.

The success of FabiFlu® is also a testament to Glenmark's focus on transforming patients' lives through innovative medicine, research and development, as well as strategies tailored to suit different market segments and geographies.

Glenmark demonstrated end-to-end development capabilities.

Synthesized the active pharmaceutical ingredient (API)

↓

Developed the formulation

↓

Conducted clinical trials with favipiravir and received regulatory approval

An active post-marketing surveillance (PMS) study on FabiFlu® is being conducted for evaluation of safety and efficacy in 1,000+ Indian patients with mild to moderate COVID-19. A total of 1,083 patients have been enrolled, and interim data analysis of 503 patients confirms its safety and efficacy in real-world settings.

₹ 3.5 Bn
sales in one month. First brand to achieve this in India.

#1
FabiFlu® ranked number one in its very first year in IPM (AWACS April 2021)

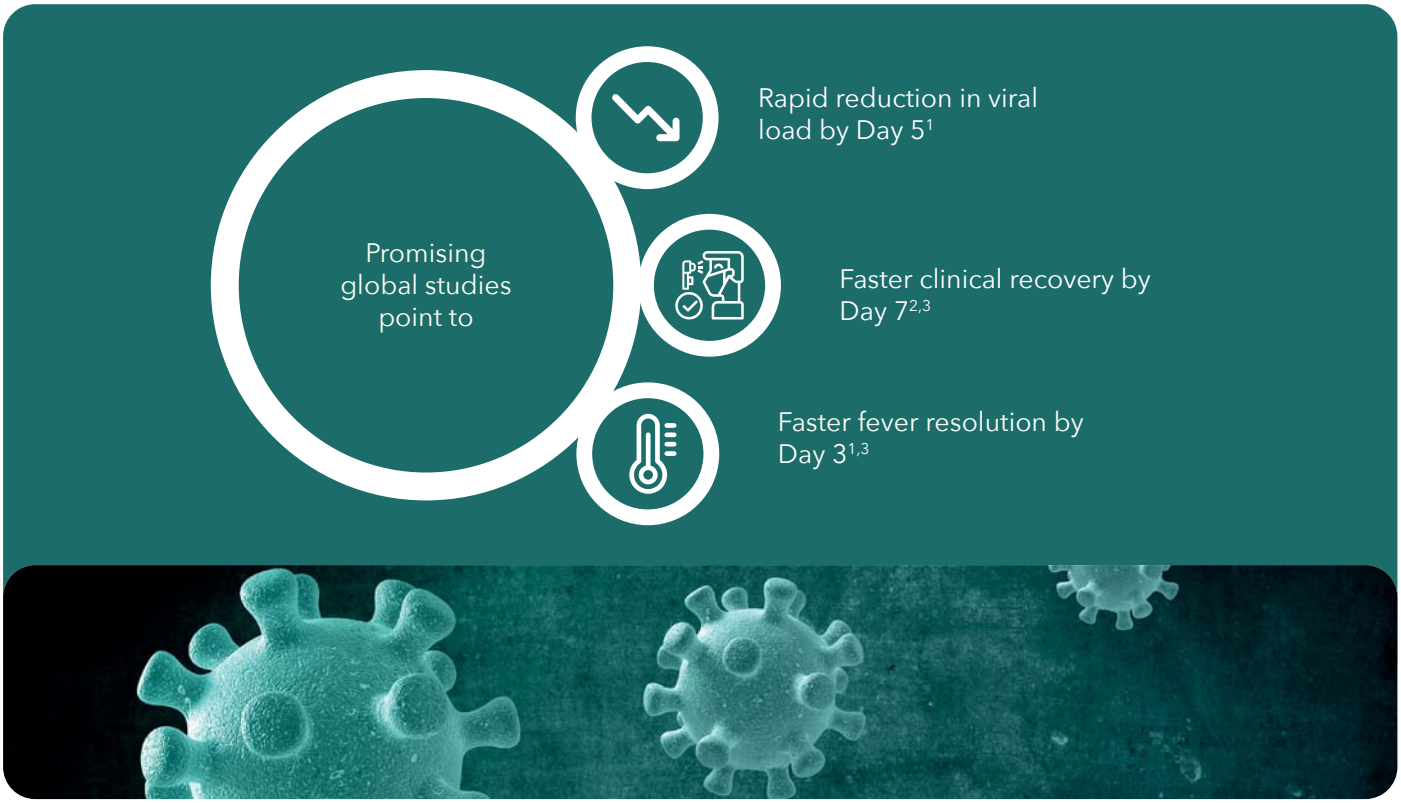
> 5 Mn
patients treated till date

OUR PATIENTS
OUR PRIORITY

Our patient Mrs. Sunita Jain

Sunita Jain of Delhi is one of millions who have recovered from COVID-19 after using FabiFlu®. She began showing symptoms of COVID-19 (high fever, headache, loss of taste) in November 2020. Her RT-PCR test showed a Ct value of 16, and she was diagnosed with a moderate case of COVID-19. Sunita was prescribed a course of FabiFlu® and asked to convalesce at home*.

She recalled that she had a constant high fever for several days, and regular use of 650 mg of paracetamol had not helped. She took her first dose of FabiFlu® just hours after receiving her test results and diagnosis. After two days of using FabiFlu®, her temperature finally dropped below 101F, and the fever eventually resolved on the fifth day. She recovered from COVID-19 and was out of quarantine by day nine, easing back into her normal routine over the course of the next few weeks. Like Sunita, millions of people worldwide have benefited from Glenmark's FabiFlu®.



[1] Ivashchenko et al. Clin Infect Dis. 2020 Aug 9;ciaa1176 | [2]http://www.kansensho.or.jp/uploads/files/topics/ 2019ncov/COVID19_casereport_en_200529.pdf | [3]Chen C et al. MedRxiv. 2020 Jan 1

*FabiFlu® was used in combination with other drugs, in line with the treatment protocol.

OUR PEOPLE

OUR FEARLESS WARRIORS

45,000

pharmacies stocked FabiFlu® within 2 months of launch

24-36

hours taken for pan-India stock availability

Glenmark's Team Fabforce rallied to enable the supply of key medicines across borders, manage workforce safety, and handle evolving government restrictions throughout the first and second wave. Our teams also took steps to prevent drug shortages, secure supply chains, offer virtual support to physicians, and help reduce the global burden. Within a few months, we built multiple new production lines and established new supply chains to ensure that Glenmark could meet the increasing demand world over.

Our people went the extra mile to ensure FabiFlu®'s availability to even the remotest locations so that the drug reached those in urgent need. They stayed close to the plant, and away from home and family for weeks, to ensure production ran at full capacity for an uninterrupted supply of this drug.

Our teams from medical, manufacturing, R&D, quality, procurement, supply chain management, strategy, marketing, and sales functions worked round-the-clock, despite lockdowns and through the new virtual ways of working, to share clinical data as well as evidence with doctors and experts in the field.

We published clinical trial findings in The International Journal of Infectious Diseases, a peer-reviewed journal. We also presented data at scientific conferences to provide evidence for the efficacy, safety, and tolerability of the drug for mild to moderate COVID-19. Glenmark initiated a program to responsibly educate the public on COVID-19 using digital, audio, visual, and print tools. Our teams also contacted several international governments to make FabiFlu® accessible to doctors and patients in those countries.

WHAT HEALTHCARE PROFESSIONALS HAVE TO SAY ABOUT FABIFLU®

Dr. Vikram Jaggi

MD, DNB Asthma, Chest & Allergy Centre, Delhi

"Glenmark and its people need to be complimented for their sincere hard work during the COVID-19 pandemic. This ensured that FabiFlu® was available to all those who needed it."

Dr. R. Sudhindra

MD (TB and RD), Sri Lakshmi Venkateswara Chest & Allergy Clinic

"Thanks for introducing FabiFlu® during the pandemic. It was very helpful in treating COVID-19 patients. Thank you Glenmark."

Dr. J.C. Suri

MD, DNB, DTCD & FMCCP, Chairman, JCS Lung & Sleep Center

"At the onset, I would like to appreciate Glenmark's contribution during the COVID-19 pandemic by making FabiFlu® available at a time when good antiviral drugs were highly needed to treat the disease in the early stage. Particularly in high risk individuals it prevented them from going into more serious forms of the disease. The other good thing was that the drug was easily available even in the peak of the pandemic when the demand was very high. This speaks of the organizational skills of the top management of the company."

Dr. B.P. Singh

MD, FCCP (USA), Respiratory, Critical Care & Specialist for Sleep Medicine

"FabiFlu® came in at just the right time during the COVID-19 outbreak, when there was an acute shortage of hospital beds all around. We used it to treat mild to moderate COVID-19 cases with significant effect. It prevented most such cases from progressing to severe disease, resulting in better outcomes for patients."

Dr. Hirennappa B. Udnur

MBBS, DTCD, DNB (Respiratory Diseases), FCCP Consultant Pulmonologist, Clinic for Chest & Respiratory Care

"I have used favipiravir [FabiFlu®] in over 1,000 cases of mild to moderate COVID-19. It is a good drug in the treatment of viral diseases [like COVID-19]."

Dr. Vinit P. Niranjane

MBBS, MD- (Pulmonary Medicine), M.A.C.C.P. (USA), Advanced Chest Care Center & Lung Diagnostics

"I prescribed favipiravir [FabiFlu®] for OPD patients with mild COVID-19 cases during the first 8 days of their illness, when steroids are not recommended. I found that the progression of the disease was halted in 85-90% of such patients. As the second wave hit my city of Nagpur, people with moderate to severe COVID-19 could not find hospital beds, and remdesivir was only available for hospitalized patients. I prescribed favipiravir in such cases along with steroids and saw encouraging results, which is a good indication in moderate to severe disease."


RYALTRIS™
INNOVATIVE
NASAL SPRAY.
OUR FIRST
GLOBAL BRAND.

GLOBAL CHALLENGE

Allergic rhinitis is a global medical challenge and a widespread health concern that affects 10-30% of people worldwide. It can significantly impact an individual's quality of life, causing functional impairments in a majority of cases, and long term issues such as asthma in some patients. Low compliance to available treatments in regions like RCIS meant that patients required an easy-to-use, efficacious medication that would relieve symptoms and help restore quality of life.

Ryaltris™ is Glenmark's first global brand and is set to be launched in several markets worldwide.

RYALTRIS™ - ADDRESSING ALLERGIC RHINITIS A GLOBAL MEDICAL CHALLENGE

Across Africa, the Americas, Asia and Europe, the prevalence of allergic rhinitis can be as high as 25%[1]. Allergic rhinitis affects 10-20% of the people in Russia, with numbers going as high as 38% in certain regions. The situation is quite similar in other CIS nations. In Europe, over 25% of people struggle with the effects of allergic rhinitis every year, some of which can be debilitating. About 17 Mn people suffer on account of this condition in the US. Studies indicate that over 2.4% of children in India aged 13-14 years show symptoms of allergic rhinitis[2].

Symptoms like a stuffy or runny nose; nasal itching; sneezing (sometimes unrelenting); itchy, red, or watery eyes can leave patients unable to function normally for days, or even weeks in many instances. These can have significant consequences for health as well as quality of life. Low compliance to available treatments was also noted in several cases, making it imperative that a viable alternative be developed to counter the global medical challenge posed by allergic rhinitis.

Glenmark has rapidly evolved from a company with an established generic pharmaceutical business to one that is also discovering new treatment approaches.

OUR PRODUCT RYALTRIS™

INNOVATIVE NASAL SPRAY

Ryaltris™ (known as GSP 301 during development) is a novel fixed-dose combination (FDC) nasal spray of an antihistamine (olopatadine hydrochloride 665 mcg) and a steroid (mometasone furoate 25 mcg) that effectively treats symptoms associated with seasonal as well as perennial allergic rhinitis.

Our research and development team developed this fixed-dose combination in 2013. Ryaltris™ is an important first step in the evolution and the realization of the potential in Glenmark's pipeline of innovative products.

4,000 patients took part in the global clinical trials of Ryaltris™ that began in in 2014. The participants of this clinical development program (Phase I, Phase 2, and Phase 3 clinical trials) were patients with seasonal and perennial allergic rhinitis from various age groups, starting from 6 years of age.

Phase 3 efficacy and safety trials had shown that twice-daily treatment with Ryaltris™ fixed-dose combination nasal spray resulted in significant clinical improvements

[1]Asia Pac Allergy. 2018 Jan; 8(1): e7 | [2]Mir, Elias et al. Asia Pac Allergy vol. 2,2 (2012): 93-100. doi:10.5415/apallergy.2012.2.2.93

Launched

in several countries like Australia, Ukraine, Russia, Uzbekistan, South Africa

Approved

in Cambodia, Zambia, Ecuador, Peru, the Philippines

Ease of use

drives the success of Ryaltris™, a nasal spray that offers fast and effective relief

in SAR nasal symptoms compared to placebo and component monotherapies. Furthermore, Ryaltris™ was well tolerated with similar incidences of adverse events (AEs) compared to placebo or individual monotherapies.

Our successful registration of the product in FY 2020-21 in certain markets and making this innovative combination product available to patients reflects our continued progress towards enriching patients' lives across the globe. Ryaltris™'s success lies in its ease of use — it is a nasal spray that offers fast and effective relief. It is the only first line combination nasal spray treatment option for patients across Europe. After extensive trials, Glenmark launched Ryaltris™ globally in 2020.

OUR PATIENTS

OUR PRIORITY

Ryaltris™ has made remarkable strides in its short time in many markets, and patients who benefited from it have shared their encouraging stories.

Olena Kurilenko of Ukraine struggled for years with seasonal allergic rhinitis. "I know first-hand what allergic rhinitis is. There were years when, from May to October, I could not calmly go outside and had to use tons of tissue. It was difficult to breathe, it was impossible to sleep, and my eyes were gritty," she recalled. Olena tried various medications but found little to no relief. When Ryaltris™ was launched in Ukraine, she tried it out to see if it would offer some relief from the effects of allergic rhinitis. The nasal spray brought her allergies under control and helped ease her everyday life. "Taking Ryaltris™ regularly, I feel healthy and happy. Now I am sure that during the whole year I am not afraid of any allergens, and my summer will be wonderful," she said smiling.

The success of Ryaltris™ is in line with Glenmark's continuing efforts towards ensuring patients receive quality health care at the right cost.

Our patient Olena Kurilenko

OUR PEOPLE

WORKING ACROSS BORDERS TO ENABLE QUALITY HEALTH CARE

Ryaltris™ has been granted regulatory approval in Russia, Ukraine, EU and Uzbekistan in the RCIS region. Ryaltris™ has already been launched in several countries including Australia and South Africa.

Our teams in India, Russia and RCIS countries, and 17 European countries continue to strive to get Ryaltris™ to their respective markets. It remains a notable example of coordinated cross-functional teamwork and communication that resulted in this medication receiving regulatory approvals in some regions and quickly reaching the final stages of approvals in other major markets.

WHAT KEY OPINION LEADERS HAVE TO SAY ABOUT RYALTRIS™

Dr. van der Walt

Pulsemed

"The sales team lead by Hansie came and sold Ryaltris™ but I didn't believe it was as good as what they said until I needed to use it myself. Ryaltris™ is now my 1st choice spray for allergic rhinitis."

Dr. Vishneva Elena A.

Deputy Head for Scientific Research Institute of Pediatrics and Children's Health, Central Clinical Hospital of the Russian Academy of Sciences, Ministry of Science and Higher Education of the Russian Federation

"The approval of Ryaltris™ opens up new therapeutic opportunities for both specialists and patients with allergic rhinitis. Ryaltris™ is an innovative fixed-dose combination whose components are characterized by optimal efficacy and safety profiles."

Natalia M. Nenasheva

Professor of Allergology with the Russian Medical Academy of Continuous Professional Education in Moscow, Russia

"During the local clinical trial, participants already had access to the product, and, based on the outcomes, we have made positive conclusions about product efficacy, safety and tolerability. The medical community is now looking forward to receiving this innovative combination."

Tatyana Vasilyevna Smagina

PhD, senior researcher, A.I. Kolomiychenko Institute of Otolaryngology of the National Academy of Medical Sciences of Ukraine

"My experience with prescribing Ryaltris™ has been that it showed high efficacy in reducing nasal and eye symptoms, which is very important for patients with seasonal allergic rhinitis."

Dr. Artemii Bogomolov

Department of Phthisiology with clinical immunology and allergology of the National Pirogov Memorial Medical University, Ukraine

"My three-month experience with Ryaltris™ has shown its high efficacy in treating seasonal allergic rhinitis [a noticeable reduction in eye and nasal symptoms]. It is also worth noting the absence of a bitter taste."


REMO®
INNOVATIVE ANTI-DIABETES DRUG. FIRST IN THE WORLD.

GLOBAL CHALLENGE

Diabetes is a growing health concern globally, with India estimated to have 77 Mn of the 460+ Mn cases of type 2 diabetes (T2DM) worldwide. According to the International Diabetes Foundation's Diabetes Atlas 2019, this disease will affect 700 Mn adults globally by 2045, with India expected to account for 134 Mn cases, the second highest number of T2DM for a country.

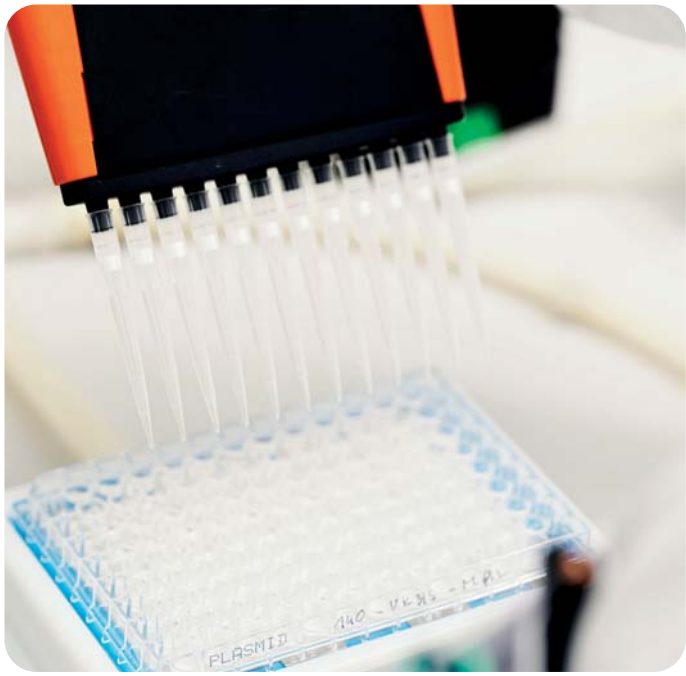
In 2019, Glenmark was the first company in the world to launch its globally researched innovator molecule remogliflozin.

A GLOBALLY RESEARCHED INNOVATOR MOLECULE THAT EFFECTIVELY REDUCES HbA1c LEVELS

Type 2 diabetes also has other risks such as cardiovascular and renal complications. This situation is exacerbated by the prohibitive cost of medication in India. Glenmark's answer to this crisis was to produce inexpensive yet highly effective novel anti-diabetic agents that offered good glycemic control and helped mitigate diabetes-related complications.

Remogliflozin etabonate, a widely researched molecule, has been tested in 30 clinical studies involving more than 2,600 subjects from India, US, Europe, Japan, and South America. In multiple Phase 2 and Phase 3 studies assessing its pharmacodynamics in patients with diabetes, this drug proved effective at reducing blood glucose and HbA1c levels, and also presented a good safety profile. Remogliflozin has the distinction of being the only SGLT2 inhibitor with complete Phase 3 clinical data generated in Indian patients with type 2 diabetes.

In a randomized, double-blind clinical trial, remogliflozin lowered HbA1c levels by 0.76% compared to a reduction of 0.70% by dapagliflozin, another SGLT2 inhibitor. The study also demonstrated



that remogliflozin had a good safety profile, with no incidence of severe genital or urinary tract infection. Remogliflozin presents a unique pharmacokinetic profile due to its short half-life: it is rapidly eliminated from a patient's body, decreasing the likelihood of long-term side effects.

OUR PRODUCT: REMO®

AN AFFORDABLE INNOVATION

55%
reduced cost for Remo® and Remo®-Zen compared to competing brands

38%
market share captured by Remo® in fixed-dose combination (FDC) within 4 months of its launch (IQVIA Mar '21)

Recognized
by Economic Times Healthcare Awards for improving patients' accessibility to SGLT2 inhibitors

The existing fixed-dose combination (FDC) in the market (Empagliflozin+Linagliptin) cost ₹ 78 per day, an expensive proposition for most of India's 6.6 Mn diabetes patients. That also meant FDCs had an underwhelming market penetration of less than 1 percent.

Diabetes medication has been expensive for most common people in India, leading to poorly controlled diabetes in a large percentage of the patients. According to a 2017 report by the American College of Cardiology, up to 95.7% of diabetes patients are at risk of cardiovascular, metabolic, and renal complications. To help address this health crisis, sodium glucose co-transporter-2 inhibitors (SGLT2i) were introduced in 2015.

These inhibitors help lower blood glucose as well as weight and blood pressure, thereby leading to a reduction in cardio-renal risks in diabetes patients, especially those with cardiovascular diseases.

In 2019 , Glenmark was the first company in the world to launch a globally researched innovator molecule named remogliflozin. Launched under the brand names Remo® and Remo®-Zen, it was priced over 50% lower than other SGLT2 inhibitors in the Indian Pharmaceutical Market at the time, bringing quality diabetes treatment within the reach of the common man. This was in keeping with Glenmark's commitment to affordable medication, which also saw it launch a breakthrough DPP4 inhibitor (teneligliptin) in 2015 at a price point that was 55% lower than competing brands.

Backed by successful Phase 3 trials, remogliflozin has been used as an oral anti-diabetic drug to treat over 1.9 lakh patients with diabetes across the country. This efficient treatment was recognized at the Economic Times Healthcare Awards in January 2021 for improving patients' accessibility to SGLT2 inhibitors.

In 2020, Glenmark went a step further, launching a fixed-dose combination of Remogliflozin Etabonate and Vildagliptin, which combined SGLT2i and Dipeptidyl Peptidase 4 inhibitor (DPP4i) — two therapies that will greatly influence diabetes care in the future. The company also launched a fixed-dose combination of Remogliflozin+Metformin under the brand names Remo®-M and Remo®-Zen M. Overcoming the challenges the pandemic posed to clinical trials, Glenmark's dedication to making SGLT2 and DPP4 inhibitors accessible to patients saw it introduce these innovative molecules, and launch The Forever Study to test the efficacy as well as safety of this combination (Remogliflozin 100 mg +Vildagliptin 50 mg).

Remogliflozin+Vildagliptin has lowered the daily cost of FDC-based treatment substantially, bringing it down by 65% to ₹ 28 per day. Thanks to this reduced cost, many Indian patients with poorly controlled diabetes can now benefit from effective diabetes care and live healthier, happier lives.

The Remogliflozin+Vildagliptin combination was launched under two brand names - Remo®-V and Remo®-Zen V. These fixed-dose combinations secured 38% market share within four months of launch. This success of remogliflozin and the SGLT2i+DPP4i combination underscores Glenmark's commitment to patient health, research and development, manufacturing, and innovation that makes meaningful contributions to health care.

OUR PATIENTS

OUR PRIORITY

40-year-old Deepika Rani suffered due to high blood glucose levels. "I didn't really know anything about it, but I regularly had tingling in my hands and feet after meals," she recalled. Test reports showed elevated blood glucose levels of around 400 mg/dL, and she was taken aback.

Deepika was prescribed Remo® by her doctor to help control her blood glucose levels and she saw benefits quickly. "After using Remo®, my sugar levels dropped considerably. They now average around 180, which is far healthier than the 400 I had earlier," she explained.

Deepika is now regular with her medication and no longer suffers from symptoms like tingling in her fingers and toes. Thanks to her notably improved glucose levels, Deepika Rani commends Remo® and the benefits she has experienced, which have improved her health and the quality of her life significantly.

OUR PEOPLE

HELPING HANDS IN TIMES OF CRISIS

Despite the restrictions and challenges posed by COVID-19, our people worked diligently to ensure that Key Opinion Leaders (KOLs) and Healthcare Professionals (HCPs) across the country were made aware of Glenmark's new innovator molecule that could revolutionize diabetes treatment and management in India.

Our comprehensive advocacy campaign reached out to 1,200 leading KOLs regarding therapies based around remogliflozin. In order to make these therapies available across India quickly, they also held knowledge-upgrade medical meetings with 35,000 HCPs while marketing communications reached out to as many as 60,000 HCPs.

HERE'S WHAT KEY OPINION LEADERS HAVE TO SAY ABOUT REMO®

Dr. V. Mohan

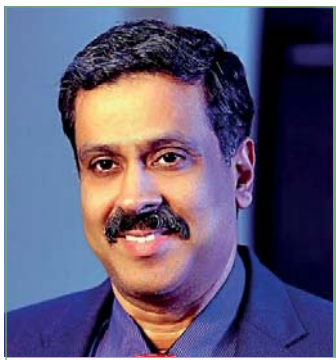
Chairman, Dr. Mohan's Diabetes Specialities Centre

"Thanks to Glenmark for launching the Remogliflozin + Vildagliptin combination. It suits Indian diabetes patients, providing improved glycaemic control, cardio benefits, and enhanced quality of life. I hope Glenmark continues to bring out a lot of studies in the future that would further build confidence amongst physicians. Wish you all the best!"

Prof. (Dr.) J. P. S. Sawhney

MD, DM, FESC, FACC. Chairman, Dept. of Cardiology, Sir Gangaram Hospital

"Remo® came as a boon for diabetes patients in India, because SGLT2i-based therapy was, till then, out of bounds for most Indian patients. Remo® is backed by strong data on safety and efficacy, which has made it the preferred brand amongst physicians. Its efficacy and affordability opened up SGLT2i medications to the masses. True to its credo, Glenmark has significantly improved the management of T2DM in India with Remo®."



Dr. P. M. Jabbar

HOD, Trivendrum Medical College, Endo Department

"My compliments to Glenmark for bringing this innovative 'first to market molecule'. My patients have experienced significant glycemic control and extra glycemic benefits such as weight & BP reduction. Wishing more success in the years to come."

1,93,000

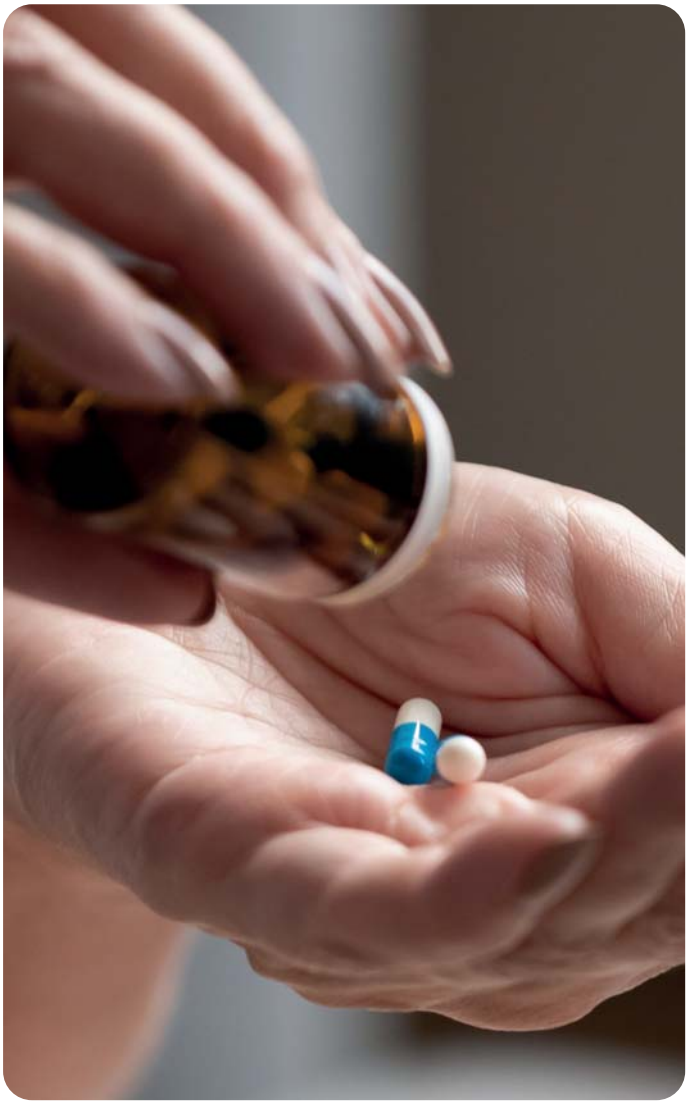
patients benefited with Remo® (IQVIA MAT Feb '21)

19%

highest QTY share in the cardiovascular market by Remogliflozin+Metformin combination

Highest

prescribed brand Remo®-V amongst the SGLT2i+DPP4i brands (SCRIP : Mar'21)



Remogliflozin is an innovative, patent-protected sodium glucose co-transporter-2 (SGLT2) inhibitor for treating Type 2 diabetes in adults; It has been studied in 26 clinical trials.

Remo®-V and Remo®-Zen V brought down the daily cost to ₹ 14 per tablet, and daily FDC treatment cost to ₹ 28 per day for patients, 65% lower than anything offered by competing brands.

Remo®/Remo®-M continue to be the highest prescribed brand among the SGLT2i brands (Scrip: FEB 2021).

Robert Crockart
Chief Commercial Officer

FORGING AHEAD

Glenmark Pharmaceuticals Limited

COMPANY OVERVIEW

Glenmark Pharmaceuticals is a global, integrated, innovation-led pharmaceutical company, with a presence in the world's major markets. Our market leading presence is driven by well-defined therapy areas; a continuous focus on innovation to bring affordable generics as well as specialty, innovative molecules to market; and the creation of global brands and robust operations.

At Glenmark Pharmaceuticals, all efforts are focused on discovering innovative molecules to address the ever-evolving needs of patients and provide effective medicines to enable people to lead fuller, healthier and happier lives.

Glenmark Pharmaceuticals was established in 1977 by our Founder Emeritus Late Mr. Gracias Saldanha. Over the years, Glenmark has grown to become a global, integrated, innovation-led pharmaceutical company in the pursuit of transformative treatments that cater to the unmet medical needs of patients across the world.

In 2019, Glenmark reorganized itself into three different entities: Glenmark Pharmaceuticals, Glenmark Life Sciences and Ichnos Sciences. This restructuring is expected to place all three companies on an accelerated growth trajectory.

Our global standing

- Amongst the world's top 50 Generics and Biosimilars companies. (Source: Top 50 Company Rankings, 2020, from Informa's Generics Bulletin)
- Ranked 13th in the Dow Jones Sustainability Index 2020, amongst all pharmaceutical companies globally. We are one of the 11 companies from India that made it to the emerging markets index; and amongst the 2 companies from the pharma sector to be included in the emerging markets index.

The company has an impressive portfolio of medically vital products in key therapy areas such as respiratory, dermatology and oncology.

Glenmark's Indore facility in India

THE FULL SPECTRUM OF OUR PRODUCT PORTFOLIO

Glenmark's ability to offer affordable, differentiated as well as innovative medicines has helped us build considerable brand equity in global markets.

Topical Products | Oral Solids | Liquids | Respiratory MDI/DPI | Complex Injectables & Biologics

We will continue to focus on

Respiratory | Dermatology | Oncology

BUSINESS SEGMENTS - GLENMARK PHARMACEUTICALS

	Formulations – Generics, Branded Generics, OTC				API and CDMO	Ichnos Sciences Inc.
	India	North America	Europe	Rest of the world		
Contribution to Glenmark	33%	28%	12%	16%	11%	
Current Focus	Primary Focus: Respiratory, Dermatology, Oncology				Small molecules in reg. markets	Immunology, oncology, biologics
Key Strategy	Expand share in Rx & OTC segments	Expand portfolio of complex generics & innovative/ specialty molecules	Expand presence in respiratory segment & deepen market presence	Expand presence in core therapy categories & deepen market presence	Expand offerings, new technologies	Develop biologics pipeline

14th
Rank in
Indian Pharma Market

~14%
growth compared to IPM
growth of 5.9%

9
brands in the top 300 brands
league in IPM

India

Glenmark is one of the fastest growing companies in the Indian pharma market with a growth of 13.99% in FY21 as compared to the Indian pharma market growth of 5.86%.

The launch of innovative and differentiated products coupled with successful brand-building efforts have helped us reach the 14th position in the Indian pharma market with market share increasing to 2.32% in FY21 as compared to 2.2% the previous year.

We have continued to make progress in large and fast-growing disease segments such as respiratory, dermatology, oncology and cardio-metabolics.

According to IQVIA data, we are ranked 2nd in dermatology, 3rd in respiratory and 6th in the cardiovascular segments.

Nine of our brands are amongst the 'Top 300 Brands' in the Indian Pharmaceutical Market. This is the result of our focus on launching differentiated products in core areas, effectively utilizing our product selection, R&D, manufacturing skills and extended reach through a strong sales force of 4,100+ medical representatives and a network of 3,500+ distributors.

Our key brands FabiFlu® and Telma® are amongst the top 25 brands in the Indian pharma market.

We have seven brands which individually garner revenue in excess of ₹ 100 crore.

New product launches and milestones achieved

FabiFlu®: FabiFlu® is a novel antiviral drug used for the treatment of mild to moderate COVID-19.

Remo®: Glenmark became the first company to launch Remo®, a fixed-dose combination of SGLT/DPP4 inhibitors for adults with type 2 diabetes in India. Remo® has garnered a market share of 37.9% of the SGLT/DPP4 inhibitors market.

AIRZ-FF®: Glenmark introduced India's first 3-in-1 inhaler therapy AIRZ-FF® for chronic obstructive pulmonary disease (COPD) to reduce the risk of severe attacks and improve lung function.

Nindanib™ : Glenmark was amongst the first to launch the branded generic version of this drug at an affordable cost for the treatment of pulmonary fibrosis in India

Sutib™: This is a generic version of sunitinib oral capsules and was launched as treatment for kidney cancer in India. Sutib™ is priced competitively and costs 96% less than the innovator brand. The launch underlines Glenmark's commitment to bringing targeted and effective medicine at an affordable price in its focus area of oncology.

The prescription (Rx) business drove market share across our core therapy categories.

Glenmark Consumer Care (GCC) business also showed strong growth, led by its Candid®, LaShield®, and Scalpe® brands. Candid® Dusting Powder entered the ₹ 100 crore revenue segment.

Moving forward, our strategic priorities will include bolstering Glenmark's leadership position in key therapy segments; and expanding our presence in new therapeutic segments such as oncology and critical care by leveraging existing brands, launching innovative products, strategically deploying manpower, and expanding our geographical coverage.

GLENMARK'S COMPREHENSIVE RANGE OF BRANDED PRODUCTS IN KEY DISEASE SEGMENTS

#2 in Dermatology

#3 in Respiratory

#6 in Cardiology

Amongst the Top 15 in Oncology in India

Amongst the Top 15 in Diabetes in India

26% YoY growth garnered by our OTC business

9 BRANDS IN TOP 300 BRANDS IN INDIAN PHARMACEUTICAL MARKET

Brands	Value (INR Crores)
FABIFLU®	293
TELMA®	284
TELMA®-H	198
TELMA®-AM	150

Brands	Value (INR Crores)
CANDID®	144
CANDID®-B	119
ASCORIL™+	100
ASCORIL LS®	94
ALEX®	75

The US and Canada

The US and Canada account for about 28% of our international business. Glenmark is ranked 15th in terms of total prescriptions filled by generic companies in the US. Our products are used to fill about 83 Mn prescriptions each year in the US. The company supplies products to all major US wholesalers. Glenmark is amongst the leading companies in the generic dermatology segment in the US.

Our continuous focus on product selection, backed by a robust and efficient manufacturing and supply chain operations, has helped us convert a large part of our approved pipeline products into launches.

Our Glenmark US team

Out of 171 approved ANDAs, 142 products have been commercialized in the US market.

As we continue our innovation journey, we will stay focused on a combination of niche and complex generics to continue our growth in the US market. Glenmark is capitalizing on its state-of-the-art Monroe facility in the US to launch complex and specialty products.

Glenmark successfully launched 10 new products in the US this year, comprising a mix of semisolid preparations, delayed and immediate release oral solids, and hormone products. Some of the key products launched include Sirolimus/Tacrolimus, Topiramate XR, Diltiazem SR, Rufinomide and Arfomoterol.

Moving forward, the company intends to strengthen its business through the targeted filing of 18 to 22 ANDAs in FY22, including about 5 from Monroe. We intend to ramp up operations in Monroe, further strengthening our presence in complex products.

FY21: Key Highlights

15th
in the US amongst generic manufacturers (in terms of volume)

83 Mn
no. of prescriptions filled in 2020-21

171
products authorized for distribution in the US

142
products actively marketed

1st
ranking for 50 products

Top 3
ranking for 113 products (80% of active portfolio)

82%
in the top 3 of their respective categories in US/Canada portfolio

14
ANDA approvals received

10
new products launched in the US

Glenmark Canada had a breakout year in FY21 achieving an increase of 294% over the previous year's sales. A significant contributor to this performance was the successful launch of TRI-JORDYNA, a Glenmark branded oral contraceptive interchangeable for Tri-Cyclen. Glenmark Canada filed one ANDA with the Canadian Health Authorities this quarter.

Europe

Europe is one of the fastest growing geographies for Glenmark. Our fast growth has been driven by portfolio and geographical expansion. We are present in all major markets in Western Europe (WEU) and Central and Eastern Europe (CEE). We are well positioned to successfully commercialize generics as well as select specialty therapies in our focus areas.

Across all major markets in Europe, we have a mix of direct presence and partnerships to commercialize the molecules developed in-house. We are directly present in 12 markets and in 29 countries through partners.

The European product portfolio comprises a mix of branded and generic products. In Central and Eastern Europe countries, Glenmark is largely focused on the branded segment.

The business has leveraged its in-house pipeline, and also added a significant component of in-licensing partnerships to develop a robust portfolio.

The business development team signed a total of 21 in-licensing deals during FY21. Out-licensing deals included an EU deal with Menarini to commercialise Ryaltris™ outside of the UK, Germany, Poland, Czech Republic, Slovakia and co-promoted in Spain.

Moving forward, we will continue to focus on launching differentiated/complex treatments in the respiratory segment and expand and grow our presence in this segment by leveraging the Ryaltris™ and Tiotropium DPI roll-out.

We have built a strong reputation as a partner of choice for providing high-quality medicines across the region. We will continue to leverage the in-licensing opportunities coupled with in-house development to build a robust pipeline of products for the European market.

FY21: Key landmark

21
in-licensing deals signed

Rest of the world markets

Russia and CIS

Glenmark ranked 52nd in the Russian market; stood 11th in the dermatology segment; and 3rd in the expectorants segment in Russia. Glenmark is building scale through in-house and in-licensed products with a focus on large and fast growing key therapeutic areas.

We continued to strengthen our respiratory franchise. In Q4 FY21, we successfully launched Ryaltris™ , the global anti-allergy brand, in Ukraine and Uzbekistan. We received regulatory approval to market Ryaltris™ in Russia with indications for seasonal and perennial allergic rhinitis in patients over 12 years of age. The product was launched in Russia in Q1 FY22.

In the Russian market, Glenmark also received approval for the Ascoril® brand extension, which will strengthen the respiratory portfolio moving forward.

Ukraine team celebrates Glenmark's 43rd Annual Day

Glenmark's Vysoke Myto facility in Czech Republic

Asia

We have built strong brands in dermatology and respiratory in key Asian markets with a leading position in dermatology by prescription share. We plan to leverage our global products in respiratory, dermatology and oncology to expand our presence in key Asian markets.

In addition, we will continue to evaluate entry into new markets in the region. We have recently entered Thailand and Australia which we see as the next markets for growth.

Middle East and Africa (MEA)

Glenmark registered strong sales growth of about 20% in the MEA region despite pandemic restrictions. We expect to continue our growth in key markets in the Middle East and African regions. Our global respiratory portfolio will be an important growth lever for us in these markets along with select in-licensing opportunities.

Latin America

In Latin America, with our focus on quality, Glenmark is well-placed to cater to more stringent regulatory requirements and to build a robust, high-quality portfolio over time in the select therapy areas of respiratory and oncology.

FY21: Key landmarks

- **1st** rank by Montlezir (Montelukast + Levocetrizine) in Mexico
- **3rd** in the Russian expectorants retail market
- **11th** amongst dermatology companies in the Russian retail market
- **1st** in Sri Lanka's dermatology market
- **1st** rank by Glencet, Candid B and Candid in Malaysia with > 40% market share
- **1st** rank by Tacroz ointment in the Philippines, overtaking the innovator

AWARDS AND RECOGNITION

Glenmark Pharmaceuticals featured in the prestigious Dow Jones Sustainability Emerging Markets Index for the third year in a row; ranked 13th among global pharmaceutical companies.

Glenmark received the 'India Pharma Innovation of the Year' Award from the Government of India in 2021

Dr. Yasir Rawjee
Managing Director and Chief Executive Officer

PARTNER
OF CHOICE

Glenmark Life Sciences

COMPANY OVERVIEW

Glenmark Life Sciences is a subsidiary of Glenmark Pharmaceuticals Limited. It was spun off in 2019 to manufacture high value, non-commoditized APIs in chronic therapeutic areas such as cardiovascular disease, central nervous system disorders, diabetes and pain management. It has since then emerged as a leading developer and manufacturer of a select API portfolio that comprises specialized and profitable niche and technically complex molecules.

The COVID-19 pandemic has put a spotlight on India's excessive dependence on imports for active pharmaceutical ingredients (APIs) and key starting materials (KSMs). India's pharma sector is now trying to reinvent itself, and move forward from its long standing dependence on export of generics and to become an end-to-end drug manufacturing hub. This requires that we put a strong emphasis on localizing API and bulk drug manufacturing. The Indian government has set up a production linked incentive ('PLI') package focusing on APIs and the API Parks scheme to boost India's manufacturing competitiveness and promote domestic manufacture of critical intermediates and APIs.

These developments augur well for our business as we move into our next phase of growth. Today, we have strong market share in select specialized APIs such as Telmisartan (anti-hypertensive), Atovaquone (anti-parasitic), Perindopril (anti-hypertensive), Teneligliptin (diabetes), Zonisamide (CNS) and Adapalene (dermatology). We also provide contract development and manufacturing operations (CDMO) services to a number of multinational and specialty pharmaceutical companies.

Continuous research and development drive our API manufacture. We undertake research for existing products and to identify new areas where we see potential for future growth. We maintain high standards of process innovation and quality in our R&D and manufacturing operations for our brand to hold its leadership position and build long-term relationships with customers.

API – PARTNER OF CHOICE

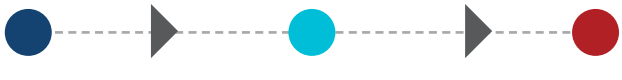
We work with

16 of the 20

largest generic companies globally

Source: A Year of Surprises Shakes Up Off-Patent Industry | Informa, 2020

End to End Capability



Process development

Analytical development and support

API and intermediate manufacturing

KEY STRENGTHS:

Leadership in select, high-value, non-commoditized APIs in chronic therapeutic areas

Strong relationships with leading global generic companies

Quality-focused, compliant manufacturing and R&D infrastructure

Strong focus on sustainability in operations

Cost leadership across products through careful monitoring and continuous effort

Experienced management team with a proven track record

Glenmark Life Sciences currently operates four multi-purpose manufacturing facilities located at Ankleshwar and Dahej in Gujarat, India, and Mohol and Kurkumbh in Maharashtra, India. Together, these plants have an aggregate annual total installed capacity of 726.6 KL. We have consistently implemented current Good Manufacturing Practices (cGMPs) across each of our manufacturing facilities, which are monitored through a comprehensive Quality Management System (QMS) encompassing all areas of business processes from R&D and raw material procurement to manufacturing, packaging and delivery.

No compromise on quality and compliance

Since 2015, our facilities have been subject to 38 inspections and audits by regulators such as the USFDA, PMDA, COFEPRIS, Health Canada, MFDS (Korea), EDQM, CDSCO and other European regulatory agencies. No warning letters or import alerts have been issued. We have also been subject to 423 inspections and audits by our customers during this period.

API – QUALITY IS PRIORITY

38 regulatory inspections and audits since 2015

cGMPs implemented at every manufacturing facility

Discovering innovative processes and polymorphs

Our growth levers to seize global market opportunities

Expand geographic focus, API portfolio and operational scope

We plan to expand the size and scope of our business by diversifying our customer base in existing markets and increasing our geographic market coverage in both regulated and rest of the world markets. We also aim to continue growing our base generic business by focusing on (i) continued growth in our top existing products through increased market share and (ii) launching new generic products. In addition, we see the complex API business as a key growth opportunity and intend to expand our existing technology platforms to manufacture and grow our complex API portfolio in oncology, peptides and iron compounds.

Grow our CDMO business

In the last three years, we have worked with innovator pharmaceutical companies in the area of CDMO. Our capabilities in process chemistry, manufacturing and analytics have made us an attractive choice as a partner for innovator pharmaceutical companies. We will continue to partner with such companies to provide lifecycle management solutions for their mature portfolios, where genericization has happened or is impending. We will continue to leverage our process research, analytical research and chemistry capabilities to provide CDMO services for a range of multinational corporations and specialty companies. We also see the specialty business as a key growth opportunity and another lever for our CDMO business expansion, because multiple companies in the United States and Europe are currently focused on developing products under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act (FD&C Act).

OUR KEY THERAPY AREAS INCLUDE:

- Cardiovascular (CVS) Disease
- Central Nervous System (CNS) Disorders
- Diabetes
- Pain Management

Expand our production capacity

Glenmark Life Sciences plans to develop a new manufacturing facility in India to manufacture generic APIs during FY 2022-2023

During the financial year 2022, we intend to increase the existing production capacity at the Ankleshwar facility and in 2022-23, we will augment capacity at Dahej, taking up the aggregate installed capacity of both plants by 200 KL. This additional production capacity is expected to help us further expand our generic API production and also grow our oncology product pipeline. We intend to develop a new manufacturing facility in India for the manufacture of generic APIs during the financial year 2022-23. This is expected to become operational in the fourth quarter of the financial year 2023. The new facility will provide a platform for the growth of our CDMO business and add capacity for our generic API business. This facility will be a greenfield project built on a 40-acre footprint and will manufacture both APIs and intermediates. It will house several multi-purpose manufacturing blocks with mid to high-volume capacity, aggregating to a total capacity of 800 KL over the next three to four years.

Improve financial performance through focus on operational efficiencies

We continually aim to improve our financial performance by enhancing our operational efficiencies through initiatives such as solvent recovery and recycling; increase in batch sizes; and the utilization of new downstream equipment for filtration or drying techniques and yield improvement. We will continue to implement sourcing initiatives that include ongoing negotiations with vendors based on the prevailing market environment and alternate vendor qualification. We intend to reinforce our R&D capabilities through prudent investments in sustainable business opportunities. We expect our R&D initiatives to support development of new, innovative processes to improve production efficiencies and to address strategic business opportunities in the global pharmaceuticals industry.

API – Manufacturing and R&D prowess

~20	550+	213
years' experience	MT annual capacity	R&D personnel

PASSION, INNOVATION AND PARTNERSHIP.
THE GLENMARK LIFE SCIENCES WAY.

Dr. Cyril Konto
Chief Executive Officer

BECAUSE

CURE IS POSSIBLE

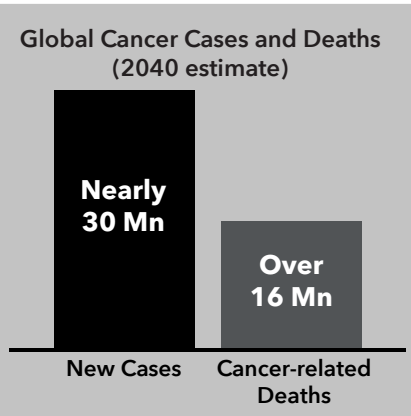
...ichnos...

COMPANY OVERVIEW

Ichnos Sciences is a fully integrated, global biotechnology company with the spirit of a start-up, and is focused on bringing cures to patients by developing first-in-class therapies that harness the adaptive and innate immune system. Our mission is to provide curative therapies that extend and improve lives.

Over the past year, pandemic-related events have placed an unprecedented focus on the biopharmaceuticals industry. The remarkable ability to conceive, produce, test, and gain approval to administer numerous effective COVID-19 vaccines in less than one year demonstrated the global importance of the work being done by innovative pharmaceutical companies. While the emergent need for vaccines and treatments to address the COVID-19 crisis was widely recognized, countless other areas of high unmet needs remain. Notably, though the past decades have brought considerable advancements in the field of oncology, resulting in longer lasting and more complete responses, many cancer patients are unable to count on a cure. It is estimated that by 2040 there will be nearly 30 million new cancer cases and more than 16 million cancer-related deaths per year globally

To address this tremendous need, Ichnos Sciences is focused on developing first-in-class therapies that harness the adaptive and innate immune system with the objective of bringing cures to patients with cancer. Using our proprietary BEAT® antibody engineering platform*, Ichnos currently has five bi/tri specific antibodies that are capable of identifying and attacking tumor cells.



By 2040, the global cancer burden is expected to grow to **27.5 million** new cases and **16.3 million deaths**.

Source: American Cancer Society

The most advanced is ISB 1342, a CD38 x CD3 bispecific antibody that is currently being tested in a Phase 1 trial for patients with relapsed/refractory multiple myeloma. Ichnos is focused on obtaining clinical proof-of-concept for this compound while advancing the earlier stage assets to the clinic.

*BEAT®: **B**ispecific **E**ngagement by **A**ntibodies based on the **T**-cell Receptor

ICHNOS SCIENCES IS A CLINICAL-STAGE BIOTECHNOLOGY COMPANY AT THE FOREFRONT OF INNOVATION IN ONCOLOGY

Fully Integrated Biotech

- Global footprint: US and Switzerland
- Fully owned by Glenmark, with plans to expand investor base in the near future
- Accomplished management team with proven track record
- Core capabilities in biologics (discovery, antibody engineering, CMC, regulatory affairs and clinical development)

Deep and Broad Pipeline

- Focus on immune cell engagers/modulators
- Disease-centric
- Broad first-wave multispecific oncology pipeline with five programs, including a clinical-stage T-cell engager in multiple myeloma (ISB 1342)
- Beyond oncology, pipeline of potential first-in-class therapeutics addressing autoimmune diseases available to out-license

Novel BEAT® Platform*

Proprietary antibody engineering platform that represents the discovery engine to sustain innovation and drive long-term growth:

- Multi-layered platform technology that allows engineering of bispecific and multispecific antibodies in the natural antibody format, which improves the stability and purification of multispecific antibodies and offers limitless targeting potential
- Next generation multispecific immune cell engager/modulator antibodies that can engage multiple targets simultaneously

*BEAT®: **B**ispecific **E**ngagement by **A**ntibodies based on the **T**-cell receptor

OUR INNOVATION FOOTPRINT

For over two decades, Glenmark has invested in new drug discovery and development to create treatments in therapeutic areas with high unmet medical needs. This work has produced a robust pipeline of biologics and small molecules in three areas of strategic focus: oncology, autoimmune diseases, and pain management. When Ichnos was launched in 2019, the company assumed rights and responsibilities for advancing these compounds.

The Ichnos team comprises passionate, creative leaders who are committed to taking the company forward to develop life-saving therapies. With a culture that embraces and rewards creative collaboration and relentless innovation, Ichnos is poised to make a transformative impact on patients' lives.

Ichnos is headquartered in New York City, where its clinical, regulatory, biometrics, drug metabolism and pharmacokinetics, and general and administrative functions are located. The company also has two sites in Switzerland, with manufacturing, and quality assurance located in La Chaux-de-Fonds, and biologics discovery in Lausanne. Together these three locations have over 220 highly skilled employees engaged in moving Ichnos' pipeline forward. Through the COVID-19 pandemic, Ichnos laboratories in Switzerland remained open and continued operations while observing recommendations made by the health authorities. Colleagues based in the US operated on a fully remote basis.

During the fiscal year that ended in March 2021, the decision was made to refine the Ichnos pipeline, narrowing the strategic focus to oncology biologics based on the BEAT® proprietary bi/tri specific engineering platform. Additionally, Ichnos is working to out-license two antibodies with therapeutic potential across a range of autoimmune diseases. ISB 830 (telazorlimab), an OX40 antagonist monoclonal antibody (mAb), is in Phase 2b for the treatment of atopic dermatitis, and preliminary efficacy and safety

results of the ISB 830-204 study were recently presented at the 2021 Society for Investigative Dermatology Meeting. ISB 880, a preclinical stage high-affinity IL-1RAP antagonist mAb is targeted for IND submission by the close of fiscal year 2021-2022. Glenmark currently funds Ichnos' operations and will continue doing so while clinical data are generated, at which point other potential investors will be approached to provide additional support.

ONCOLOGY PIPELINE

The first wave of Ichnos' multispecific oncology pipeline consists of five programs, including a clinical-stage first-in-class T-cell engager, ISB 1342, which targets CD38 and CD3, and a preclinical-stage first-in-class CD38 x CD47 immune cell engager, ISB 1442, which leverages multiple mechanisms of cellular cytotoxicity.

ISB 1342

Currently in a Phase 1, open-label, dose escalation, first-in-human study in patients with relapsed/refractory multiple myeloma.

Number of sites participating in the study was recently expanded to enhance enrollment. New locations in the US were added and the study was expanded to include investigators at sites in France.

Enrollment of patients receiving biweekly dosing was closed in March 2020 as per the Drug Safety Monitoring Board and Sponsor's decision following clinical pharmacology evaluation in 29 subjects, and enrollment of patients receiving a weekly dosing regimen is ongoing.

The primary objectives of the study are to determine the maximal tolerated dose and recommended dose for Phase 2 studies, and to assess anti-myeloma activity.

Orphan Drug Designation for Multiple Myeloma was granted by the FDA in September 2019.

The bulk drug substance is manufactured at the Ichnos site in La Chaux-de-Fonds, Switzerland.

ISB 1442

This first in class CD38 x CD47 2+1 biparatopic bispecific antibody was generated using the BEAT® 2.0 technology developed by scientists in Ichnos' laboratories in Lausanne, at the Biopôle life sciences campus.

It is designed to kill CD38-expressing tumor cells through inhibition of the CD47-SIRPα axis to increase antibody-dependent cellular phagocytosis (ADCP) enhanced antibody-dependent cellular cytotoxicity (ADCC) and complement-dependent cytotoxicity (CDC) enabled by architecture and engineered Fc of the molecules.

IND-enabling studies are proceeding, and the Phase 1/2 first-in-human dose finding study ISB 1442-101 in relapsed/refractory Multiple Myeloma is currently planned to start in the middle of calendar year 2022.

The bulk drug substance will be manufactured at the Ichnos site in La Chaux-de-Fonds, Switzerland.

Discovery Compounds

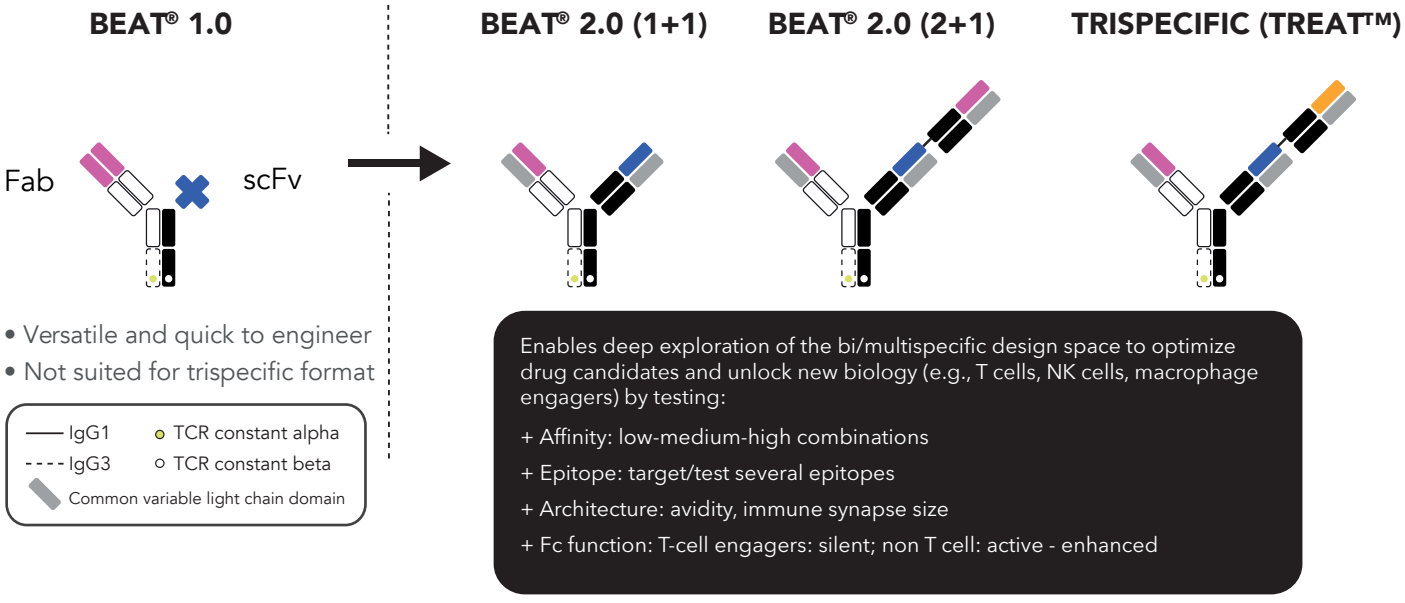
Three additional bi/tri specific antibodies based on the BEAT® platform are in earlier stage discovery and are being studied for hematologic malignancies and solid tumors.

Molecule Mechanism/Class	Phase/Status	Lead indications
ISB 1342 CD38 x CD3 BEAT® 1.0 bispecific antibody	Phase 1 Enrolling	Relapsed/Refractory Multiple Myeloma
ISB 1442 CD38 x CD47 BEAT®2.0 bispecific antibody	IND-Enabling Studies	Relapsed/Refractory Multiple Myeloma
ISB 2001 TREAT™ trispecific antibody	Discovery	Hematologic Malignancies
ISB 2004 BEAT® 2.0 bispecific antibody	Discovery	Hematologic Malignancies/Solid Tumors
ISB 2005 TREAT™ trispecific antibody	Discovery	Hematologic Malignancies

BEAT® PLATFORM

Ichnos' proprietary BEAT® technology platform enables the company to develop novel immune cell engagers and modulators in oncology, with the goal of realizing its mission to provide breakthrough, potentially curative therapies that will hopefully extend and improve lives, writing a new chapter in healthcare.

With the BEAT® platform, Ichnos is exploring the entire design space to produce new compounds that may treat multiple myeloma and other hematologic malignancies, with the potential to leverage the technology and move into solid tumors.



AUTOIMMUNE DISEASES

Ichnos' pipeline also includes two assets for autoimmune diseases which are available to out-license.

ISB 830 (telazorlimab)

- OX40 antagonist mAb that is in Phase 2b for atopic dermatitis (AD).
- Preliminary results for this ongoing study show that the primary endpoint of EASI score, % change from baseline to Week 16, was achieved for the two highest doses of telazorlimab tested (300 mg and 600 mg dosed every 2 weeks) versus placebo. Numerical improvements were also seen for the two higher dose arms of telazorlimab compared to placebo in the secondary endpoints of EASI-75 and Investigator Global Assessment, but most of the differences were not statistically significant.
- The study also suggests that clinical efficacy continues to improve after Week 16 with maximal impact achieved several weeks later, and the reduction in AD disease activity may be maintained without additional therapeutic intervention after discontinuation of telazorlimab, through three months of follow-up.
- Telazorlimab was well-tolerated during the study to date. The most commonly reported adverse events (>5%) were atopic dermatitis, nasopharyngitis, upper respiratory tract infection, and headache.
- A US IND to conduct studies of telazorlimab in autoimmune diseases, including rheumatoid arthritis, is active.

Scientific minds from around the world committed to the Ichnos vision

Innovation embedded across all our processes

ISB 880

ISB 880, a fully human, high affinity, monoclonal antibody blocking IL-1RAP signaling, is in the IND enabling phase for patients with autoimmune diseases. The optimal antibody profile, the strong in vitro and in vivo data package, as well as clinical, CMC, DMPK and toxicology plans shall enable an IND filing in the second half of calendar year 2021. Blockade of IL-1RAP simultaneously abrogates multiple disease drivers among the IL-1 family of proinflammatory cytokines including IL-1R, IL-33R and IL-36R, differentiating ISB 880 from single cytokine blockade therapies. These cytokines have been implicated in numerous autoimmune conditions, opening opportunities for ISB 880 to be positioned across broad disease indications. To date there is no IL-1RAP antagonist approved or under clinical development for autoimmune disease, positioning ISB 880 as a potential first- and best-in-class therapeutic.

Our advanced technology drives our innovation efforts

OUR PEOPLE

OUR MOST VALUABLE ASSET

EMPOWERING PEOPLE FOR EXCELLENCE

COVID-19 ravaged the global economy in 2020. Glenmark has always been at the forefront of new challenges and we took this in our stride. The pandemic abruptly halted life as we knew it, making on-site work difficult, and rendering many 'best practices' nearly obsolete. We welcomed the new normal by ramping up our digital processes to enable remote work setups, safeguard physical and mental well-being, and boost morale through improved employee engagement. We implemented safety protocols that adhered to stringent COVID-19 guidelines, and established support systems for those who, at personal risk, braved the pandemic to work at our plants.

ENRICHING LIVES

Innovation is the hallmark of Glenmark and it drives our vision and values. As an organization committed to improving the lives of patients across the world, we recognize the power of committed employees in making this ambition a reality. We understand that this is only made possible through a strong work culture that fulfils the aspirations of our people. Every day, our people deliver on this commitment with boundless imagination and courage. It is their indomitable spirit that keeps us at the frontlines of transformative innovation.

Creating an environment of continuous learning enables us to stay inspired, curious, and sharpens our competitive advantage. Our efforts towards our employees are holistic and include investments that promote their professional as well as personal growth. All efforts are taken to ensure that everyone feels heard, valued and respected in the Glenmark global community. The assurance of equal opportunity motivates our teams to excel beyond their own imagination and capabilities.

As a globally respected organization, Glenmark is acclaimed as an employer of choice that offers rewarding careers, with opportunities to learn, innovate and excel every day. This blend of innovation and success attracts the very best talent from India and around the world, including APAC, US, Russia, Europe, Africa, and other geographies.

Team Germany representing our passion

ADAPTING AND UPSKILLING IN THE NEW NORMAL

Glenmark has always been a leader in innovation. As the world adapted to the new normal in 2020, our various teams moved rapidly to study the situation and create breakthrough solutions, that would help our people remain productive and innovative by overcoming the limitations imposed by the pandemic.

The 2020-21 pandemic and the consequent work-from-home situation compelled the L&D fraternity to reimagine development and training programs for employees. Customized programs that emphasized the health and safety of our employees were instituted to overcome the lack of in-person interactions. The Glenmark Centre for Learning (GCL) devised solutions using eLearning and virtual instructor-led training, with support from regional HR teams. Learning platforms and apps enhanced the learning experience, optimized training time, and enabled teams to tailor programs to individual and functional development needs.

These innovations enhanced employee engagement at a crucial time, identified training requirements based on skill gaps, and ensured that our workforce was upskilled to deal with the evolving norms. They also enhanced our efforts towards recruitment and succession planning.

As regional HR teams focused on compliance, statutory, safety, and wellness programs, GCL initiated multiple transformational change programs to empower employees and build capabilities that would help them adapt to the 'new normal'. GCL also extended personal effectiveness and career transition programs to global audiences, through its global virtual instructor-led training calendar. Their robust response to an uncertain situation benefited our colleagues across India, APAC, Middle East and Africa, Russia & CIS, LATAM, and North America.

MANAGING TALENT AND TRAINING FUTURE LEADERS

Investing in our people's personal growth and professional development is a key strategic imperative at Glenmark. We encourage innovative thinking and empower our people to realize their full potential. This establishes a culture of excellence and also enhances our own organizational efficiency.

Our company uses holistic leadership development platforms to nurture talent and develop future leaders who recognize global trends and the requirements of patients, customers as well as stakeholders.

The Glenmark Way: Encouraging innovative thinking, instilling a sense of ownership, and establishing a culture of excellence.

We run several learning and leadership development initiatives for employees that cut across levels, functions and geographies. Our rigorous talent management processes help us identify, develop, and engage employees, ensuring consistent high potential internal talent.

Development and Assessment Centres play a pivotal role in strengthening our talent pipeline and employee engagement. In early 2020, these critical processes were efficiently digitized and hosted on a virtual platform, to ensure a consistent employee experience.

Glenmark's comprehensive Compliance Trainings promote ethical behaviour and a commitment to the Code of Conduct, Policies, Procedures and Laws in the countries, we operate in.

Promoting employee learning through Project Pinnacle

MANAGING THE DIGITAL TRANSITION AND STAYING CONNECTED

Our leadership and functional teams have been at the forefront of steering our company's transition to a remote work model. We enabled work-from-home for all employees whose onsite presence was non-essential. Our company made strategic investments in IT infrastructure and software that enabled a systematic transition to the digital mode of work and collaboration. Our IT team worked 24x7 to ensure that employees were adequately equipped and prepared for this new way of working.

We made strategic investments in IT that enabled a systematic transition to the digital mode of work and collaboration

Working and collaborating in the new normal: Our IT team's preparedness with Citrix App Hub, SOPs for IT continuity, SAP mobility for quicker approvals, Zoom/ Skype for business calls, Webex for collaboration, and Airwatch for emails on mobile phones, smoothened the transition to remote working and helped mitigate potential critical business risks in such situations.

Virtual audits: Despite the prevailing uncertainties, Glenmark's teams supported the certification body by completing virtual audits at our sites in 52 man-days, with the help of 11 auditors. The certification process was made possible by the joint efforts of the Corporate EHS team and the seven plant teams. They prepared and implemented the systems as per ISO 45001 requirements, while also complying with COVID-19 prevention protocols. Our seven India formulation plants achieved the Common Occupational Health & Safety Management System certification viz., ISO 45001:2018, which is valid for the next 3 years. Additionally, the plants successfully completed the transition from OHSAS 18001:2007 standard to the newly introduced ISO 45001:2018 standard.

Over 52 man-days and with 11 auditors, our teams successfully completed a virtual audit across plant locations in compliance with industry best practices

Digital transformation of performance management: As a performance-driven company, our colleagues are evaluated on a robust performance management system known as STRIVE (Strength through Results, Innovation, Value and Empowerment). Regular open dialogues between employees and managers on performance, career aspirations, and individual development plans have helped build a high-performance culture. In FY21, we continued to leverage the online STRIVE process to communicate performance feedback, capability building and engagement, as well as to evaluate mid-year performance.

Leadership that cares: Glenmark's leaders stayed connected with their teams through digital town halls and leadership meetings. Various forums enable the company's leadership to reach out and maintain a strong connect with all our employees.

Building unity: The Glenmark corporate communications team launched an internal microsite called 'United@Glenmark' to encourage colleagues to stay connected with each other. This enabled our people to be appreciative of each other's efforts and fostered a spirit of cohesiveness as we collectively faced uncertain times. The company leadership also shares regular messages on business and community outreach activities to boost morale.

Virtual onboarding: The GCL team helped transform in-person onboarding programs into virtual and digital formats, seamlessly integrating more than 2500 new hires into our system last year. These new processes combine 'tech and touch' to maximize the learner experience and ensure that new colleagues are not deprived of the all-important human connection that binds the Glenmark community.

Well-being initiatives during lockdowns: The India Formulations (IF) HR Employee Engagement team launched special 'Lockdown Engagement Initiatives' for our colleagues and their families. Over 30 entertaining sessions were conducted from May to December 2020, comprising quizzes, online games, tambola, festive contests, and even talent shows. These initiatives helped employees and their family members strengthen their bonds with the larger Glenmark community. With the help of external experts, we also implemented initiatives that included webinars on important subjects such as mental wellness, yoga, tabata training, health & nutrition, and preventive measures to be taken during COVID-19.

We supported employee health and well-being through regular webinars on subjects such as mental health, yoga, exercise, and health & nutrition

Glenmark Annual Day celebrations reimagined: Last year, our Annual Day celebrations were conducted virtually for the first time with colleagues from across the world. The new experience brought Glenmark's global workforce closer despite the constraints, which is a true testament to their indefatigable spirit.

STANDING BY OUR COLLEAGUES DURING THE PANDEMIC

The safety and well-being of our employees are of paramount importance. It is this focus that helps us enhance productivity, retain top tier talent, and ensure all-round employee satisfaction. In India, our practices are aligned to global best practices.

During the pandemic, our teams devised a comprehensive plan with preventive and proactive measures, to ensure operational continuity and employee safety. We implemented these to ensure that our people felt secure and protected at their workplaces:

1. Safe, hygienic environments backed by administrative and logistical support

Our colleagues work in multiple locations, production sites, and R&D centers around the world. As lockdown measures were enforced in various countries, our teams evaluated risks and created programs that ensured business continuity while adhering to occupational safety norms.

Employees whose onsite presence was indispensable were provided accommodation close to the office premises. Buses with adequate social distancing measures were arranged to ease their daily commute. For others, fuel costs were reimbursed.

Protective gear and hand sanitizers in the buses and on-site were provided. All common areas were regularly sanitized at least thrice a day. Curated meal packs were arranged for those who faced constraints when buying essential food. Weekly rations were sent to the families of employees who worked on-site during the pandemic.

2. Physical, psychological, and emotional support

COVID-19 safety kits were provided to the entire field force in March 2020. Our HR teams communicated regularly with their families to reassure them of the personnel's safety.

A dedicated telemedicine service was made available to employees and their families, to provide 24x7 access to qualified doctors to access primary and preventive healthcare advice. Our Employee Assistance Program (EAP) is a free, voluntary, and confidential program that promotes the health and well-being of Glenmark employees and their families. Employees used EAP to receive support for personal issues, including short-term professional counselling, coaching and to connect to local resources, to help manage their emotional, practical, and physical needs.

We arranged wellness webinars to deepen discussions about subjects such as positivity, wellness, and mental health, which also incorporated global observance days such as World Heart Day, Mental Health Day, Women's Day, and important festivals.

Supporting employees in the fight against COVID-19 through Project Umang

3. Providing COVID-19 assistance to Glenmark personnel

Financial assistance was provided to employees and their families through comprehensive medical and term life insurance coverage, reimbursement for COVID-19-related home quarantine expenses, and other programs.

Glenmark organized medicines, hospitals, and a doctor on-call facility for employees and their family members who tested positive for COVID-19. We launched 'Project Umang', a special endeavor to express solidarity with our employees and other stakeholders affected by COVID-19. Multiple teams worked around the clock to make sure that health, food, and psychological aid reached over 3000 employees and their families who required assistance.

Bereaved families of employees who succumbed to COVID-19 were provided financial assistance, including one year's pay and other benefits. Glenmark deeply values the contribution of all the individuals who, at great personal risk, helped our larger society to stay safe amidst a global health crisis.

The multifaceted challenge of 2020 became an opportunity that unleashed our people's creativity and innovation. The agility and dexterity that various teams exhibited as the company transitioned to the digital mode of working, while ensuring the safety and well-being of front-line employees who reopened our production facilities, was a testament to the depth and breadth of our workforce's expertise. As we look toward the future to engage successfully with the new normal, we have designed people development initiatives that are in alignment with the company's strategic goals over the next five years, and are incorporating technology that will successfully scale and optimize these processes.

BUILDING

HEALTHIER COMMUNITIES

Caring for people and the environment

OUR COMMITMENT TO ENABLING ESG VALUE

At Glenmark, we have strived to emerge as a sustainable enterprise that creates value for society and the economy and is progressively minimizing its environmental footprint. In line with our corporate ethos of social and environmental awareness, we have endeavoured to decouple our business growth from our consumption of natural resources. We see our innovation centricity and collaboration oriented approach as key enablers of our vision to create shared growth and prosperity. Our ethical and responsible governance practices are at the core of the holistic value proposition that we have been able to deliver.

We have strengthened our ESG focused approach by committing to external initiatives and taking proactive measures. Our ESG strategy is aligned with the UN SDGs and aims to enhance our contribution to the global sustainable development agenda. We have also communicated annually on our ESG performance with our stakeholders, through GRI-standards- aligned sustainability reports. Our ESG centric approach has also been recognised by globally acclaimed benchmarks such as the Dow Jones Sustainability Index (DJSI). The acronym 'ACE' captures the essence and key facets of our ESG strategy. It is our vision to drive tangible ESG impact and work towards developing programs that help us emerge as a company that sets global benchmarks.

It is our mission to be a water-neutral enterprise by year 2025; ensure zero waste to landfill by 2027; and be a carbon neutral* enterprise by year 2030.

A **Actively contribute to sustainable development through tailored programs that unlock environmental, social and economic value**

- We have developed an environmental action plan and community development programs that are aligned with the UN-SDG and national developmental priorities

C **Communicate our ESG performance to enhance a stakeholder inclusive approach to business and adapt our strategy to stakeholder expectations**

- We annually publish a GRI standards aligned sustainability report and Business Responsibility report
- We also engage with stakeholders on ESG themes on a need-based approach

E **Evidence commitment through external initiatives and by delivering impact for communities and the environment**

- We secured a position on the DJSI for the 3rd year in a row and were amongst the only 11 companies from India to be listed in the DJSI Emerging Markets Index in FY 2019-20
- We have committed to setting emissions reduction targets based on climate science through the Science Based Targets initiative (SBTi)

*Our targets only include our Scope 1 and Scope 2 emissions

OUR ENVIRONMENTAL IMPACT

We are conscious of our environmental footprint and undertake numerous initiatives to minimise and offset our impact on the planet. Our robust Environmental Management System (EMS) has helped us continually step-up our environmental performance. We have adopted ISO 14001:2015 (Environmental Management System) in a majority of our facilities. In FY 2020-21, our Indian formulation plants successfully completed the re-certification audit for ISO 14001:2015 standard. The thrust areas of our EMS are energy, emission, waste, and water management. Being a responsible global corporate citizen, we are committed to actively contribute to global climate action efforts. We have been working on building a climate strategy that focuses on both climate change mitigation and adaptation.

Our climate strategy

We have devised our climate action plan after a review of the risks and opportunities presented by the transition to a low carbon future. Our plan focuses on mitigating climate linked physical and transitional risks as well as contributing to global climate change mitigation efforts. A vital element of our climate action plan is to ensure effective management of our carbon emissions. Our approach to carbon emission management encompasses:

1. **Commitment to set science-based targets in line with SBTi recommendations:** We have submitted a commitment letter to Science Based Targets initiative (SBTi) that will help us align our decarbonization plan with the global climate mitigation efforts.
2. **Enhancing energy efficiency and minimizing our carbon footprint:** We have been able to save 55,17,508 kWh of electricity through our energy efficiency improvement initiatives such as LED lighting, speed control optimization of process equipment, installation of heat recovery systems, optimization of refrigeration and heating compressor performance, process automation, and use of bio-fuel and LPG.
3. **Shifting to renewable energy:** In FY 2020-21, we sourced 4% of our energy requirements from renewable sources. We use a solar open access source in our Mahape & Taloja operations and have installed a 100 kWp roof top solar system at Mahape. Overall, we generated 55,79,094 kWh of solar energy in FY 2020-21 which accounts for 72% of the electricity consumption at Taloja and Mahape sites.
4. **Creating carbon sinks:** We have planted over 35,000 trees so far.

Committed to set science-based targets in line with SBTi

55,79,814 kWh
renewable energy used

35,000+
trees grown as carbon sinks

55,17,508 kWh
energy saved through our energy efficiency initiatives

Water management

Glenmark Sinnar won the Greentech Safety Award 2020-21 for Outstanding Achievements in Safety Excellence

Water stress is a pressing environmental risk with far-reaching implications on communities and business. Hence, optimizing water usage is crucial to build resilience in our operations to periods of water stress. The 3Rs: Reduce, Reuse and Recycle are at the core of our water conservation strategy. We closely track our water footprint to optimize waste consumption across our facilities. As of 2020-21, we have reduced our specific water consumption by 12.14% as compared to 2012-13. We have been rolling out various initiatives such as rainwater harvesting, ground water recharging, effluent treatment, high pressure water cleaning, and

12.14%
reduction in specific water consumption in 2020-21 as compared to 2012-13.

condensate recovery to augment our water management strategy. We have been able to save 1,181 Million litres of water since 2012-13 through our water conservation initiatives. Our factories at Ankleshwar, Dahej, Aurangabad, Mohol and Kurkumbh have zero discharge of liquid effluents.

Waste management

Improper handling and disposal of waste can lead to water, air and soil pollution. It is hence imperative that waste is handled and disposed safely to foster a sustainable ecosystem. Our waste management strategy focuses on at-source minimization, categorisation, segregation, handling, and safe disposal of waste, along with appropriate monitoring, regulation and process control. We believe having a good understanding of the nature of the waste we generate is central to enabling effective waste management. In this regard, we engage our workforce to understand our waste streams, in order to embed a proactive and informed approach to waste management. We have strict internal policies in place to ensure waste is collected only by authorised third parties who are registered with the environmental authorities.

A part of the hazardous waste that we generate is co-processed in cement factories. In FY 2020-21, we co-processed 3,639 MT of hazardous waste. This accounts for 34.8% of our total hazardous waste disposed, which exceeds our target of 25%. We aim to co-process 50% of our hazardous waste by FY 2022-23.

Glenmark Goa won the CII Environmental Best Practices Award 2020

OUR SOCIAL IMPACT

The culmination of our efforts is the social value we create and the impact we have on the people we influence and interact with through our business. Within the bounds of our company we ensure the well-being and success of our employees. We celebrate their growth and undertake a myriad of initiatives that enable social security and professional development. Beyond the bounds of our company, we serve communities through our CSR programs with the vision of contributing to sustainable development. Employee well-being and community development are the two key aspects of the social impact we deliver.

Employee health and safety

Our employee centric policies are designed to nurture employee growth towards unlocking their true potential. Employee health and well-being is central to ensuring employee satisfaction and productivity. We have a dedicated EHS team which ensures effective management of occupational health and safety. The team assesses EHS issues and recommends measures to mitigate, control and manage risks. It provides technical information and guidance, and develops and promotes innovative tools, systems and methodologies.

We have successfully migrated to the new standard of ISO 45001:2018 in FY2020-21 from OHSAS 18001:2007 (Occupational Health and Safety Management Systems) standards. Our global organization has implemented the Globally Harmonised System (GHS) of International Labour Organisation. In FY 2020-21, Nalagarh, Baddi, Sikkim, Indore, Aurangabad, Ankleshwar and Dahej plants migrated from OHSAS 18001:2007 standard to ISO 45001:2018 standard. The Goa and Nashik plants migrated to the new ISO 45001:2018 standard in FY 2019-20. Our Argentina and Czech Republic plants also migrated from OHSAS 18001 to ISO 45001 standard. Our Indian formulation plants now have common certification under both ISO 14001:2015 and ISO 45001:2018 standards.

Zero
number of cases of occupational illness

Zero
number of occupational fatalities since 2016-17

Our records show that no occupational illness cases have been reported until FY 21 and there have been zero cases of occupational fatalities in the last 5 financial years.

We have 11 ISO certified plants with a certification in ISO 14001:2015 and ISO 45001:2018.

An overview of our health and safety initiatives

a. Tracking and monitoring of our safety procedures

Since its introduction in FY 2019-20, all our sites have now transitioned to using the NEARly and Hazard Management Online portal to report Near-Miss and Hazard. We have started recognizing the performance of plants by rewarding those who reported the maximum number of Near-Miss and Hazard and ensured its timely and effective closure. At the Glenmark Mumbai offices, the safety induction module for visitors is compulsory and continues to be implemented. We also assign and refresh the employee safety module for all our people through Aspire.

b. Global safety programs

This year, we rolled out two new global safety programs: Occupational Health Management and Industrial Hygiene. Over the last few years, we have organized a total of 12 safety programs on identified risks and hazards. Our aim is to complete 16 safety programs by 2023.

c. Safety focused training programmes

Our EHS team conducts regular safety training so that employees can handle any kind of issue linked to health and safety on the job, from hazard identification and pre-emptive strategies to administering first aid in the event of an accident. Training programs on incident investigation and correction and corrective actions have been conducted for the Senior Leadership teams.

d. Engaging employees in safety dialogue

Innovative tools such as safety quizzes, activity-based learning and case study-based learning are used regularly to engage with our employees on the subject of workplace safety. For example, our 'Toolbox Talks' initiative encourages employees to have formal and informal exchanges on safety. Even during the pandemic, we conducted on-site mock drills with social distancing to ensure emergency preparedness. We prepared video messages featuring the leadership team since the onset of COVID-19 pandemic. These videos revolve around COVID-19 safety precautions to be followed while working at sites or at home. We also prepared posters, e-mailers, and other communication on similar lines, to effectively impart safety messages to the employees and their family members.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Glenmark Germany donates to 'Help the Helper' project in Munich to support frontliners

Our community development efforts in FY 2020-21 covered the following areas:

- Child and maternal health
- COVID-19 relief and support
- Sustainable livelihood and skill development
- Promotion of education and community development
- Employee volunteering
- Promoting swimming as a sport

Over the years, we have positively impacted over

2 million

lives through our CSR interventions.

Our CSR philosophy is inspired by our corporate vision to enrich lives and our commitment to create a healthier and happier world. Over the years, the convergence of our corporate culture and capabilities has facilitated the sustainable transformation of communities. Our programs are aligned to the United Nations Sustainable Development Goals (SDGs) and aim to make positive contributions to support progress on the Goals. We leverage our knowledge base, synergies, and innovation centric approach to catalyse holistic community development.

Our robust CSR governance system ensures that our investment translates into tangible developmental outcomes for communities. We implement our CSR programs either directly - in collaboration with 'Glenmark Foundation', 'Glenmark Aquatic Foundation'; - or with our diverse NGO partners, Government bodies, academia, multi-lateral organizations amongst others. Our vibrant network of partners plays a vital role in helping us create meaningful value for the people we serve.

We build resilience and responsiveness into our CSR programs through a systematic and iterative approach to intervention design. This approach has enabled us to swiftly adapt our CSR programs to the challenges posed by the pandemic.

SDGs in focus

- Zero Hunger
- Good Health And Well Being
- Quality Education
- Gender Equality
- Clean Water And Sanitation
- Decent Work And Economic Growth
- Reduced Inequality
- Sustainable Cities And Communitites
- Life On Land
- Partnerships And Goals

i. Child and maternal health

We believe that healthy children are the foundation of a healthier world. In FY 2020-21, we employed unique strategies to deliver on our commitment to maternal and child health as well as to mitigate the adverse impact of the pandemic.

Our flagship child health program 'Project Kavach' is undertaken by Glenmark Foundation in collaboration with numerous partners. The program is currently implemented in Himachal Pradesh, Sikkim, Madhya Pradesh, Gujarat, and Maharashtra.

In Himachal Pradesh, we set up a Reproductive Child Health (RCH) centre in the Solan district, in partnership with the District Health Department and our NGO partner. We provided basic diagnostic and referral services in remote areas through Mobile Medical Units.

Glenmark also supported curative and preventive health services such as immunization, antenatal and post-natal care, and general OPD care.

Our focused efforts to improve maternal and child nutrition

In Gujarat, we helped cultivate positive heath seeking behaviour among pregnant and lactating women. We also aided the delivery of primary healthcare services that were supported through strengthened infrastructural capabilities provided by the RCH centre.

In association with our NGO partner, we launched the mMitra voice service-based intervention to share healthcare and medical advice with pregnant and lactating mothers. Other digital technology based virtual OPD services helped to provide continued medical support to pregnant women during the pandemic. We equipped health supervisors with virtual and digital communication tools such as WhatsApp, video call services so they could conduct awareness sessions on breastfeeding, HIV/AIDS, cancer, diabetes, and nutrition.

In Madhya Pradesh, our frontline staff developed a food relief program for Severe Acute Malnutrition/Moderate Acute Malnutrition (SAM/MAM) children. Our 'Backyard Nutrition' initiative, helped to provide food for families during the pandemic and supplemented their income. We also conducted COVID-19 awareness programs for the community.

In Sikkim, we provided healthcare facilities in East Sikkim district, through mobile health clinics. We have also provided support for reproductive health and the immunization needs of pregnant and lactating women. Glenmark arranged for telephone consultations for the beneficiaries of the Integrated Child Development Services (ICDS).

Transforming the lives of women and children by combating household air pollution

Indoor air-pollution is caused by the use of unsustainable cooking fuels such as wood, animal dung and crop waste and has health and environmental implications. This is a serious health hazards for women and children, as they are more likely to be exposed to higher levels of indoor air pollutants. To address this complex challenge, we partnered with the CSIR-National Environmental Engineering Research Institute (NEERI), an institution under the Government of India, to design cost effective and energy efficient mud stoves that would mitigate the problem. We employed an innovative approach to improve the thermal efficiency and emission profile of the traditional mud stoves. In FY 2020-21, we finalized prototypes and are field testing them to check for the effectiveness.

Our impact:

18,60,000+
lives touched through child health interventions over the years

2,85,000+
children reached out through nutrition, immunization, and sanitation interventions

38,000+
malnourished children reached

1,84,000+
pregnant and lactating women served through various interventions

Local nutrition drives to provide COVID-19 support to underserved communities

Glenmark Nutrition Awards 2021

Through our child health programs, we have committed to combating malnutrition among children aged 0 to 6 years, and pregnant and lactating women. The onset of the pandemic highlighted the need for a multi-stakeholder participatory approach to actively tackle malnutrition. For that reason, we built a platform to recognize stakeholders who have paved the way to beat the hunger pandemic in India. The Glenmark Nutrition Awards were instituted in 2021 in partnership with IDOBRO Impact Solutions and UN World Food Programme, to foster a conducive ecosystem that enables change agents to flourish and expand their sphere of influence.

Over 225 NGOs/individuals from 27 States and 8 Union Territories participated in the awards and winners were selected by a distinguished panel of experts from TISS, IITB, NITI Aayog, ICMR and UN WFP. The awards programme was attended by renowned personalities such as Mr. Bishow Parajuli, Country Representative and Director UN World Food Programme; Mr. Philip Kotler, Author, Distinguished Prof. at The Kellogg School of Management; and Mr. Yosef Abramowitz, CEO, Energyia, and three-time Nobel Prize nominee.

ii. COVID-19 relief interventions

The pandemic has impeded progress on some of the most pressing global developmental goals and has exacerbated existing challenges for vulnerable communities. Recognizing the criticality of providing relief measures to communities during this crisis, we have closely monitored the situation to find ways to meet the needs of vulnerable groups. Our relief measures have focused on serving underserved communities and frontline workers.

a. Providing 5 million meals

Disruption of food supply chains and loss of livelihoods have together increased the threat of malnourishment. The pandemic has also resulted in a hunger pandemic. According to United Nations World Food Programme (WFP) estimates, the number of people at risk of starvation globally is at more than 270 million. Recognizing this urgent need, we have been working relentlessly towards addressing the hunger pandemic since the onset of the pandemic. In FY 2020-21, through our pan-India meal distribution drive we delivered on our pledge to provide 5 million meals. We also established a distress cell focused on the food and nutrition linked concerns of communities. Identified beneficiaries were provided with support by distributing food kits.

b. Supporting frontline workers with essential supplies

Keeping frontline workers safe has been of utmost importance in India's pandemic management strategy. In our endeavour to support healthcare workers, we donated PPE kits and other protective and preventive supplies across India.

c. Augmenting the capacity of the healthcare system

Our focus through this intervention was to equip healthcare workers with the requisite know-how for COIVD-19 management, provision of ancillary support to healthcare facilities and community awareness building on COVID-19. We conducted a series of technical training programs to equip healthcare workers with the knowledge and tools to sensitise their communities on COVID-19. The training program covered topics such as effective use of COVID-19 safety equipment, and preventive and precautionary measures. We also conducted awareness drives to sensitise communities on infection prevention and control measures.

d. Facilitating access to healthcare through telemedicine and tele-counselling

Social distancing guidelines created a barrier for effective delivery of health care services especially for marginalized communities. In our effort to bridge this gap, we enabled access to telemedicine to the communities that we serve through our CSR programs. A toll-free helpline number was made available for this purpose in Himachal Pradesh, Gujarat, Delhi NCR, Madhya Pradesh, and Rajasthan. This initiative greatly benefitted pregnant women who were missing their routine health check-ups because of COVID-19.

The pandemic has also had a devastating impact on mental health. So, we extended our tele-counselling services to help people de-stress and improve their mental health during the lockdown.

Our employees participating in Glenmark's Annual philanthropic program Joy of Giving

iii. Sustainable livelihood and skill development

We empower youth through skill development and vocational training programmes. This enables young individuals to contribute to the economy while securing their own livelihood. In FY 2020-21 we trained over 700 individuals. This year, through our Jaipur foot program, we supported the rehabilitation of over 1,000 differently abled individuals by providing artificial limbs, fitments, and callipers.

iv. Promoting education and community relief

Education is a fundamental enabler of inclusive and sustainable development. We serve tribal communities in Maharashtra by strengthening the education infrastructure. We have supported other rural communities to overcome barriers to education access. We also help educational institutes improve their infrastructure and provide resources to elevate student learning experience.

We are also committed to serving communities during calamities. In FY 2020-21, we worked with our NGO partner in the aftermath of cyclone Amphan in West Bengal and distributed shelter kits and water purification tablets to over 600 families in 12 villages.

Our impact:

6,100+
employees participated

31
countries

47
Glenmark locations

40,000+
hours of voluntary service offered by our employees over the years

Glenmark South Africa participating in our annual philanthropic program Joy of Giving

v. Employee volunteering: The Glenmark Joy of Giving

Encouraging employee volunteering has been a cornerstone of our corporate citizenship program. Engaging employees in community development has a multidimensional value proposition. Involvement in volunteering activities helps them have a sense of purpose and fulfilment. Additionally, it cultivates a mindset to actively contribute to social good and create a wave of positive change in society.

In FY 2020-21, we designed unique interventions to negate the barriers created by the pandemic and enable employees to feel connected with their communities. Employees at our manufacturing and R&D facilities actively participated in the 'Make Masks, Save Lives' campaign by preparing handmade masks using DIY kits which were then distributed to underserved communities around the facilities.

The 'One Glenmark One Voice' campaign was launched to develop a range of supplementary educational material in accessible formats for children with visual disabilities. Audio stories recorded by employees will be shared with these children through NGO partners.

Glenmark Ukraine contributing to their local communities

vi. Promoting swimming as a sport

The Glenmark Aquatic Foundation (GAF) aims to support competitive swimming in India to elevate India's performance at the global level.

Glenmark Aquatic Foundation runs three swimming high performance centres at Mumbai, Delhi and Bengaluru. On account of the pandemic, these centres were operational for a few months in line with Government regulations. No major swimming meet (competition) was held during the year. During FY 2020-21 the Foundation actively engaged with swimmers and coaches through a series of customized online lectures with globally renowned coaches. It also partnered with FINIS and American Swim Coaches Association to roll-out a bilingual online coach education program - the first of its kind to be available in both Hindi and English. GAF supported Kushagra Rawat to train in the USA with an eye towards qualifying for the Olympics in 2021. GAF has extended its current partnership for the SAI Glenmark TIDM program in Delhi with Sports Authority of India till 2025.

GOVERNANCE BASED ON RESPONSIBLE STEWARDSHIP

Glenmark believes in being an accountable, responsible, and inclusive organisation in its approach to business. Built on the pillars of integrity, knowledge, respect and trust, our governance system ensures sustainable growth of our business aligned with ethical principles. Our governance system comprises our Global Code of Conduct (CoC), global policies and a comprehensive risk management plan. Our policies and SOPs facilitate consistency in processes and entrenches our corporate values in every aspect of our organization. Details of our corporate governance can be found in the section titled 'Corporate Governance' of this Annual Report.

Glenmark Foundation has been recognized as one of the **Best Corporate Foundations** for our outstanding contribution to social causes and CSR efforts by **World CSR Day and World Sustainability.**

CII Innovative Environment Project Award 2020: Goa

Platinum Award under **Apex India OHS awards 2020: Aurangabad**

GreenTech Award in Environment Category: Baddi

British Safety Council Award 2020: Goa

CII Northern region award for EHS Management: Nalagarh

GreenTech Environment Award: Dahej

Greentech Safety Award: Sinnar

MANAGEMENT

DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

A year since COVID-19 was declared a global pandemic, economies around the world have started to recover. In 2020, world output shrank by 3.3%. However, many economies reported positive GDP growth in the first half of 2021 which augurs well for the world. The global economy is now projected to expand by 6% in 2021.[1,2]

[1]International Monetary Fund. World Economic Outlook. Managing Divergent Recoveries. April 2021. https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021 | [2]World Bank Group Flagship Report. Global Economic Prospects. January 2021. https://openknowledge.worldbank.org/handle/10986/34710

Governments around the world responded rapidly with various fiscal and monetary stimulus packages to reduce the impact on the economy.

Global growth prospects have improved because of the rapid vaccination roll-out in many countries. As countries look ahead, slowing down the transmission of the virus, ramping up vaccination coverage, and supporting those who are vulnerable must remain key priorities for governments and authorities. The international community would also need to work together to help low-income developing and emerging market economies emerge out of the pandemic quickly. Any further prolonging of the pandemic and inadequate policy actions to limit the economic damage could further derail a country's economic outlook.[1,2]

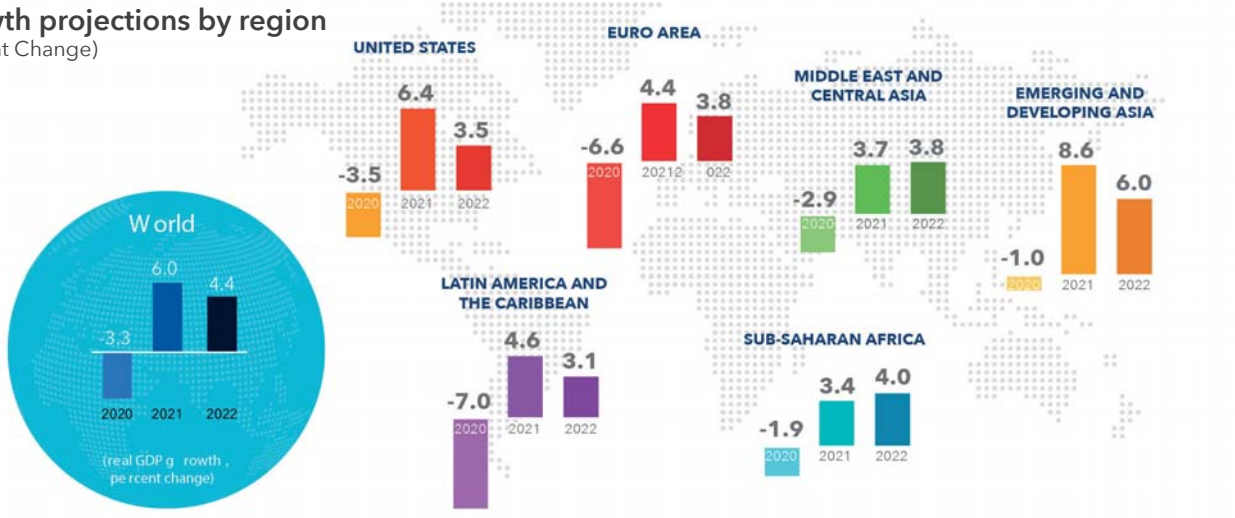
[1]International Monetary Fund. World Economic Outlook. Managing Divergent Recoveries. April 2021. https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021 | [2] World Bank Group Flagship Report. Global Economic Prospects. January 2021. https://openknowledge.worldbank.org/handle/10986/34710

World Economic Outlook April 2021

(Source: IMF April 2021 and UN World Economic Situation and Prospects)

Growth projections by region

(Percent Change)



Indian economy

FY21 was a demonstration of the Indian economy's resilience. After a contraction in GDP for the first half of FY21, India recovered to register a positive GDP growth at 0.4% in Q3 FY21 which further strengthened to 1.6% in the subsequent quarter.

On an overall basis though, growth in India's real GDP in FY21 contracted by 7.3% as compared to 4.0% growth in FY20.

Going forward, India's prospects of continuing the resurgence momentum got impacted with the spread of the second wave of the pandemic. As a result, GDP growth estimates for FY22 have been downsized between 9% and 9.7% by various agencies and opinion influencers.

THE GLOBAL PHARMACEUTICAL SECTOR

The COVID-19 pandemic in 2020-21 was a turning point for the pharmaceutical industry. The pandemic ushered in a new era of collaboration and partnership in the industry. Within the pharmaceutical industry and even between the public and private sector, companies and authorities worked together to widen the reach of treatment and healthcare.

Global formulations segment

The global formulation market was estimated to be around USD 1,137 Bn in 2020 and is expected to grow at a CAGR (2020–2026) of 3.4% to reach to about USD 1,386 Bn by 2026.

Growth in the market is largely attributed to the launch of novel therapies, expansion of existing therapies, growing demand for generic medicines, biologics and personalized medicines as well as accelerated demand for effective treatments and drugs.

In the global market, innovator formulations sales was around USD 856 Bn in 2020 which is expected to grow at a CAGR of 3.5% from 2021 to 2026 to about USD 1,050 Bn by 2026. Generics, which are around 25% of the current market, will increase from USD 281 Bn in 2020 to about USD 336 Bn in 2026 at a CAGR of 3.1% during the forecast period.

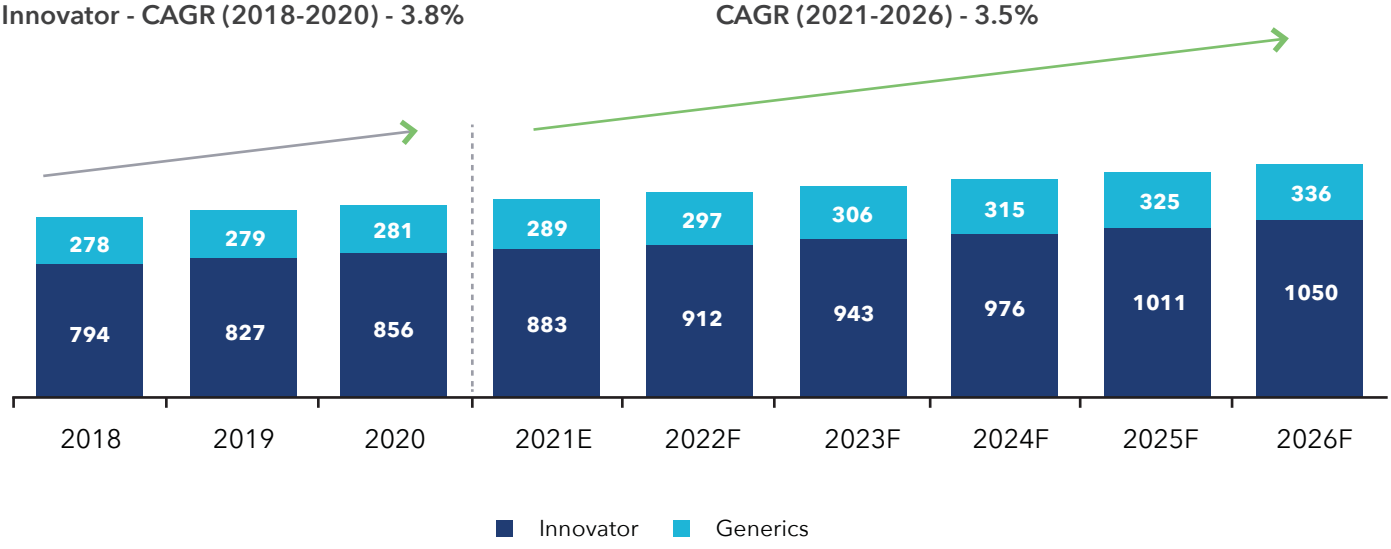
The US is the largest market with a market share of about 46%, followed by the EU5 countries at 15.1%. In the APAC region, China captured about 7.9% of the total market share in 2020 while other emerging countries like India, Russia and Brazil together captured around 5% of the total market share.

India is expected to have the highest growth rate of about 7.1% between 2021 and 2026 followed by Russia at 6.3%, US at 5.3%, and Europe at 1.9% and China at 1.0%.

While growth in developed markets is expected to slow down in the coming years, emerging markets will play a significant role in the next five years.

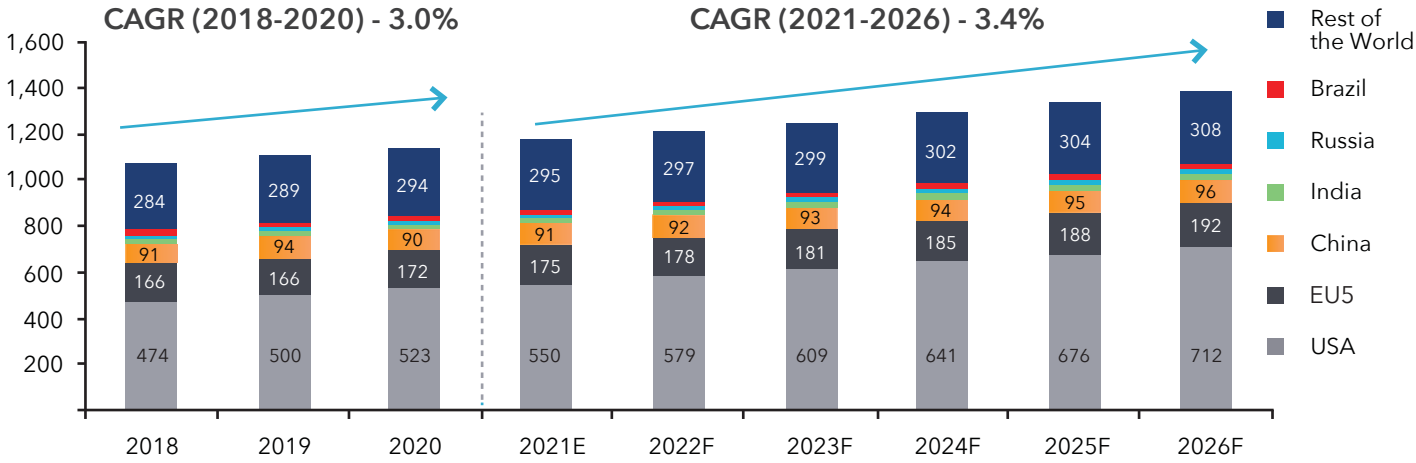
Global Formulations, by revenue, USD Bn, 2018-2026

Generics - CAGR (2018-2020) - 0.5%
Innovator - CAGR (2018-2020) - 3.8%
CAGR (2021-2026) - 3.1%
CAGR (2021-2026) - 3.5%



Source: IQVIA, MIDAS Database, MAT Sep 2020, Frost & Sullivan Analysis

Global Pharmaceutical Market, by region, USD Bn, 2018-2026

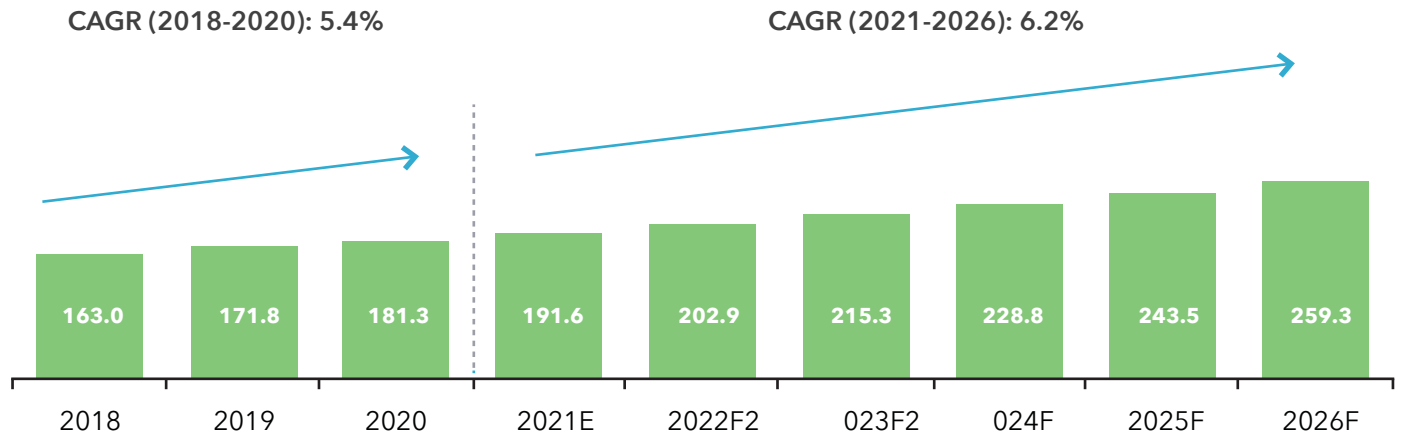


Source: The Active Pharmaceutical Ingredients (API) Industry Report' dated March 2021 by Frost & Sullivan (India) Private Limited

Global API market

The global API market was estimated to be around USD 181.3 Bn in 2020 and is expected to grow at a CAGR of 6.2% to reach to about USD 259.3 Bn by 2026. The market is likely to exhibit a positive outlook with the growing trend towards the development of innovative therapeutic drugs by various pharmaceutical and biotechnology companies.

Global API market size, by revenue, USD Bn, 2018-2026



Source: The Active Pharmaceutical Ingredients (API) Industry Report dated March 2021 by Frost & Sullivan (India) Private Limited

Market size and estimated growth rate (2021-2026) – by region

The United States occupies the highest market share (based on consumption) of about 35% in 2020 and is expected to grow by about 6.5% between 2021 and 2026. This is followed by China with about 32% of the total market share with an estimated growth rate of about 7.5% during the same period.

India is expected to register the highest growth rate of about 9.6% in the next five years owing to Government investments in setting up bulk drug parks and encouraging self-sustainability of the Indian API industry.

Governments in various countries have raised the quality standards of APIs to improve the clinical effectiveness of the final formulation. This could result in higher overheads for in-house API manufacturing, which is likely to encourage more outsourcing of these products. The trend is expected to increase over the coming years.

THE INDIAN PHARMACEUTICAL SECTOR

Over the last few decades, the Indian pharmaceutical industry has experienced rapid growth. It has made a major contribution to the global generics industry, meeting 20% of global generics demand in terms of volume, rendering India as the world's largest supplier of generic medicines. The country has the highest number of USFDA-approved plants outside the U.S. as well as 44% of global Abbreviated New Drug Applications (ANDA).

India supplies a bulk of generic drugs globally. India supplies almost 40% of the total generic drug market in the United States and addresses as much as 25% of the total drug demand in the UK. India also accounts for 60% of global vaccine production, contributing 40% to 70% of the WHO demand.

This success can be attributed to the advanced capabilities in the formulation development, the entrepreneurial ability and the vision of the industry to establish India's footprint in large international markets.

The Indian API industry is on a high growth trajectory over the past few decades. It is ranked third in the world and has grown at a CAGR of around 9% between 2016–2020. However, India imports around 68% of its API requirement by value from China and is highly reliant on China for fermentation-based APIs (antibiotics), feedstock and many key starting materials (KSMs). The COVID-19 pandemic has made India realize the downside of its excessive dependence on China for APIs and KSMs.

India's pharma sector is now trying to move forward from its long standing dependence on export of generics to becoming an end-to-end drug manufacturer. This includes a parallel thrust on localizing API and bulk drug manufacturing.

Moving forward, India's API segment is expected to expand at a CAGR of around 9.6% during 2021–2026, signifying its future potential and evolving global importance.

India is on par with other countries when it comes to technological capabilities and process efficiency. The presence of a strong chemical industry, skilled workforce and high quality manufacturing standards are an added advantage. Some of the constraints the industry faces include inadequate infrastructure; poor R&D support; lack of large-scale fermentation capacity; low availability of feedstock and KSMs; stringent price control and related margin pressures; delays in land acquisition and environmental clearances.

FINANCIAL SUMMARY (IND AS)

MATERIAL CONSUMED AND PURCHASE OF TRADED GOODS

Cost of material consumed including finished goods purchased were at ₹ 36,988.20 Mn in FY 2020-21 as against ₹ 36,986.39 Mn in FY 2019-20 and as a percentage to sale of products was at 34.3% in FY 2020-21 as against 35.6% in FY 2019-20.

EMPLOYEE COST

Employee cost was at ₹ 23,437.07 Mn in FY 2020-21 as against ₹ 22,547.76 Mn in FY 2019-20.

OTHER EXPENSES

Other expenses includes manufacturing overheads, selling and marketing expenses, administrative and general expenses and R&D expenses. Other expenses decreased to ₹ 28,170.21 Mn in FY 2020-21 as against ₹ 29,894.72 Mn in FY 2019-20.

FINANCE COSTS

Interest expenses increased to ₹ 3,531.13 Mn in FY 2020-21as against ₹ 3,773.18 Mn in FY 2019-20.

PROFIT AFTER TAX

Profit after tax for FY 2020-21 was at ₹ 9,700.88 Mn as against FY 2019-20 was at ₹ 7,759.70 Mn.

DIVIDEND

The Board has recommended a final dividend of 250% (₹ 2.50 per equity share of ₹ 1 each) on the equity share capital as at 31 March 2021 subject to the approval of shareholders.

EQUITY CAPITAL

There is no movement in equity share capital during the FY 2020-21.

TRADE PAYABLES

Trade payables increased to ₹ 22,377.68 Mn in FY 2020-21 from ₹ 21,258.43 Mn in FY 2019-20.

CURRENT TAX LIABILITIES (NET)

Current tax liabilities increased to ₹ 501.20 Mn in FY 2020-21 from ₹ 407.13 Mn in FY 2019-20.

SHORT TERM BORROWINGS

Short term borrowings increased to ₹ 5,130.15 Mn in FY 2020-21 from ₹ 4,425.97 Mn in FY 2019-20.

OTHER CURRENT LIABILITIES

Other current liabilities increased to ₹ 1,527.50 Mn in FY 2020-21 from ₹ 1,432.65 Mn in FY 2019-20.

TRADE RECEIVABLES (NET)

Trade receivables increased to ₹ 25,720.55 Mn in FY 2020-21 from ₹ 24,089.62 Mn in FY 2019-20.

INVENTORY

Inventory increased to ₹ 22,768.33 Mn in FY 2020-21 from ₹ 21,356.24 Mn in FY 2019-20.

OTHER CURRENT ASSETS

Other current assets increased to ₹ 12,275.50 Mn in FY 2020-21 from ₹ 10,228.44 Mn in FY 2019-20.

PROPERTY, PLANT AND EQUIPMENT (EXCLUDING CWIP)

The gross block of property, plant and equipment increased to ₹ 41,986.89 Mn in FY 2020-21 from ₹ 39,813.90 Mn in FY 2019-20.

OTHER INTANGIBLE ASSETS (EXCLUDING CWIP AND GOODWILL)

The gross block of other intangible assets increased to ₹ 40,481.09 Mn in FY 2020-21 from ₹ 38,585.61 Mn in FY 2019-20.

GLENMARK'S PERFORMANCE

Glenmark Pharmaceuticals Ltd. is a global research-led pharmaceutical company with presence across Generics, Specialty and OTC business and operations in over 80 countries. Glenmark's key therapy areas globally are respiratory, dermatology and oncology. It ranks among the world's top 50 Generics and Biosimilars companies (Top 50 Company Rankings, 2020, from Informa's Generics Bulletin). The company has been listed in the Dow Jones Sustainability Index (DJSI), under the category of emerging markets for the third consecutive year.

Recently, Glenmark Pharmaceuticals reorganised itself into three different entities, Glenmark Pharmaceuticals, Glenmark Life Sciences Ichnos Sciences. This reorganization is designed to place Glenmark on an accelerated trajectory.

Glenmark has reorganized its businesses into three separate entities.

Each of these three entities operate independently with separate Management Teams and Board of Directors.

Corporate development

Glenmark Life Sciences is now separately listed on the Indian Stock Exchanges (BSE and NSE) under the ticker 'GLS'.

Review of the business operations

Revenue Figures for Consolidated Glenmark Pharmaceuticals Ltd. (₹ In Millions)

	For the Year ended March 31		
	FY 2020-21	FY 2019-20	Growth (%)
India	35,365	32,022	10.4%
North America	30,764	31,404	-2.0%
Rest of the World	12,629	12,854	-1.8%
Europe	13,276	12,484	6.3%
Latin America	4,226	5,356	-21.1%
API	12,074	10,239	17.9%
Total	108,334	104,360	3.8%
Other Revenue	1,106	2,050	-46.1%
Consolidated Revenue	109,439	106,410	2.8%

India Formulations

Our Respiratory Cluster (India Formulations) won the Guinness World Record for spelling the largest word 'SAFETY' with 6,448 face masks

During the year under review, the India formulations business performed well registering revenue of INR 35,365 Mn (USD 477.78 Mn) as against INR 32,022 Mn (USD 452.42 Mn) in the previous fiscal, recording growth of 10.4% YoY.

The India business has demonstrated a good growth rate and continues the trend of the past several years. As per IQVIA data, Glenmark was the fastest growing company in the industry among the Top 20 players on a MAT March 2021 basis with growth of 13.99% as compared to the Indian Pharma market growth of 5.86%. Glenmark's India Formulation business is ranked 14th, and its market share has increased to 2.32% as compared to 2.20% last year. Glenmark has nine brands amongst the 'Top IPM 300 Brands' league.

In terms of market share, Glenmark's India business further strengthened its core therapy areas such as cardiology and diabetology. As per IQVIA MAT March 2021, the cardiac segment market share increased from 4.72% in MAT March 2020 to 4.74% and we are ranked 6th in this segment; in the anti-diabetic segment, our market share has increased from 1.71% to 1.85%. In the respiratory segment, Glenmark is ranked 3rd in the Indian pharma market; and in the dermatology segment, we continue to maintain our rank 2 with a market share of 8.57%.

In a move that had global significance for patients with COVID-19, Glenmark became the first company to develop the antiviral drug favipiravir (brand name FabiFlu®) and receive regulatory approval under an accelerated review process for the restricted and emergency use of FabiFlu® for mild to moderate COVID-19.

Since its launch, FabiFlu®has been used to treat over 5 Mn patients for mild to moderate COVID-19 in India.

Glenmark's novel, patent protected and globally-researched sodium glucose co-transporter-2 (SGLT2) inhibitor remogliflozin etabonate (Remogliflozin) indicated for the treatment of type 2 diabetes in adults continues to do well in India despite launches by multiple companies in the SGLT2 segment particularly in Dapagliflozin during the year. During the year, with the aim to increase patient access to SGLT2 inhibitors and DPP4 inhibitors which have proven benefits in the effective management of diabetes, Glenmark became the first company to launch Remogliflozin + Vildagliptin fixed-dose combination under the brand names Remo®-V and Remo®-Zen V at a price that was about 65% lower than the other available SGLT2 and DPP4 combination brands in India. The company has witnessed positive response to the launch and the brands have been able to garner market share of 37.9% of the SGLT/DPP4 market as per IQVIA Jan-March 2021 data.

Members of Glenmark's India Formulations team

Amongst other key launches during the year, Glenmark introduced a 3-in-1 inhaler therapy 'AIRZ-FF®' for COPD in India, promising reduced risk of severe attacks and improvement in lung function. AIRZ-FF® is India's first Glycopyrronium + Formoterol + Fluticasone combination inhaler, exclusively studied in the Indian population. It is backed by latest research which shows significant bronchodilation, with reduction in risk of severe attacks and reduced need for multiple inhalers. It is expected to benefit 12.8 Mn Indian patients suffering from severe COPD. The launch is in line with strengthening Glenmark's respiratory franchise and introducing innovative products for patients in this segment.

Glenmark launched Nindanib™ (Nintedanib 100 and 150 mg capsules) which is approved by the Indian drug regulator for the treatment of Idiopathic (unknown cause) Pulmonary Fibrosis (IPF). As one of the one of the leading players in the area of respiratory, Glenmark is amongst the first to launch the branded generic version at an affordable cost. This will provide patients a far more cost effective treatment option, and enable doctors to treat a wider patient population in the country.

Glenmark also launched Sutib™ , the generic version of Sunitinib oral capsules to treat kidney cancer in India during the quarter. Launched at a competitive price that is 96% lower than the innovator brand, the launch underlines Glenmark's commitment to bringing targeted and effective medicine at affordable costs in its focus area of oncology.

Glenmark Consumer Care Business

Glenmark's Consumer Care business continued its strong performance in FY 2020-21, registering healthy growth rates despite the challenging economic environment especially in discretionary consumption categories. The GCC business recorded value sales of ₹ 1,628 Mn in FY 2020-21 registering 17.8% YoY growth (excluding VWash™ sales). Candid® Powder continues to drive growth for this category and is the first brand in the Consumer Care Business to enter the '₹ 100 crore' club. Other brands in this business including LaShield® and Scalpe® have also recorded healthy growth.

During the year under review, Glenmark divested VWash™, a female intimate hygiene wash, brand and its extensions, to Hindustan Unilever. This was driven by the strategy to focus on the company's core therapy areas.

North America

North America registered revenue from the sale of finished dosage formulations of ₹ 30,764 Mn (USD 415.62 Mn) for FY 2020-21 as against revenue of ₹ 31,404 Mn (USD 443.68 Mn) for the previous fiscal, recording a decline of 2.0% YoY.

Glenmark's manufacturing facility at Monroe, North Carolina, US

In fiscal year 2020-21, Glenmark was granted approval of 14 ANDAs comprised of 10 final approvals and 4 tentative approvals. Additionally, Glenmark was granted approval on a Prior Approval Supplement (PAS) for the 0.25 mg Fingnolimod Capsules. Notable approvals include: Sirolimus Tablets, Tacrolimus Capsules USP, Topiramate Extended-Release Capsules USP, Chlorpromazine Hydrochloride Tablets USP and Diltiazem Hydrochloride Extended-Release Capsules USP. The Company filed a total of 7 ANDAs with the US FDA in FY21.

Glenmark completed the successful launches of 10 new products during fiscal year 2020-21, consisting of a mix of semi-solid preparations, delayed- and immediate-release oral solids, and hormone products. Notable launches include Topiramate Extended-Release Capsules USP, where Glenmark is the first true generic entrant; and Chlorpromazine Hydrochloride Tablets USP and Diltiazem Hydrochloride Extended-Release Capsules USP, both of which secured Competitive Generic Therapy exclusivity periods for the company.

Glenmark Canada filed one ANDA application with the Canadian Health Authorities in Q4 FY21.

Glenmark's marketing portfolio through March 31, 2021 consists of 171 generic products authorized for distribution in the US market. The Company currently has 41 applications pending in various stages of the approval process with the US FDA, of which 21 are Paragraph IV applications.

Europe formulations

Glenmark Europe's operations recorded a revenue of ₹ 13,276 Mn (USD 179.36 Mn) in FY 2020-21 as against ₹ 12,484 Mn (USD 176.38 Mn) for the previous fiscal, recording growth of 6.3%.

While the region registered growth, Glenmark's European business was significantly impacted in the year under review due to the enhanced lockdown measures from heightened pandemic concerns in most key markets.

In Western Europe, Glenmark continued to increase penetration across major markets. Growth in the region was led by key markets like UK, the Netherlands and the Nordic region. However, pandemic measures in key markets like Germany affected overall performance for this business. In particular, sales of the anti-malaria drug Atovaquone Proguanil were impacted which had an effect on the performance of this region. In Germany, the company gained one rank and is today ranked 13th in the German generic market. For the financial year, the European region signed 21 major contracts for in-licensing products in the region. Amongst the key launches, the UK, Poland and Spain launched 13 products while Czech Republic, Slovakia and Germany launched 42 products during FY 2020-21.

The Central Eastern European region witnessed decline in revenues mainly due to the enhanced lockdown measures from heightened pandemic concerns in most key markets.

Rest of the world

RCIS region, Asia and Africa earned a revenue of ₹ 12,629 Mn (USD 170.62 Mn) in FY 2020-21 as against ₹ 12,854 Mn (USD 181.60 Mn) for the previous fiscal, recording decline of 1.8%.

RCIS region: Challenging conditions continued to persist in Russia and CIS primarily due to the pandemic. As per IQVIA MAT March 2021 data, Glenmark Russia recorded value de-growth of 7.7% and de-growth of 12.8% in terms of units. However, green shoots of recovery are visible on a sequential basis. Glenmark Russia ranked overall 52 in the market with 11th ranking in the dermatology segment and 3rd in the expectorants segment.

In other CIS markets, as per Morion MAT 21 data, Glenmark Ukraine grew 7.3% in terms of value.

The Company successfully launched Ryaltris™, our global anti-allergy brand in Ukraine and Uzbekistan. Furthermore, we received regulatory approval to market Ryaltris™ in Russia with indications of seasonal and perennial allergic rhinitis in patients over 12 years of age. The product will be commercialized in Russia in Q1 FY22. We also received approval of Ascoril® brand extension in Russia. The Company looks forward to strengthening its respiratory franchise in RCIS region.

The Russian subsidiary entered into a definitive agreement with Dr. Reddy's Laboratories Ltd. to divest its brand Momat Rino (for Russia, Kazakhstan and

Our Kenya team at the annual off-site, engaging in team bonding activities

Uzbekistan), Momat Rino Advance (for Russia), Momat A (for Kazakhstan and Uzbekistan), Glenspray and Glenspray Active (for Ukraine), along with rights to the trademarks, dossiers and patents for the territories mentioned. The divested brand and its extensions represent two types of products, (a) Mometasone mono product and (b) combination of Mometasone with Azelastine, and are indicated for the treatment of seasonal and perennial allergic rhinitis. This divestment is in line with our strategy to launch Ryaltris™, our global anti-allergy brand, in markets of Russia and other CIS countries.

Asia and Africa: The Asian markets continued to remain under pressure because of COVID-19 lockdown which impacted patient inflow in clinics and hospital OPDs which affected secondary sales in key markets.

The Middle East and Africa region recorded primary sales growth of 20% in FY 2020-21, with positive growth across major MEA markets like Kenya, Saudi Arabia and Tanzania.

Stronger together: Our Czech-Slovak team

Member of Glenmark Argentina Team

Latin America: Glenmark's revenue from its Latin American and Caribbean operations was at ₹ 4,226 Mn (USD 57.1 Mn) for FY 2020-21, as against ₹ 5,356 Mn (USD 75.67 Mn), recording de-growth of 21.1%.

The pandemic continues to impact the performance in the region, with enhanced lockdown measures impacting operations especially in Brazil and Caribbean regions. In addition, the Brazilian business was impacted by lower sales of some key products due to lower demand and prices. The Mexico subsidiary performed relatively better recording higher sales and profitability despite the negative impact from the pandemic.

GLENMARK PHARMACEUTICALS' SPECIALTY/INNOVATIVE R&D PIPELINE

Ryaltris™

Ryaltris™ (olopatadine hydrochloride and mometasone furoate) Nasal Spray is the company's respiratory pipeline asset and is currently under review with the U.S. Food and Drug Administration (FDA) as a treatment for seasonal allergic rhinitis in the USA. Glenmark's response to the Agency's Complete Response Letter (CRL) is targeted to be submitted to the US FDA in FY22.

Ryaltris™ sales continue to progress well in Australia, South Africa, Ukraine and Uzbekistan. Glenmark and Bausch Health entered into an exclusive licensing agreement for the commercialization of Ryaltris™ in Canada. Ryaltris™ is currently under review by Health Canada.

Glenmark completed several regulatory filings for Ryaltris™, notably in Egypt, Singapore, Jamaica, Kazakhstan and Maldives. The company is awaiting regulatory approvals for its filings in various markets across Canada, Brazil, Malaysia, Saudi Arabia and several other emerging markets.

During FY2020-21, Glenmark's partner in China, Grand Pharmaceutical (China) Co. Ltd., submitted a revised development and registration strategy for Ryaltris™ in China through a Pre-IND application. CDE has since provided positive feedback which will enable IND submission in China by mid FY22. Glenmark is working with its partner in South Korea, Yuhan Corporation, to submit the pediatric efficacy supplement in FY22.

Ryaltris™ in India

GRC 39815 (RORγt inhibitor)

GRC 39815 (RORγt antagonist) is the company's respiratory pipeline asset being developed as an inhaled therapy for treatment of mild to moderate COPD. It is currently under Phase 1 clinical development with a single ascending dose study in the US. The Phase 1 study is expected to be completed in the next few quarters.

GRC 17536

GRC 17536 (TRPA1 antagonist) is the company's pain pipeline asset being developed as an orally administered treatment for pain in patients with painful diabetic peripheral neuropathy. The formulation PK study was completed during the quarter and the company is evaluating further options including out licensing for the molecule.

GBR 310

Glenmark announced successful Phase 1 results for GBR 310 that suggest similarity in pharmacokinetic, pharmacodynamic, safety and immunogenicity profiles between GBR 310, and the reference product, Omalizumab, marketed in the U.S. under the brand name Xolair®. The Company is in discussions with potential partners and is targeting to conclude a deal before initiating Phase 3 studies.

Ryaltris™ around the world

Glenmark completed several regulatory filings for Ryaltris™ in Egypt, Singapore, Jamaica, Kazakhstan and Maldives. The company is awaiting regulatory approvals for its filings in various markets across Canada, Brazil, Malaysia, Saudi Arabia and several other emerging markets.

LOOKING AHEAD

Despite external challenges resulting from the pandemic, Glenmark recorded notable growth because of our ability to innovate and launch products that cater to the medical needs of the global market.

Brands that performed exceedingly well include FabiFlu®, Remo®, Candid® Dusting Powder, Telma®, and Ascoril® . Most of these have become household names, are widely recommended by doctors, and appreciated by patients the world over. They are a testament to our continued commitment to innovation, and adding value to consumers and the larger community.

Looking ahead, we are optimistic about robust growth in the future across our major geographies and emerging markets. Our focus for FY22 is to continue our growth by launching more innovative, differentiated products that are developed in-house and target unmet medical needs. We plan to strengthen existing partnerships and sign new in-licensing deals globally. Glenmark is also working on investing in further automation across our manufacturing plants to drive quality and efficiency.

In India, our sharp focus on key therapy categories, our ability to innovate and launch products, build large brands, gain market share in our focus areas, and adopt digital initiatives will enable us to continue on a growth path that can lead the market. Similarly, we expect our Consumer Care business to continue on its strong growth trajectory with the launch of several new products.

Despite the headwinds as a result of the pandemic, Glenmark's Europe business continues to perform well. It is expected to continue its fast growth by leveraging the launch of in-house products and in-licensing of products for various markets in the region.

In North America, though the pricing pressure continues on the base business, we expect to drive growth with the launch of our pipeline products. The Monroe plant is expected to be one of the key contributors to launching differentiated products in the U.S. market.

As for markets in the rest of the world, the company recorded moderate performance. We expect these emerging markets to be back on a growth track as the pandemic subsides and countries open up.

Glenmark Life Sciences has been our major growth driver. In the future, Glenmark Life Sciences hopes to leverage more opportunities that arise in the API market as India and other countries look to lower their dependence on China. The focus will be on regulated markets, and the company anticipates good growth in this business.

Glenmark remains focused on its key therapy areas of respiratory, dermatology and oncology, while also innovating in the space of immunology, pain, and emerging diseases. We endeavor to continue our focus on innovation and bring to market innovative specialty products that cater to the unmet needs of patients across the globe.

RISK MANAGEMENT

PRINCIPAL RISK FACTORS AND UNCERTAINTIES

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

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

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

DELIVERING COMMERCIALLY SUCCESSFUL NEW PRODUCTS

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

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

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

ENSURING PRODUCT QUALITY

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

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

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

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

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

SUPPLY CHAIN CONTINUITY

RISK DESCRIPTION: RISK OF INTERRUPTION OF PRODUCT SUPPLY

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

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

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

Some of the third party services procured, for example, services provided by clinical research organisations to

support development of key products, are very important to the operation of the Company's businesses. The clinical trial processes should strictly adhere to GCP standards in terms of quality, safety, procedures and other standards. Clinical trial service provider may lack in adhering to GCP standards.

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

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

PRODUCT PRICING

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

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

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

Historically, there have been more stringent regulatory requirements in developed markets. However, in recent years, emerging markets have been increasing their regulatory

expectations based on their own national interpretations of US and EU standards. Stricter regulatory controls heighten the risk of changes in product profile or withdrawal by regulators on the basis of post-approval concerns over product safety, which could reduce revenues and result in product recalls and product liability lawsuits.

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

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

CHANGING GLOBAL POLITICAL AND ECONOMIC CONDITIONS

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

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

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

COMPLIANCE WITH FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

COMPLIANCE WITH TAX LAW

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

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

COMPLIANCE WITH ANTI-BRIBERY AND CORRUPTION LEGISLATION

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

POTENTIAL LITIGATION

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

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

PRODUCT LIABILITY LITIGATION

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

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

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

SALES AND MARKETING LITIGATION

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

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

MANAGING ENVIRONMENTAL, HEALTH, SAFETY AND SUSTAINABILITY COMPLIANCE

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

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

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

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

MITIGATING ACTIVITIES INCLUDE

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

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

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

INFORMATION TECHNOLOGY

RISK DESCRIPTION: CYBER SECURITY AND DATA PRIVACY REGULATIONS

A failure of Information Technology (IT) systems due to malicious attacks and/or non-compliance with data privacy

laws can potentially lead to financial loss, business disruption and/or damage to our reputation.

MITIGATING ACTIVITIES INCLUDE

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

REVENUE CONCENTRATION

RISK DESCRIPTION: RISK OF PRODUCT/ REVENUE CONCENTRATION

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

MITIGATING ACTIVITIES INCLUDE

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

RISK DESCRIPTION: COVID-19

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

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

BOARD'S REPORT 2020 - 2021

Your Directors have pleasure in presenting the 43rd 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.

FINANCIAL RESULTS

(₹ in million)

Year ended 31 March 2020		Particulars	Year ended 31 March 2021	
Standalone*	Consolidated		Standalone*	Consolidated
67,126.31	106,409.69	Gross Total Revenue	75,679.33	109,439.29
15,160.90	10,632.00	Profit before tax and exceptional item	18,698.65	13,379.30
13,545.48	7,759.70	Profit for the year (after tax and attributable to shareholders)	16,494.47	9,700.88
(54.22)	67.60	Other Comprehensive Income for the year (not to be reclassified to P&L)	24.84	44.32
-	(2,524.75)	Other Comprehensive Income for the year (to be reclassified to P&L)	-	822.49
100,593.79	56,149.67	Surplus brought forward from last balance sheet	113,404.70	63,296.78
114,085.05	63,976.97	Profit available for appropriation	129,924.01	73,041.48
		Appropriations:		
680.34	680.34	Dividend	705.42	705.42

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

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

DIVIDEND

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

In line with the said Policy, the Board has recommended a Dividend of 250% (₹ 2.5/- per equity share of ₹ 1 each) to be appropriated from the profits of the year 2020-21 subject to the approval of the Shareholders at the ensuing Annual General Meeting (AGM). The dividend will be paid in compliance with applicable Section of the Companies Act, 2013 ('Act') & Listing Regulations. The dividend, if approved, will result in an outflow of ₹ 705.42 million.

RESULTS OF OPERATIONS

INDIAN ACCOUNTING STANDARDS (IND AS)

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

On Standalone basis the Company achieved gross revenue of ₹ 75,679.33 million as compared to ₹ 67,126.31 million in the previous year and the Standalone operating profit before tax and exceptional item was ₹ 18,698.65 million as compared to ₹ 15,160.90 million in the previous year.

On Consolidated basis the Company achieved a gross revenue of ₹ 109,439.29 million as compared to ₹ 106,409.69 million in the previous year and the Consolidated operating profit before tax and exceptional item was ₹ 13,379.30 million as compared to ₹ 10,632.00 million in the previous year.

CORPORATE GOVERNANCE

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Blanche Saldanha (DIN 00007671) retire by rotation at the ensuing AGM and being eligible offer herself for

re-appointment. The Board has recommended her re-appointment for consideration of the Shareholders.

Relevant details including profile of Mrs. Blanche Saldanha seeking her re-appointment are included separately in the Notice of AGM.

APPOINTMENT OF MR. DIPANKAR BHATTACHARJEE:

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and on the recommendation of Nomination and Remuneration Committee, Mr. Dipankar Bhattacharjee (DIN 08770548) was appointed as Independent Director of the Company through resolution passed by the Board for a period of 5 (Five) years with effect from 14 August 2020. Shareholders of the Company at the AGM held on 29 September 2020 had regularised the appointment of Mr. Dipankar Bhattacharjee.

CESSATION OF DIRECTORSHIP:

Mr. Milind Sarwate was appointed as Non-Executive Independent Director of the Company for a term of Five Years commencing from 29 October 2015 to 28 October 2020. As he did not opt for reappointment post completion of his tenure with effect from close of business hours on 28 October 2020, he ceased to be a Director of the Company. The Board deeply appreciated his valuable contribution and support during his term as a Non-Executive Independent Director of the Company.

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of Listing Regulations. 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 with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act.

KEY MANAGERIAL PERSONNEL:

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As per Section 129(3) of the Act and Listing Regulations, the Consolidated Financial Statements of the Company and all its subsidiaries for the F.Y. ended 31 March 2021 prepared in accordance with Ind AS forms part of the Annual Report. Further, in terms of the first proviso of Section 129(3) of the Act and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014 a statement containing the salient features, performance and financial position of the subsidiaries in the prescribed Form AOC-1 is appended herewith as Annexure I to the Report.

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

As on date of this report, Glenmark Life Sciences Limited (GLS) is unlisted material subsidiary incorporated in India. The Company is in compliance with Regulation 24A of the Listing Regulations. Copy of the Secretarial Audit Report of GLS is appended herewith and forms part of this report. The Secretarial Audit Report of GLS does not contain any qualification, reservation, adverse remark or disclaimer.

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

INITIAL PUBLIC OFFER (IPO) OF GLENMARK LIFE SCIENCES LIMITED

Glenmark Life Sciences Limited, a wholly owned subsidiary of the Company on 16 April 2021 has filed a draft red herring prospectus with the Securities and Exchange Board of India for an initial public offer, comprising of a fresh issue and an offer for sale by Glenmark Pharmaceuticals Limited. The IPO will be subject to market conditions, receipt of applicable approvals and other considerations.

DIVESTMENT OF ANTI-ALLERGY BRANDS TO DR REDDY'S

During the year, the Company entered into a definitive agreement with Dr. Reddy's Laboratories Ltd. to divest its brand Momat Rino (for Russia, Kazakhstan and Uzbekistan), Momat Rino Advance (for Russia), Momat A (for Kazakhstan and Uzbekistan), Glenspray and Glenspray Active (for Ukraine), along with rights to the trademarks, dossiers and patents for the territories mentioned.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

RELATED PARTY TRANSACTIONS

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

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

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

Trilegal, a firm in which one of the Directors of the Company is a partner.

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

AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITORS:

At the 42nd AGM of the Company held on 29 September 2020, the shareholders had approved appointment of M/s. Suresh Surana & Associates LLP (SSA), Chartered Accountants (ICAI Firm Registration No.121750W/W-100010) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 42nd Annual General Meeting until the conclusion of 47th Annual General Meeting. SSA is the Indian member firm of RSM Network. RSM Network has presence in over 120 countries and are in top 40 major business centres throughout the world. Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI, in pursuance of the Listing Regulations. The Auditors attend the Annual General meeting of the Company. Auditor's Report for the year under review forms part of this annual report. It does not contain any qualifications, reservations or adverse remarks.

B. COST AUDITORS:

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Sevekari, Khare & Associates (Registration No. 000084) as the Cost Auditors to audit the cost records of the Company for the F.Y. 2021-22 at a remuneration of ₹ 1.94 million.

The Company has received consent from M/s. Sevekari, Khare & Associates to act as the Cost Auditor for conducting the cost audit of the Company for F.Y. ending 31 March 2022.

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

C. INTERNAL AUDITORS:

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

D. SECRETARIAL AUDITORS:

In terms of Section 204 of the Act, the Board of the Company at its meeting held on 28 May 2021 has appointed Mr. Surjan Singh Rauthan, proprietor of M/s. S. S. Rauthan & Associates, Company Secretaries, to conduct an audit of the secretarial records for the F.Y. 2021-22.

The Company has received consent from Mr. Surjan Singh Rauthan, proprietor of M/s. S. S. Rauthan & Associates, Company Secretaries to act as the auditor for conducting audit of the Secretarial records for the F.Y. ending 31 March 2022.

The Secretarial Audit Report for the F.Y. ended 31 March 2021 is appended herewith as Annexure III to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

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

CHANGES IN CAPITAL STRUCTURE

There was no change in paid-up share capital in the F.Y. 2020-21.

EMPLOYEE STOCK OPTIONS SCHEME 2016

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

At the AGM of the Company held on 29 September 2017 the Shareholders approved the amendment to the Scheme in relation to re- pricing of the options granted

from ₹ 800 to ₹ 600 and maximum number of options that would be granted would be up to 1% of the paid up share capital of the Company as at 31 March 2017 i.e. ₹ 282,168,156/- (282,168,156 Equity Shares of ₹ 1/- each) i.e. 2,821,682 options which upon exercise would result in the issue of 2,821,682 shares of ₹ 1/- each.

No options were issued and exercised and 41,666 options were cancelled. As of 31 March 2021, 4,04,247 options were outstanding.

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

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

FINANCE

U.S. $ 200,000,000, 2.00 % Resettable Onward starting equity-linked securities (Bonds):

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

On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹ 861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2021, none of the Bondholders have opted for the conversion option.

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

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

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially bought back in October 2018 (see note below on Buyback). In addition to that, the Company approved for tender and consent solicitation for amendment of FCC Bonds in February, 2021 (see note below on Tender Offer and Consent Solicitation).

As per the original Trust Deed, each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021 (Put Option Date), at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021. This is amended in April, 2021(see note below on Tender Offer and Consent Solicitation).

Buy back of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 – October, 2018:

In September 2018, the Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders"). MUFG Securities Asia Limited and J.P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to buyback FCC Bonds at a buyback price of 105% of the principal amount outstanding (being U.S. $ 262,500 for each U.S. $ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S. $ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, the Company agreed to buyback U.S. $ 86.5 million in aggregate principal amount (representing 346 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, the FCCBs bought back were cancelled and U.S. $ 113.5 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook buyback to monetize the opportunity available and to push maturity of external debt. The Company utilised proceeds from an unsecured External Commercial Borrowing facility of up to U.S.$ 100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance these Bonds.

Tender Offer of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 and Consent Solicitation from Bondholders – April, 2021:

In March, 2021, the Company announced launch of a tender offer of the FCC Bonds. The Hong Kong and Shanghai Banking Corporation Limited was appointed as the Dealer Manger on behalf of the Company to launch a tender offer an aggregate principal amount of up to U.S. $ 38.5 million at a purchase price of 120.30% of the principal amount of the FCC Bonds (Tender Offer) and also invited the holders of the FCC Bonds to approve the amendment of the optional put notice period from not later than 30 days nor more than 60 days prior to the Put Option Date to a minimum of 150 days prior to the Put Option Date by passing an Extraordinary Resolution (Consent Solicitation).

Tender Offer: In April, 2021, an aggregate principal amount of U.S. $ 36.75 million (representing 147 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) were validly tendered pursuant to the Offer. These tendered FCCBs represented 32.38% of the outstanding FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 44,210,250 plus accrued but unpaid interest. Following settlement, the tendered FCC Bonds were cancelled and U.S. $ 76.75 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook this tender to utilize the loan financing to manage the Company's debt maturity profile by reducing near-term repayable outstanding indebtedness and to reduce interest costs. The Company utilised proceeds from unsecured External Commercial Borrowing facilities from Fifth Third Bank and International Finance Corporation to refinance these Bonds (see note below on Fifth Third Bank and IFC).

Consent Solicitation: An Extraordinary Resolution was duly passed at the Bondholders Meeting held on 12 April 2021, with 99.78 per cent. of votes cast in favour of the amendment to the optional put notice period. The Company also executed the Supplemental Trust Deed to make the amendment effective from 12 April 2021.

U.S. $ 200,000,000, 4.5% SENIOR NOTES (NOTES):

The Company issued Notes on 1 August 2016. Maturity of the Notes was on 2 August 2021. The interest on Notes was payable semi-annually in arrears on 1 February and 1 August each year.

The Notes were redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company tied up a Syndicated loan (See note below on Syndicated Loan) to refinance the Notes. The Company redeemed aggregate principal amount of U.S. $ 190,000,000 Notes in December, 2020 and the balance U.S. $ 10,000,000 in January, 2021. The Company paid a redemption premium of 1.125% and accrued and unpaid interest and additional amounts, if any as applicable under Optional redemption.

The Notes were delisted from the Singapore stock exchange in January, 2021.

U.S. $ 90,825,000, MUFG Bank, ECB Facility:

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

U.S. $ 200,000,000, Syndicated, ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 200 million. During the period November 2020 to January 2021, the ECB Facility for U.S. $ 200 million was raised and the proceeds were utilized for the purpose of refinancing the 4.5% Senior Notes. The ECB Facility was raised from 9 Foreign banks with a maturity of 3.5 years. The interest margin is 3.15% p.a. over U.S. $ LIBOR. The Company refinanced its Sr. notes well before the scheduled maturity.

U.S. $ 28,000,000, Fifth Third Bank, ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 28 million. The ECB Facility for U.S. $ 28 million was executed in March, 2021 and the Company availed the entire amount in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. The ECB Facility was raised from Fifth Third Bank, National Association with a maturity of 3.5 years. The interest margin is 3.15% p.a. over U.S. $ LIBOR.

U.S. $ 40,000,000, International Finance Corporation (IFC), ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 40 million. The ECB Facility for U.S. $ 40 million was executed in February, 2021 and the Company availed USD 16,574,250 in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. Balance amount may be used by the Company to finance capital expenditure. The ECB Facility was raised from International Finance Corporation with a maturity of 5.7 years. The interest margin is 3.08% p.a. over U.S. $ LIBOR.

LISTING AT STOCK EXCHANGES

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

Bonds are listed on Singapore Exchange Limited.

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

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 is appended herewith as Annexure V to this Report.

UNCLAIMED DIVIDEND / SHARES

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the details of underlying shares in

unclaimed suspense account and unclaimed shares / dividend transferred to Investor Education and Protection Fund, are provided in the Report on Corporate Governance.

PARTICULARS OF EMPLOYEES

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through notification dated 22 January 2021 and brought major changes in the Rules through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Committee and the Board 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.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy-on-corporate-social-responsibility_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 VII to this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

During the year, the Board has formulated a dedicated ESG committee comprising Ms. Saira Ramasastry and Mr. Dipankar Bhattacharjee, Independent Directors as members and is chaired by Mr. Glenn Saldanha, Chairman & Managing Director.

The ESG committee is established to ensure effective and consistent engagement of our senior management in emerging ESG risks and opportunities. The committee's objective is to inculcate a long-term time horizon in business decision making and a panoramic approach to risk management.

Our ESG committee's focus is on incorporating ESG considerations across business functions spanning stakeholder interactions, risk management, manufacturing operations, workforce engagement, supply chain management among others.

The ESG committee will play a key role in apprising progress on the Company's ESG strategy encompassing goals and targets curated to unlock positive outcomes for our economy, environment and the society.

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 https://www.glenmarkpharma.com/sites/default/files/AnnualReturnFY2020-21.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit of the Company for the year ended 31 March 2021;

iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

BOARD PERFORMANCE EVALUATION

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

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

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

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

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

BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings to be held during the year was circulated well in advance to the Directors. Four Board Meetings were convened and held during the year. The Board has constituted an Audit Committee with Mr. Rajesh Desai as the Chairman and Mr. Sridhar Gorthi, Mr. Devendra Raj Mehta as Members. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

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

NOMINATION AND REMUNERATION POLICY

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

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has put in place an Enterprise Risk Management Policy. The Risk register is updated at regular intervals. On a quarterly basis, the Risk Management Committee reviews critical risks on a rotational basis in line with the risk management plan to measure effectiveness of mitigation actions defined against critical risks and its impact on overall risk exposure of the Company The details of risk management have been included in the Management Discussion and Analysis Report, which forms part of this Report.

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

HUMAN RESOURCES

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the standalone financial statements forming a part of this Annual Report.

SUSTAINABILITY

BUSINESS RESPONSIBILITY REPORT (BRR)

In accordance with Regulation 34(2) of the Listing Regulations, the inclusion of BRR as a part of the Annual Report is mandated for top 1000 listed entities based on the market capitalization. BRR for the F.Y. 2020-21 has been prepared in accordance with the format prescribed by SEBI. The summary of the BRR is appended herewith as Annexure VIII to this Report. The full Report on sustainability will be available on Company's website www. glenmarkpharma.com.

GENERAL

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

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed

thereunder and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

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

One (1) complaint was received and addressed during the F.Y. 2020-21 under the Sexual Harassment of Women at Workplace Act. No Complaint was pending as on 31 March 2021.

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

WHISTLEBLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company has been denied access to the Chairperson of the Audit Committee.

The Whistleblower Policy and Vigil Mechanism ensures that strict confidentiality is maintained in such cases and no unfair treatment is meted out to a Whistleblower. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistleblowers.

The Whistleblowers Policy may be accessed on the Company's website at the link: https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/whistle_blower_policy.pdf

GREEN INITIATIVE

The MCA had undertaken the Green Initiative in Corporate Governance by allowing paperless compliances by companies through electronic mode. We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and the Company's continuance towards greener environment by enabling the service of the Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent.

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

APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 28 May 2021

ANNEXURE I

FORM NO. AOC 1

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

₹ in Million

Sr. No.	Name of Company	Glenmark Distributors SP.Z.O.O.	Glenmark Pharmaceuticals SK s.r.o	Glenmark Pharmaceuticals S.R.O.	Glenmark Pharmaceuticals Colombia ltda	Glenmark Pharma. (Thailand) Co.Ltd.	Glenmark Dominicana SRL	Glenmark Pharmaceuticals Inc.	Glenmark Pharmaceuticals Europe Ltd.	Glenmark Pharmaceuticals B.V.	Glenmark Arzneimittel Gmbh.	Glenmark Generics SA.	Glenmark Pharmaceuticals Distribution s.r.o.	Glenmark Speciality SA	Glenmark Ukraine LLC	Glenmark-Pharmaceuticals Ecuador S.A.	Glenmark Pharmaceuticals Singapore Pte. Ltd.	Glenmark Life Sciences Ltd.	Ichnos Sciences Biotherapeutics SA	Ichnos Sciences Inc.	Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda.##	Glenmark Pharmaceuticals Canada Inc.
1	Share Capital	83.87	0.43	143.00	482.10	7.99	0.19	0.00*	518.09	1.15	3.19	5,941.54	27.55	2,031.94	46.11	189.46	32.66	19.60	17.67	43.14	-	107.21
2	Reserves	(123.77)	95.23	3,649.75	(364.57)	(14.92)	(0.35)	26,848.90	898.93	108.50	912.37	(4,701.19)	2,211.70	(61.92)	189.05	(119.17)	20.79	7,507.87	137.71	21,672.15	-	5.18
3	Total Assets	1,255.29	509.47	6,096.81	197.66	28.16	-	36,786.86	7,440.46	673.29	7,465.83	1,461.06	2,625.69	19,226.17	511.53	251.50	61.07	19,970.75	1,334.75	22,622.14	-	556.30
4	Total Liabilities	1,295.19	413.81	2,304.06	80.12	35.09	0.17	9,937.96	6,023.45	563.64	6,550.27	220.71	386.44	17,256.15	276.36	181.21	7.62	12,443.28	1,179.37	906.85	-	443.90
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.77	-	-	-	-
6	Turnover	1,033.10	1,039.78	5,355.03	59.23	26.28	-	29,742.24	6,837.35	863.23	2,879.95	920.69	1,990.60	4,330.18	651.97	166.43	143.72	18,851.65	-	-	-	631.99
7	Profit/(Loss) before tax	(73.67)	25.75	(124.79)	(44.82)	2.05	(0.02)	233.06	269.00	43.92	402.82	(120.49)	170.72	508.36	(3.01)	(51.34)	7.35	4,709.44	114.15	(389.64)	-	32.44
8	Provision for Tax	(30.88)	4.70	(10.49)	(22.70)	1.06	-	70.11	14.69	7.12	104.96	86.20	14.78	48.98	(0.35)	(49.86)	1.08	1,193.63	12.80	-	-	5.05
9	Profit/(Loss) After Tax	(42.79)	21.05	(114.30)	(22.12)	0.99	(0.02)	162.95	254.31	36.79	297.85	(206.69)	155.94	459.38	(2.66)	(1.48)	6.27	3,515.81	101.35	(389.64)	-	27.39
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	% of Shareholding	100	100	100	100	49	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
12	Currency	PLN	EURO	CZK	COP	THB	DOP	USD	GBP	EURO	EURO	ARS	CZK	USD	UAH	USD	SGD	INR	USD	USD	BRL	CAD
13	Exchange Rate (₹)																					
	Closing Rate	18.46	85.88	3.28	0.02	2.34	1.28	73.23	100.81	85.88	85.88	0.80	3.28	73.23	2.60	73.23	54.42	-	73.23	73.23	12.80	58.15
	Average Rate	19.18	86.33	3.25	0.02	2.38	1.28	74.02	96.74	86.33	86.33	0.97	3.25	74.02	2.65	74.02	54.18	-	74.02	74.02	13.71	56.02

Contd...

₹ in Million

Sr. No.	Name of Company	Glenmark Pharmaceuticals (Kenya) Limited	Glenmark Pharmaceuticals (Australia) Pty.Ltd.	Glenmark Impex LLC	Glenmark Pharmaceuticals (Malaysia) Sdn. Bhd.	Glenmark Pharmaceuticals Nigeria Ltd.	Glenmark South Africa (Pty) Ltd.	Glenmark Philippines Inc.	Glenmark Pharmaceuticals FZE	Glenmark Pharmaceuticals EGYPT S.A.E.	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Glenmark Pharmaceuticals S.R.L.#	Viso Farmaceutica S.L.U.	Glenmark Therapeutics Inc.	Glenmark Pharmaceuticals Europe (R&D) Ltd.	Glenmark Uruguay S.A.	Glenmark Pharmaceuticals Mexico, SA DE CV	Glenmark Pharmaceuticals Venezuela, CA	Glenmark Pharmaceuticals Peru SAC	Glenmark Farmaceutica Ltda	Ichnos Sciences SA	Glenmark Holding S.A.	Glenmark Pharmaceuticals Nordic AB
1	Share Capital	97.18	76.15	1,435.61	97.72	208.97	0.77	116.70	12.92	421.73	0.00*	-	0.22	-	88.09	517.30	1,695.29	715.13	765.30	11,619.56	11,115.38	52,309.74	0.36
2	Reserves	70.14	(74.12)	1,474.32	126.55	(377.27)	539.44	217.28	361.17	(462.40)	(285.48)	-	107.70	91.00	246.92	212.51	(1,158.07)	(2,368.62)	(665.05)	(9,886.89)	(4,351.01)	(30,700.95)	112.02
3	Total Assets	1,184.46	3.87	3,469.71	804.64	214.91	540.23	394.57	443.12	142.59	729.13	-	572.38	843.70	520.57	732.13	1,106.33	0.00	199.13	3,589.34	14,923.99	91,171.84	660.38
4	Total Liabilities	1,017.15	1.84	559.76	580.38	383.20	0.02	60.59	69.03	183.26	1,014.61	-	464.46	752.70	185.56	2.31	569.11	1,653.49	98.88	1,856.68	8,159.62	69,563.05	548.00
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	1,085.33	-	3,899.75	1,061.37	-	-	442.85	107.50	217.42	561.08	3.22	457.56	(8.57)	184.83	-	942.84	-	122.79	1,985.93	(1.87)	-	777.39
7	Profit/(Loss) before tax	25.51	(1.52)	289.59	64.77	(26.97)	(0.23)	(11.46)	57.42	(18.45)	90.78	(5.63)	33.41	(570.89)	(1.38)	(0.85)	4.14	-	(54.33)	(1,044.03)	(4,779.20)	(2,444.88)	42.15
8	Provision for Tax	4.78	-	65.47	16.42	(8.09)	-	(3.61)	-	-	20.39	-	6.26	(150.31)	(1.53)	0.03	30.31	-	3.30	(337.55)	6.48	6.52	3.35
9	Profit/(Loss) After Tax	20.73	(1.52)	224.11	48.35	(18.88)	(0.23)	(7.85)	57.42	(18.45)	70.38	(5.63)	27.15	(420.58)	0.15	(0.88)	(26.17)	-	(57.63)	(706.48)	(4,785.68)	(2,451.40)	38.80
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	% of Shareholding	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
12	Currency	KES	AUD	RUB	RM	NGN	ZAR	PHP	AED	EGP	ZAR	RON	EURO	USD	GBP	USD	MXN	VEF	PEN	BRL	USD	USD	SEK
13	Exchange Rate (₹)																						
	Closing Rate	0.66	55.70	0.97	17.64	0.19	4.94	1.51	19.93	4.65	4.94	17.43	85.88	73.23	100.81	73.23	3.57	-	19.32	12.80	73.23	73.23	8.39
	Average Rate	0.68	53.15	1.00	17.73	0.19	4.54	1.51	20.15	4.68	4.54	17.75	86.33	74.02	96.74	74.02	3.44	-	20.67	13.71	74.02	74.02	8.34

Notes

1 Reporting period of the above subsidiaries is the same as that of the Company.

2 *Amount denotes less than Rupees ten thousand.

3 Part B of the Annexure is not applicable as there are no associate companies/ joint Ventures of the Company as on 31 March 2021.

4 # liquidated with effect from 30 July 2020

up to 23 December 2020

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman &
Managing Director
(DIN 00050607)

Cherylann Pinto
Executive Director - Corporate Services
(DIN 00111844)

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

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai

Date: 28 May 2021

ANNEXURE II

FORM NO. AOC-2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2021, which were not at arm's length basis.

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

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

      i. Glenmark Pharmaceuticals Inc., USA; Subsidiary

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

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

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

      i. Glenmark Pharmaceuticals Inc., USA; Subsidiary - ₹ 20,471.52 Million

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

   f) Amount paid as advances: Nil

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

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Cherylann Pinto
Executive Director - Corporate Services
(DIN 00111844)

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

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date: 28 May 2021

ANNEXURE III

SECRETARIAL AUDIT REPORT

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

To,
The Members
Glenmark Pharmaceuticals Limited.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021, according to the applicable provisions of:

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

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

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

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

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2019 and amendments from time to time;

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

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

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

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

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

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

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

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

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

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

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

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

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

a) Drugs and Cosmetics Act, 1940

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

c) Narcotic Drugs and Psychotropic Substances Act, 1985

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

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

f) Drugs (Control) Act, 1950

g) Drugs (Price Control) Order, 2013

h) Food Safety and Standards Act, 2006

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

j) Acts prescribed under Environmental Protection

k) Acts as prescribed under Direct Tax and Indirect Tax

l) Labour Welfare Act of respective State

m) Laws prescribed under Trademarks, Copyrights and Patent Acts

n) Local Laws as applicable to various offices and plants

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

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

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

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

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

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

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807C000384285

Place: Mumbai
Date: May 28, 2021

ANNEXURE A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members
Glenmark Pharmaceuticals Limited.

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

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

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

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

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

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

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

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

Surjan Singh Rauthan
Proprietor
FCS No 4807
COP No 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807C000384285

Place: Mumbai
Date: May 28, 2021

ANNEXURE IV

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

EMPLOYEE STOCK OPTION SCHEME 2016

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

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

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

At the AGM held on 12 August 2016, the ESOS was approved for issue of stock options up to 5% of the paid-up share capital of the Company as on 31 March 2016. The paid-up capital of the Company as on 31 March 2016 was 282,158,156 shares of ₹ 1/ - each. The total number of options that could be granted under the scheme were 1,41,07,900 which upon exercise will result in the issue of 1,41,07,900 shares of ₹ 1/ - each. The maximum number of options that can be granted to any individual employee/ Director will not exceed an entitlement of 1,25,000 shares of ₹ 1/ - each. The options were granted at price of ₹ 800 per option.

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

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

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

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

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

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

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 28 May 2021

ANNEXURE V

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

(A) CONSERVATION OF ENERGY -

I. THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

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

LIGHTING

Replaced Compact Fluorescent Light (CFL) with Light Emitting Diode (LED)

Also replaced conventional Lamps and street lights with LED.

PUMPS- MOTORS & BLOWERS

Replaced old pumps with energy efficient pumps in utility

Installed Variable Frequency Drives (VFD)

Installed programmable timer for On & OFF control of Exhaust fan in service area

Installed motion sensor for exhaust fans

POWER FACTOR

Maintained power factor > 0.99 using auto power factor controller.

AUTOMATION

Installed VFD on air compressor.

Installed centralized GPS based timer for street light operational control.

Installed motion sensors for office lighting energy saving

Installed Street light / High mast lamp system with longitude-latitude based electronic control system

Installed temperature Controller for cooling tower Fan of 40 Ton of Refrigeration (TR) chiller

REFRIGERATION, HEATING & COMPRESS AIR SYSTEM

Installed Artic master in DX operated units.

Installed smart eco plug for office air-conditioning units

Improved chiller approach (performance) by cleaning of evaporator. Started running single chiller & condenser pump to cater peak load of chiller system.

Optimised hot water requirement by eliminating API redundant pipe lines.

FUEL

Installed flash vessel to utilize flash steam from ATFD of MEE & Boiler

Maximized condensate recovery by installing steam trap in horizontal position.

Optimized use of Hot Water Generator & Boiler due to reduced production load.

Replaced steam traps of dehumidifiers

Utilizing city oil/ Fino oil/ Bio Diesel instead of Light Diesel Oil (LDO) for cost saving Provided isolation valve at header to regulate steam supply at required areas DG and Fire engine trials have been started on alternate day instead of daily trial.

II. THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

Replaced furnace oil by Bio-fuel in boiler

Installed natural roof ventilators in service area

Continued with use of solar open access power at facility

Continued with use of Bio fuel instead of HSD

III. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

Total capital invested in F. Y. 2020-21 on energy conservation is ₹ 12.77 Million

(B) TECHNOLOGY ABSORPTION -

I. EFFORTS MADE TOWARDS TECHNOLOGY ADOPTION:

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

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

1.0 PHARMACEUTICAL DEVELOPMENT:

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

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

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

2.0 PRODUCTS HAVE BEEN DEVELOPED DURING THE F. Y. 2020-2021:

2.1 GENERAL CATEGORY PROJECTS

1. Metoprolol , Telmisartan and Chlorthalidone Tablets
2. Arformoterol inhalation solution 15 mcg/vial
3. Formoterol inhalation solution 20 mcg/vial
4. Midostaurin Soft Gel Capsules 25 mg
5. Remogliflozin 100 mg + Vildagliptin 50 mg + Metformin 500mg Tablets
6. Remogliflozin 100 mg + Vildagliptin 50 mg + Metformin 1000mg Tablets
7. Remogliflozin 100 mg + Teneligliptin 10 mg + Metformin 500mg Tablets
8. Remogliflozin 100 mg + Teneligliptin 10 mg + Metformin 1000mg Tablets
9. Ticagrelor ODT 60mg and 90mg
10. Ticagrelor FC Tablets 60mg and 90mg

2.2 RESPIRATORY PRODUCTS

1. Glycopyrronim pMDI
2. Ciclesonide pMDI
3. Fluticasone pMDI
4. Albuterol pMDI
5. Beclometasone and Formoterol pMDI
6. Fluticasone and Azelastine nasal spray
7. Ipratropium pMDI
8. Formoterol mpMDI
9. Mometasone Azelastine NS
10. Glycopyronium DPI
11. Formoterol+ Glycopyronium DPI
12. Vilanterol + Fluticasone DPI

2.3 DERMA PROJECTS

1. Dimetindene Maleate Drops (Other Geographical Region)
2. Amorolfine Cream 0.25%)Other Geographical Region)

3.0 ANALYTICAL METHOD DEVELOPMENT

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

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

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

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

3.2 ANALYTICAL RESEARCH ACTIVITIES FOR NCE RESEARCH

New analytical methods and test procedures were developed to establish the structure and evaluate the

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

Physicochemical properties of new chemical entities in pain management, respiratory and immune-oncology indication were established. Different projects evaluated are TRPA1, mPGES-1, RORyt, PDE4 and HPK1.

Characterization studies and stability evaluation as per ICH were planned for the new NCEs at very early developmental stage. Evaluation of metabolites of GRC 17536 (TRPA1) to support the DMPK and Tox activities of GRC 17536.

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

Reference standard generation and retest of standards for different projects like GRC 17536, GRC 27864 and GRC 39815 and their intermediates were generated and supplied to CROs and manufacturing sites.

3.3 PROCESS DEVELOPMENT AND SYNTHESIS

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

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

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

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

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

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

3. Specific target hits i.e. ISC 17536 (TRPA1), ISC 27864 (mPGES-1), ISC 53766, ISC 54003(HPK1), GRC 39815 (RORyt) and GRC 4039 (PDE4) were developed including metabolites. All molecules have diverse and complex chemistry.

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

4.0 BENEFITS DERIVED AS A RESULT OF THE R&D

Glenmark has always made continuous investment in R&D.

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

1. Favipiravir Tablets 200mg
2. Favipiravir Tablets 400mg
3. Favipiravir Tablets 800mg
4. Axitinib Tablets 1mg
5. Axitinib Tablets 5mg
6. Itraconazole Capsules 50mg
7. Remogliflozin 100mg + Vildagliptin 50mg Tablets
8. Remogliflozin 100mg+Teneligliptin 10mg Tablets
9. Nintedanib Soft Gel Capsules 100mg
10. Nintedanib Soft Gel Capsules 150mg

11. PHACECls4 Facial Cleanser
12. PHACEMos15 Moisturising Lotion
13. PHACEFcr12 Face Cream
14. PHACEdSP30 Day Protection Cream
15. Ascoril + Expectorant (Terb+ Brom+ Guai)["Ginger Lemon" flavour]
16. Ascoril + Expectorant (Terb+ Brom+ Guai)[With "Honey Rose" flavour]
17. Alex Junior DS (Dextro+PPA+CPM)[Maltitol Base]
18. MaxRich KL Cream (Cosmetic)
19. La Shield Urban Expert Protect SPF 50 (OTC)
20. La Shield Urban Expert Protect SPF 40 (OTC)
21. Momate T Cream [Mometasne Furoate 0.1% + Tazarotene 0.1%]
22. Supirocin Lipogel [Mupirocin Lipogel 2%]
23. Hair 4U Pro Topical Solution [Minoxidil 5% + Finasteride 0.1%]
24. Mometsone Azelastiene Nasal spray
25. Azelaic Acid 15%
26. Amrolifine Nail Laq.
27. Glyco 12.5 mcg – Formoterol 12 mcg – Fluticasone 250 mcg DPI
28. Glyco 9 mcg – Formoterol 4.8 mcg MDI
29. Minocycline 4% Gel
30. Halobetasol 0.01% – Tazarotene 0.045% Lotion

II. FUTURE PLAN OF ACTION:

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

R & D is working in the following segments.

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

III. INFORMATION REGARDING TECHNOLOGY IMPORTED DURING THE LAST FIVE YEARS: NIL.

IV. EXPENDITURE ON R&D

(Standalone) (₹ in Million)

S. No	Particulars	2020-21	2019-20
1.	Capital Expenditure	142.40	163.71
2.	Revenue Expenditure	3,626.61	3,882.37
3.	Total	3,769.01	4,045.98
4.	R&D Expenditure as a percentage of total turnover	4.73%	5.53%

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Total foreign exchange earned was ₹ 35,752.69 million and outflow was ₹ 12,023.24 million.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 28 May 2021

ANNEXURE VI

Disclosures required with respect to Section 197(12) of the Companies Act, 2013

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

Remuneration of Whole-time Directors

Name	Title	% increase in the remuneration in the F.Y. ended 31 March 2021	Ratio to MRE of the employees
Mr. Glenn Saldanha	Chairman & Managing Director	13.3%	303.25
Mrs. Cherylann Pinto	Executive Director	-10%	89.08
Mr. V. S. Mani	Executive Director	20.9%	136.26

Remuneration of Non-Executive Directors

Name	Title	Ratio to MRE of the employees
Mrs. B. E. Saldanha	Non-Executive Director	0.44
Mr. Rajesh Desai	Non-Executive Independent Director	3.50
Mr. D. R. Mehta	Non-Executive Independent Director	3.94
Mr. Sridhar Gorthi	Non-Executive Independent Director	-
Mr. Bernard Munos	Non-Executive Independent Director	0.88
Dr. Brian W. Tempest	Non-Executive Independent Director	0.88
Ms. Sona Saira Ramasastry	Non-Executive Independent Director	1.53
Mr. Dipankar Bhattacharjee*	Non-Executive Independent Director	0.44

*Appointed with effect from 14 August 2020

Remuneration to other Key Managerial Personnel (KMP)

Name	Title	% increase in the remuneration in the F.Y ended 31 March 2021
Mr. Harish Kuber	Company Secretary & Compliance Officer	0.2%

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

The MRE of the employees of the Company during the year ended 31 March 2021 was ₹ 0.45 million. The details are laid out in the tables above.

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

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

The percentage increase is mentioned in the tables above.

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

The percentage increase in the median remuneration of the employees was 5.3%.

iv. Number of Permanent employees on the rolls of the Company:

As on 31 March 2021, the Company had 10,964 permanent employees on the rolls of the Company.

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

Average percentile increase in the remuneration for all employees other than managerial personnel was 5.7%, while the average increase in the managerial remuneration was 1.7%.

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

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

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 28 May 2021

ANNEXURE VII

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 & the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

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

With our vision of enriching lives to create a "healthier and happier world", we have identified the following focus areas for our interventions:

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

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

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

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

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

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

The Board had amended CSR policy of the Company in line with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. It can be viewed at https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy-on-corporate-social-responsibility_2021.pdf

2. COMPOSITION OF CSR COMMITTEE:

Sr. 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	Mrs. Cherylann Pinto	Chairperson – Executive Director	4	4
2	Mr. Sridhar Gorthi	Member – Independent Director	4	3
3	Mr. Rajesh Desai	Member – Independent Director	4	4

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

CSR Committee - https://www.glenmarkpharma.com/about-us/governance

CSR Policy - https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/policy-on-corporate-social-responsibility_2021.pdf

CSR Projects - https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/CSR-Annual-Action-Plan-FY2021-Website.pdf

4. PROVIDE 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).

Pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2014, the requirement to conduct an Impact assessment is not applicable to the Company.

The Company has been voluntarily conducting impact assessments through independent agencies to screen and evaluate select CSR programs. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects undertaken or completed after the effective date of the aforementioned rules for fiscal 2021. Programs taken up during F. Y. 2020-21 would be assessed post one year period. Details of impact assessments carried out during F. Y. 2019-20 through independent third party agency is available on the website of the Company.

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 – Not Applicable

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5). – ₹ 15,258.69 Million

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ 305.17 Million

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

(c) Amount required to be set off for the financial year - Nil

(d) Total CSR obligation for the financial year (7a+7b 7c) - ₹ 305.17 Million

8. CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

(₹ in million)

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Amount
492.29	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
N.A.												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
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 Mn)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Providing aids and appliances to the differently abled persons	Promoting health care including preventive health care	No	Jaipur	Rajasthan	6.000	No	Bhagwan Mahaveer Viklang Sahayata Samiti	CSR00001480
2	Responding to COVID-19	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	No	Khandwa, Burhanpur	Madhya Pradesh	0.525	No	Association For Nutrition and Development Action	CSR00000749
3	Responding to COVID-19	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	No	Jamui district Vijaywada district	Bihar and Andhra Pradesh	3.600	No	Institute for Global Development	CSR00000844
4	Responding to COVID-19	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	No	Khandwa district	Madhya Pradesh	1.141	No	Spandan Seva Samiti	-
5	Responding to COVID-19	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Mumbai	Maharashtra	0.390	No	RISE Infinity Foundation	-
6	Responding to COVID-19 Challenges Prevention & Curative and Support Initiatives	Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) and 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	Pan India	179.40	Direct	-	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
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 Mn)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
7	Education Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Sonipat	Haryana	10.000	No	International Foundation For Research And Education	CSR00000712
8	Transform the ecosystem of swimming in India	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	No	Delhi, Bangalore, Mumbai	Karnataka, Maharashtra	50.000	No	Glenmark Aquatic Foundation	CSR00005583
9	Rural Education program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Dhule	Maharashtra	8.400	No	The Shirpur Education Society	-
10	Social and Economic development/ Project on Maternal and Child Health "Project Kavach"	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	Yes	East Sikkim, Solan district, Aurangabad, Mumbai, Burhanpur, Khandawa	Sikkim, Himachal Pradesh, Maharashtra, Madhya Pradesh	17.321	No	Glenmark Foundation	CSR00005579
11	Disaster Management and Community Development	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.		Sundarbans, Mumbai, Indore	West Bengal, Maharashtra, Madhya Pradesh	1.728	No	Glenmark Foundation	CSR00005579
12	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	Solan, Aurangabad, Indore, North Goa, Nashik	HP, Maharashtra, MP, Goa	109.317	No	Glenmark Foundation	CSR00005579
13	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 reconstruction activities.	Yes	Pan India		85.703	No	Glenmark Foundation	CSR00005579
TOTAL						473.525			

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹) (Million)
(i)	Two percent of average net profit of the company as per section 135(5)	305.17
(ii)	Total amount spent for the Financial Year	492.29
(iii)	Excess amount spent for the financial year [(ii)-(i)]	187.12
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	187.12

(ii) (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
N.A.							

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

(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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
N.A.								

(iii) 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:

(a) Date of creation or acquisition of the capital asset(s) - N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset - N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - N.A.

(iv) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – N.A.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Cherylann Pinto
Chairperson – CSR Committee
(DIN 00111844)

Place: Mumbai
Date: 28 May 2021

ANNEXURE VIII

BUSINESS RESPONSIBILITY REPORT

Sr. No.	SEBI – BRR Disclosure	Response / Reference
Section A: General Information about the Company		
1	**Corporate Identification Number**	L24299MH1977PLC019982
2	**Name of the Company**	Glenmark Pharmaceuticals Limited
3	**Registered Address**	B/2, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400026, Maharashtra, India
4	**Website**	www.glenmarkpharma.com
5	**Email id**	csr@glenmarkpharma.com
6	**Financial year reported**	1 April 2020 to 31 March 2021
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Pharmaceuticals
8	**List 3 key products / services that the Company manufactures / provides (as in balance sheet)**	The Company's key products / services and global market presence are described in the Annual Report F.Y. 2020-21, under Business Review section of Management Discussion and Analysis.
9	**Total number of locations where business activity is undertaken by the Company**	14 manufacturing facilities 3 R&D Centers
10	**Markets served by the Company**	We have a global presence in over 80 countries with our key geographies USA, India, ROW, Europe and LATAM.
Section B: Financial Details of the Company		
1	**Paid up capital (INR)**	282,168,156
2	**Total turnover (INR)**	₹ 75,679.33 Million (Standalone)
3	**Total profit after tax (INR)**	₹ 16,494.47 Million (Standalone)
4	**Total spending on CSR as percentage of PAT (%)**	2.98%
5	**List of activities in which the above expenditure has been incurred**	Child and Maternal Health, COVID-19 relief and support, Sustainable Livelihood and Skill Development, Promotion of Education and Community Development and Promoting Swimming as a sport.
Section C: Other Details		
1	**Does the Company have any Subsidiary Company/ Companies**	Yes
2	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	Yes, the subsidiary companies participate in Glenmark's Business Responsibility initiatives. A complete list of the subsidiary companies is available in the Annual Report F. Y. 2020-21.
3	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**	Glenmark's Business Responsibility initiatives do not extend to other entities. However, we encourage our external stakeholders, such as suppliers and contractors, to adhere to responsible business practices.
Section D: Business Responsibility Information		
1	**Details of the Director / Directors responsible for BR**	
(a)	**Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies**	
	DIN Number	00111844
	Name	Mrs. Cherylann Pinto
	Designation	Executive Director - Corporate Services
(b)	**Details of the BR head**	
	DIN Number (if applicable)	00111844
	Name	Mrs. Cherylann Pinto
	Designation	Executive Director - Corporate Services
	Telephone number	+91 22 4018 9999
	E-mail id	csr@glenmarkpharma.com
2	**Principle-wise (as per NVGs) BR policy / policies**	
	As a responsible corporate citizen, Glenmark has adopted several internal policies that guide all aspects of our operations and business activities. These policies are in line with the NVG Principles, relevant global standards and industry best practices.	
	Thematic areas of the NVG Principles:	
	Principle 1: Ethics, Transparency and Accountability.	
	Principle 2: Safety and sustainability throughout the life cycle.	
	Principle 3: Well-being of all employees.	
	Principle 4: Respecting interests of all stakeholders.	
	Principle 5: Promotion of human rights.	
	Principle 6: Protection of environment.	

	Principle 7: Responsibly influencing public and regulatory policy										
	Principle 8: Inclusive growth and equitable development.										
	Principle 9: Customer engagement										
	Details of compliance										
	No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	1	Do you have a policy/policies for	Yes								
	2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
	3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Environment, Health & Safety Policy conforms to ISO 14001 and OHSAS 18001 standards.								
	4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes								
	5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
	6	Indicate the link for the policy to be viewed online?	www.glenmarkpharma.com								
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
	8	Does the company have in-house structure to implement the policy/ policies.	Yes								
	9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
	10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								
3	**Governance related to BR**										
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year		The Board of Directors assess the Company's BR performance annually.								
(b)	Yes, the company publishes the Corporate Responsibility		Yes, the Company publishes its Sustainability Report annually based on the Global Reporting Initiative's acclaimed and widely adopted GRI Standards. This report showcases our triple bottom line performance and also provides a myriad of initiatives that we have undertaken during this year towards ensuring positive societal and environmental outcomes.								

Section E: Principle-wise Performance		
P-1	**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**	We have policies, governance structure and procedures in place to ensure adherence with high standards of corporate ethics within our organization. The 'Glenmark Code' sets standards to ensure that we do the right things, at right time and in a right manner. At Glenmark, we have implemented an Anti-Corruption policy covering all our operations and employees globally. Our Corporate Governance Committee in co-ordination with the compliance team undertook a comprehensive approach towards the introduction of the policy, identification of the risks linked to anti-corruption and engaging our employees in the implementation process. Further details are available in the Corporate Governance section of the Annual Report F.Y. 2020-21 and Governance section of our Sustainability Report F. Y. 2020-21 During the reporting year, the Company received 24 stakeholder complaints, of which all were resolved as of year-end.
P-2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**	We stringently adhere to all internationally accepted standards of product quality, purity, efficacy and safety. Our Pharmacovigilance department maintains processes and systems for collecting and assessing safety information throughout the lifecycle of each product. We are also continually focused on decreasing the environmental and social impacts of our operations and products. For details, please refer to the 'Product Responsibility" and 'Environment' and 'Responsible Supply Chain Management" sections of our Sustainability Report F. Y. 2020-21.
P-3	**Businesses should promote the wellbeing of all employees**	At Glenmark, we believe that our company's success relies on the collective success of our people. It is our employees who help us create a better world each day, living by our motto of enriching lives. We have built a working culture which ensures the safety, well-being and professional growth of all our employees and service providers. We promote continuous development by aligning our employee's career aspirations with our organizational goals. We have 1,932 women employees in our overall workforce. For further details, please refer to 'Our People and Culture' section of our Sustainability Report 2020-21. Globally, about 3% of our employees are covered by collective bargaining agreements through unions at Nashik, Baddi and Argentina. In Brazil and Spain our employees are covered by government-linked collective bargaining agreements. No complaints pertaining to child labor, discrimination, sexual harassment, forced labor or involuntary labor were reported in F. Y. 2020-21.

P-4	**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**	We place our stakeholder needs and aspirations at the core of our business strategy and corporate endeavours. Our stakeholder engagement mechanisms are tailored to the needs of each prioritised stakeholder group. We engage with them on a need-based approach periodically through forums and one-on-one interactions to understand their evolving needs and expectations. Our focus is on proactively collaborating with our stakeholders to catalyse innovation and formulate solutions for the pressing needs of our society, planet and the economy. For further details on our approach to stakeholder engagement, please refer "Stakeholder Engagement and Materiality Assessment" section of our Sustainability Report F. Y. 2020-21 Further, all our business activities as well as Corporate Social Responsibility initiatives are guided by the motto of Enriching Lives. These initiatives aim to create a positive impact on the lives of the most disadvantaged and vulnerable sections of the society within India and abroad. For further details, please refer to the 'Corporate Social Responsibility' of our Sustainability Report F. Y. 2020-21.
P-5	**Businesses should respect and promote human rights**	At Glenmark, we are committed to fostering a work culture that instills respect for human rights. We are committed to safeguarding human rights of our employees and ecosystem of partners by enabling a shared understanding of the universal and fundamental nature of these rights. Our Human Rights policy and Code of Conduct delineates our firm commitment to respecting and protecting human rights. We are an equal opportunity employer and strictly condemn any kind of discrimination based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority groups among others. Employee well-being and safety is an important aspect of our business responsibility. We have built a working culture which ensures the safety, well-being and professional growth of all our employees and service providers. We stringently adhere to all local laws in the geographies that we operate. Our policies related to Equal Employment, Anti Discrimination and Anti-Harassment cover all our employees. For further details, please refer the 'Our People and Culture' section of our Sustainability Report F. Y. 2020-21.
P-6	**Business should respect, protect, and make efforts to restore the environment**	Protection of the environment and conserving natural resources are key aspects of our business responsibility. We continually seek opportunities to make our processes more resource-efficient, increase the use of renewable energy sources and minimize release of wastes in the environment. Our Environment, Health & Safety actions seek to implement global best practices within our operations. For details about our environmental initiatives please refer the 'Environment' section of our Sustainability Report F. Y. 2020-21. The Company does not have any Clean Development Mechanism (CDM) projects, but it has undertaken several initiatives which have led to reduction of Greenhouse Gas emissions. The Company has adhered to the applicable standards and limits for emissions and waste prescribed by the respective SPCB / CPCB and did not receive any show-cause notice which is pending as of end of F. Y. 2020-21.
P-7	**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**	Glenmark proactively participates in discussions at industry forums and policy advocacy on industry issues. We see our associations with our forums, organisations and partners as vital enablers of shared growth. For further details please refer our Sustainability Report F. Y. 2020-21.
P-8	**Businesses should support inclusive growth and equitable development**	Enriching Lives is a commitment that we fulfil not only in our business but also beyond our operational boundary. We have dedicated initiatives on child health, access to healthcare, sustainable livelihoods and promotion of aquatic sports continue aimed at creating positive impact within our communities. As part of the annual 'Joy of Giving', our employees continue to champion our efforts through volunteering to social causes. Further details about our initiatives can be found in the 'Corporate Social Responsibility' section of our Sustainability Report F. Y. 2020-21.
P-9	**Businesses should engage with and provide value to their customers and consumers in a responsible manner**	Responsibility towards our customers is well reflected in our stringent and incessant focus on ensuring product quality and patient safety. For further details please refer the 'Product Responsibility' section of our Sustainability Report F. Y. 2020-21. There were no significant customer complaints as on the end of F. Y. 2020-21. The Company has materially complied with all applicable product labelling standards as per the laws of the land in all the markets that it serves. There are no legal proceedings pending against the Company for unfair trade practices, irresponsible advertising and/ or anti-competitive behavior as of end of F. Y. 2020-21, except for the cases below: **Case 1:** On a complaint by a stockist with the CCI in July 2015 against pharma co.'s (including the Company and its then C&F agent) and the Trade associations, alleging refusal to supply medicines to them in spite of having all valid licenses and documents, CCI ordered the DG to investigate and submit a report. CCI clubbed this matter with other matters on a similar complaint against other pharmaceutical co.'s and local Trade associations. On submission of DG's report CCI has recently issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees have appealed the said Order. **Case 2:** Upon a complaint filed by a stockist against the Chemist & Druggist Association Goa (CDAG), Glenmark and another company, alleging refusal to supply them drugs, the CCI passed an order imposing a penalty of ₹ 10,62, 062/- on CDAG. No penalty was imposed on the Company. CDAG's appeal against the said order has been admitted for hearing on merits. Company is a proforma party to the appeal. In the interim CDAG has been directed to deposit the penalty amount with CCI, to be maintained as fixed deposit till the final hearing and outcome of the matter. In line with our customer centricity, we undertake regular surveys of consumers and other stakeholders to strengthen our product safety and quality focused approach.

REPORT ON CORPORATE GOVERNANCE

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

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

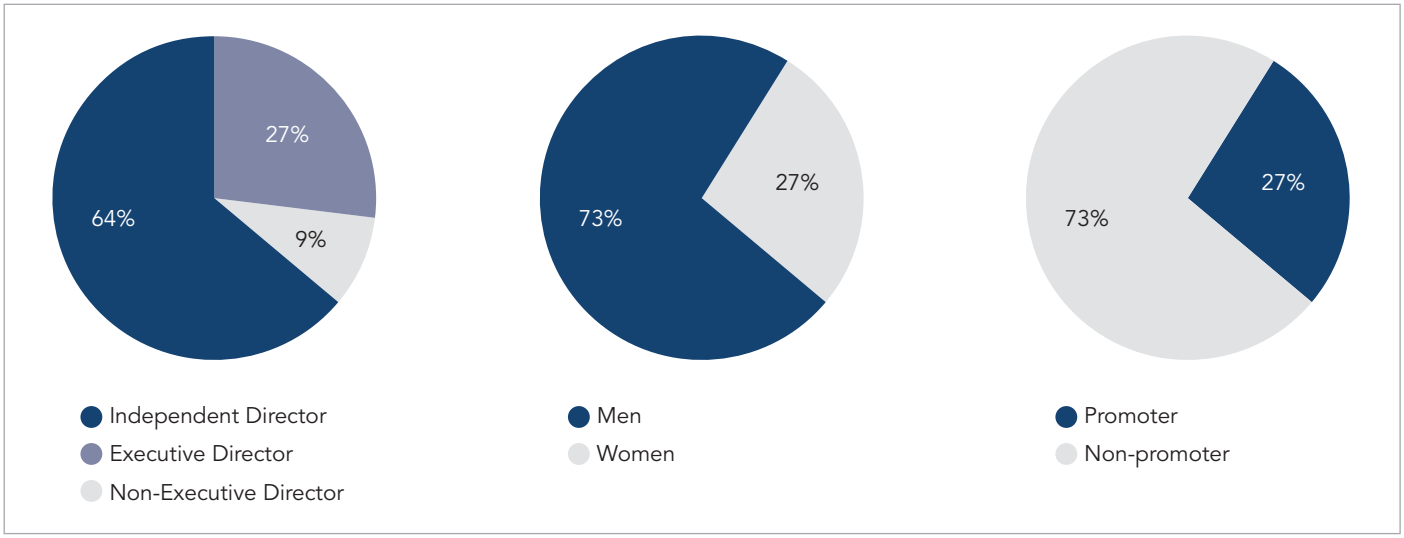
The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. As a good corporate citizen, the Company lays great emphasis on integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

2. BOARD OF DIRECTORS:

- **Composition:**
  The Board of Directors of the Company 'the Board' consists of an optimal combination of Executive, Non-Executive and Independent Directors including an Independent Woman Director. The composition of the Board is in conformity with the Listing Regulations and the Companies Act, 2013 ('Act'). As on 31 March 2021, the Board comprised Eleven Directors, three Executive and Eight Non-Executive. The Chairman of the Board is an Executive Director.

  Details of the Composition and Categories in terms of percentage is given below:



The Board fulfils the criteria laid down under the Board's policy on diversity. The Non-Executive Directors are professionals with experience in management, pharmaceutical industry, legal, finance, marketing and general administration who bring in a wide range of skills and experience to the Board.

a) Details of the Board:

Name of the Director	Category	Relationship with other Directors	No. of Board Meeting attended	No. of other Directorships held #	Committee Membership(s) ## Chairman	Committee Membership(s) ## Member	Other listed entities in which person acting as director & category of Directorship
Mr. Glenn Saldanha Chairman & Managing Director DIN-00050607	Executive Promoter Group	Son of Mrs. B. E. Saldanha and Brother of Mrs. Cherylann Pinto	4	1	3	6	-
Mrs. Cherylann Pinto DIN-00111844	Executive Promoter Group	Daughter of Mrs. B. E. Saldanha and Sister of Mr. Glenn Saldanha	4	-	2	4	-
Mr. V. S. Mani DIN- 01082878	Executive	None	4	1	-	5	-
Mrs. B. E. Saldanha DIN-00007671	Non-Executive Promoter Group	Mother of Mr. Glenn Saldanha and Mrs. Cherylann Pinto	2	-	-	-	-
Mr. Rajesh Desai [1] DIN- 00007960	Non-Executive Independent	None	4	-	1	3	-
Mr. D. R. Mehta DIN-01067895	Non-Executive Independent	None	4	5	6	13	(Non Executive and Independent Director): 1. JMC Projects (India) Limited 2. Poly Medicure Limited 3. Jain Irrigation Systems Ltd.
Mr. Bernard Munos DIN-05198283	Non-Executive Independent	None	4	-	-	-	-
Dr. Brian W. Tempest DIN-00101235	Non-Executive Independent	None	4	-	-	-	-
Mr. Sridhar Gorthi DIN-00035824	Non-Executive Independent	None	3	2	4	9	(Non Executive and Independent Director): 1. Hathway Cable and Datacom Limited
Ms. Sona Saira Ramasastry DIN- 08398547	Non-Executive Independent		4	-	-	2	-
Mr. Dipankar Bhattacharjee [2] DIN-08770548	Non-Executive Independent		2	-	-	1	-
Mr. J. F. Ribeiro [3] DIN-00047630	Non-Executive Independent	None	1	NA	NA	NA	NA
Mr. Milind Sarwate [4] DIN-00109854	Non-Executive Independent	None	2	NA	NA	NA	NA

[1] Change in designation of Mr. Rajesh Desai from Non-Executive Director to Independent Director with effect from 26 June 2020.

[2] Appointed on the Board with effect from 14 August 2020.

[3] Mr. Julio F Ribeiro resigned from the Board with effect from 26 June 2020.

[4] Mr. Milind Sarwate completed his tenure as Independent Director on 28 October 2020 and did not opt for reappointment.

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

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

b) Details of Board Meetings and Attendance:

During the F. Y. ended 31 March 2021; Four Board Meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	26 June 2020	12	12
2	14 August 2020	11	10
3	06 November 2020	11	10
4	12 February 2021	11	10

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

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

B. Mr. Glenn Saldanha, Mrs. B. E. Saldanha, Mrs. Cherylann Pinto, Mr. V. S. Mani, Mr. Rajesh Desai, Mr. D. R. Mehta, Mr. Brian Tempest, Mr. Sridhar Gorthi, Mr. Milind Sarwate and Mr. Dipankar Bhattacharjee attended the last Annual General Meeting of the Company held on 29 September 2020.

c) Information flow to the Board Members:

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

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

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

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

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

d) Familiarisation programmes for Board Members:

Familiarisation program for directors is key to getting best contribution from them in every aspect of Board management. The Board members are provided with the necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

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

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

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

e) Re-appointment of Director:

As required under Regulation 26(4) and 36(3) of Listing Regulations and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, particulars of Director seeking re-appointment at this AGM are given in the Notice of the AGM which forms part of this Annual Report.

f) Chart or Matrix setting out skills/expertise/competence of the Board:

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

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

g) Meetings of Independent Directors:

All the Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company at https://www.glenmarkpharma.com/sites/all/themes/glenmark/pdf/governance-policies/Information-related-to-independent-directors.pdf

All the Independent Directors have fulfilled the independence criteria as per requirement of Listing Regulations and as per the opinion of the Board, they are independent of the management. Further, all the Independent Directors have registered themselves at the databank maintained by Indian Institute of Corporate Affairs (IICA).

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

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

3. BOARD COMMITTEES:

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

1. AUDIT COMMITTEE:

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

- Terms of Reference:

a) Approving and implementing the audit procedures and techniques;
b) Reviewing audit reports of both statutory and internal auditors with auditors and management;
c) Reviewing financial reporting systems, internal control systems and control procedures;
d) Ensuring compliance with regulatory guidelines;
e) Reviewing the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
f) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
g) Review and monitor the auditor's independence, performance and effectiveness of audit process;
h) Examination of the financial statement and the auditor's report thereon;
i) Approval or any subsequent modification of transactions of the Company with related parties;
j) Scrutiny of inter-corporate loans and investments;
k) Valuation of undertakings or assets of the Company, wherever necessary;
l) Evaluation of internal financial controls and risk management systems;
m) Monitoring the end use of funds raised through public offers and related matters;
n) Establishment and monitoring of the Vigil Mechanism / Whistle Blower Policy;
o) Reviewing the statements of significant related party transactions submitted by the management;
p) Any other matter referred to by the Board.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in the terms of reference of the Audit Committee. The current Charter of the Audit Committee is in line with international best practices and the regulatory changes formulated by SEBI and the listing agreements with the Stock Exchanges on which your Company is listed.

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

During the year, Four (4) Meetings of the Audit Committee were held on the following dates:

25 June 2020	13 August 2020	05 November 2020	11 February 2021

Details of the composition and attendance of Members of the Audit Committee during the F. Y. ended 31 March 2021 are as follows:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Rajesh Desai [1]	4	4	Chairman	Independent Director
Mr. Sridhar Gorthi	4	2	Member	Independent Director
Mr. D R Mehta [2]	4	2	Member	Independent Director
Mr. Julio F. Ribeiro [3]	4	1	Chairman	Independent Director
Mr. Milind Sarwate [4]	4	2	Member	Independent Director

[1] Mr. Rajesh Desai was appointed as an Independent Director and the Chairman of the Committee with effect from 26 June 2020.

[2] Mr. D R Mehta was appointed as a member of the Committee with effect from 28 October 2020.

[3] Mr. Julio F Ribeiro resigned from the Board with effect from 26 June 2020 and subsequently ceased to be a member of the Committee.

[4] Mr. Milind Sarwate completed his tenure as Independent Director on 28 October 2020 and did not opt for reappointment.

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

Mr. Rajesh Desai, Chairman of the Audit Committee, is a Chartered Accountant and has over 36 years of experience. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

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

2. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee looks into various aspects of interest of shareholders. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances.

- Terms of Reference:
  a) Review statutory compliance relating to all security holders;
  b) Review movements in shareholding and ownership structures of the Company;
  c) Resolve the grievances of the security holders including those relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/duplicate share certificates;
  d) Oversee the performance of the Registrar and Transfer Agent and recommend measures for overall improvement in the quality of investor services;
  e) Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
  f) Review measures taken by Company for effective exercise of voting rights by shareholders.
- The Stakeholders Relationship Committee has the mandate to review and redress Shareholder grievances including complaints related to, non-receipt of share certificates, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee reviews Shareholders' complaints and resolution thereof.

  During the year, Four (4) Meetings of the Committee were held on the following dates:

26 June 2020	13 August 2020	05 November 2020	11 February 2021

- Details of composition and attendance of the Members of the Stakeholders Relationship Committee Meetings during the F.Y. ended 31 March 2021 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. D R Mehta [1]	4	4	Chairman	Independent Director
Mrs. Cherylann Pinto	4	4	Member	Executive Director
Ms. Sona Saira Ramasastry [2]	4	3	Member	Independent Director
Mr. Julio F. Ribeiro [3]	4	1	Chairman	Independent Director
Mr. Milind Sarwate [4]	4	2	Member	Independent Director

[1] Mr. D R Mehta was appointed as the Chairman of the Committee with effect from 26 June 2020.

[2] Ms. Sona Saira Ramasastry appointed as a Member of the Committee with effect from 26 June 2020.

[3] Mr. Julio F Ribeiro resigned from the Board with effect from 26 June 2020 and subsequently ceased to be a member of the committee.

[4] Mr. Milind Sarwate completed his tenure as Independent Director on 28 October 2020 and did not opt for reappointment.

- The Details of complaints received and resolved during the year ended 31 March 2021 were as follows:

No. of complaints	2020-2021	2019-2020
Complaints as on 1 April 2020	NIL	NIL
Received	24	38
Resolved	24	38
Pending	NIL	NIL

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

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

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

3. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its policies adopted by the Company.

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

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

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

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

c) Devise a policy on Board diversity;

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

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

During the year, Four (4) Meetings of the Committee were held on the following dates:

26 June 2020	14 August 2020	06 November 2020	12 February 2021

- Details of Composition and Attendance of the Members of Nomination and Remuneration Committee during the F. Y. ended 31 March 2021 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Sridhar Gorthi [1]	4	3	Chairman	Independent Director
Mr. Glenn Saldanha	4	4	Member	Executive Director
Mr. D R Mehta	4	4	Member	Independent Director
Mr. Julio F. Ribeiro [2]	4	1	Chairman	Independent Director
Mr. Milind Sarwate [3]	4	2	Member	Independent Director

[1] Mr. Sridhar Gorthi was appointed as the Chairman of the Committee with effect from 26 June 2020.

[2] Mr. Julio F Ribeiro resigned from the Board with effect from 26 June 2020 and subsequently ceased to be a member of the committee.

[3] Mr. Milind Sarwate completed his tenure as Independent Director on 28 October 2020 and did not opt for reappointment.

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

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

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

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

4. RISK MANAGEMENT COMMITTEE:

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

During the year, Four (4) Meetings of the Committee were held on the following dates:

26 June 2020	13 August 2020	05 November 2020	11 February 2021

- Details of Composition and Attendance of the Members of Risk Management Committee during the financial year ended 31 March 2021 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Glenn Saldanha	4	2	Chairman	Executive Director
Mr. V. S. Mani	4	2	Member	Executive Director
Mr. D R Mehta	4	4	Member	Independent Director
Mr. Rajesh Desai	4	4	Member	Independent Director

4. REMUNERATION OF DIRECTORS:

REMUNERATION POLICY

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

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

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

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

- Details of remuneration/ fees/ commission paid to Directors during the F. Y. ended 31 March 2021 are as under:

(₹ in million)

Sr. No	Name of Director	Salaries	Retirement benefits/ other reimbursements	Commission	Sitting Fees	Total
		Amount	Amount	Amount	Amount	Amount
1	Mr. Glenn Saldanha	110.30	12.52	15.75	-	138.57
2	Mrs. Cherylann Pinto	31.76	4.32	4.62	-	40.70
3	Mr. V. S. Mani	45.55	16.71	-	-	62.26
4	Mr. Rajesh Desai	-	-	-	1.6	1.6
5	Mrs. B. E. Saldanha	-	-	-	0.2	0.2
6	Mr. D. R. Mehta	-	-	-	1.8	1.8
7	Mr. Bernard Munos	-	-	-	0.4	0.4
8	Dr. Brian W. Tempest	-	-	-	0.4	0.4
9	Mr. Sridhar Gorthi	-	-	-	-	-
10	Ms. Sona Saira Ramasastry	-	-	-	0.7	0.7
11	Mr. Dipankar Bhattacharjee [1]	-	-	-	0.2	0.2
12	Mr. J. F. Ribeiro [2]	-	-	-	0.4	0.4
13	Mr. Milind Sarwate [3]	-	-	-	0.8	0.8
	TOTAL	**187.61**	**33.55**	**20.37**	**6.5**	**248.03**

(1) Mr. Dipankar Bhattacharjee appointed with effect from 14 August 2020.

(2) Mr. Julio F Ribeiro resigned from the Board with effect from 26 June 2020.

(3) Mr. Milind Sarwate completed his tenure of Independent Director with effect from 28 October 2020 and did not opt for reappointment.

Note:

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

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

Shareholding in the Company of the Non-Executive/Independent Directors as on 31 March 2021 is given below:

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

5. DISCLOSURES BY MANAGEMENT:

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

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

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

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

e) Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under Listing Regulations.

f) There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.

6. GENERAL BODY MEETINGS:

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

Financial Year Ended	Date & Time	Venue	Special Resolution Passed
31 March 2018	28 September 2018 at 11.00 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Yes
31 March 2019	27 September 2019 at 11.00 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	Yes
31 March 2020	29 September 2020 at 2:00 p.m.	AGM was held through Video Conferencing/ Other Audio Visual means.	Yes

- All resolutions moved at the last Annual General Meeting were passed by requisite majority of members by way of remote e-voting and e-voting through electronic voting system during the meeting.
- No Extraordinary General Meeting of the Members was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

7. GENERAL SHAREHOLDERS INFORMATION:

Financial Year:
1 April to 31 March

Share Transfer System:
In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Further, Securities and Exchange Board of India ("SEBI"), had fixed 31 March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

Members holding shares in physical form are requested to convert their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

In terms of Regulation 40(9) of the Listing Regulations, half yearly audit of share transfer related activities is done by Company Secretary in practice and compliance certificate is submitted to the Stock Exchanges.

Dematerialisation of shares and Liquidity:
As of 31 March 2021, 99.65% of shares have been dematerialised and held in electronic form through National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The shares of the Company are permitted to be traded only in dematerialised form. All shares of the company are liquid and traded in normal volume on BSE and NSE. Relevant data for the average daily turnover for the F. Y. 2020-21 is given below: -

Quarter ending	BSE	NSE	BSE+NSE
In no. of Shares	258243	4430829	4689072
In value terms ₹	115989730	1989866881	2105856611

SHAREHOLDING PATTERN AS AT 31 MARCH 2021:

Description	No. of Shares holders	Shares held	% to Equity
Company Promoters	6	131567217	46.63
Foreign Portfolio Investors	254	72920000	25.84
Resident Individuals	240649	43981641	15.59
Mutual Funds	16	9233787	3.27
Financial Institutions/ Banks	26	16473183	5.84
Bodies Corporates/ HUF	4735	4190098	1.48
Non-Resident Indians	4916	2746383	0.97
Trusts	11	145347	0.05
Clearing Members	223	639932	0.23
IEPF	1	227618	0.08
Foreign Nationals	14	42950	0.02
TOTAL	**250851**	**282168156**	**100.00**

DISTRIBUTION SCHEDULE AS ON 31 MARCH 2021:

Sr. No.	Category (From – To)	No. of Holders	% of Shares	No. of Shares	% To Equity
1	1 - 5000	249977	99.65	28107578	9.96
2	5001 - 10000	362	0.14	2633584	0.93
3	10001 - 20000	174	0.07	2442049	0.87
4	20001 - 30000	56	0.02	1352739	0.48
5	30001 - 40000	28	0.01	973140	0.34
6	40001 - 50000	33	0.01	1477474	0.52
7	50001 - 100000	62	0.02	4208995	1.49
8	100001 & above	159	0.06	240972597	85.40
	TOTAL	**250851**	**100.00**	**282168156**	**100.00**

- **Date, Time and Venue of the ensuing Annual General Meeting:**
  Annual General Meeting shall be held on 24 September 2021 at 2.00 p.m. through Video Conferencing / Other Audio Visual Means facility.

- **Date of Book Closure:** Friday, 10 September 2021 to Friday, 24 September 2021

- **Date of declaration of dividend:**
  A dividend of ₹ 2.50 per share has been recommended by the Board at meeting held on 28 May 2021 subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend shall be paid on or after 29 September 2021.

- **Other Information:**

  Members can avail of nomination facility by filing Form SH-13 with the Company. Blank forms can be downloaded from the website of the Company: http://www.glenmarkpharma.com

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

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

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

8. OTHER DISCLOSURES:

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

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

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

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

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

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

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

Disclosure of foreign exchange risk and hedging activities:

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

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

Complaints during the financial year 2020-21:

Particulars	Complaints
Number of complaints filed during the financial year	1
Number of complaints disposed off during the financial year	1
Number of complaints pending as on 31 March 2021	0

Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors:

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

Fees paid to statutory Auditors:

Consolidated (Holding and its Subsidiaries) total fees paid to Statutory Auditor was ₹ 88.15 Million.

Adoption of Mandatory and Non-Mandatory Requirements

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

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

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

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

Financial Year Ended	Date of declaration of Dividend	Date of transfer to unpaid/unclaimed dividend account	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2014	25.07.2014	25.08.2014	24.08.2021	23.09.2021
31.03.2015	22.09.2015	22.10.2015	21.10.2022	20.11.2022
31.03.2016	12.08.2016	12.09.2016	11.09.2023	10.10.2023
31.03.2017	29.09.2017	29.10.2017	28.10.2024	27.11.2024
31.03.2018	28.09.2018	28.10.2018	27.10.2025	26.11.2025
31.02.2019	27.09.2019	27.10.2019	26.10.2026	25.11.2026
31.03.2020	29.09.2020	29.10.2020	28.10.2027	27.11.2027

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

- **Transfer of 'Underlying Shares' to Investor Education and Protection Fund (IEPF) (in cases where dividends have remained unclaimed for a period of seven consecutive years):**
  In terms of Section 125(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company had transferred equity Shares to IEPF Account in the month of September, 2020.

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

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

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

9. MEANS OF COMMUNICATION:

- **Quarterly/ Half-yearly/ Annual Results:**
  The quarterly/half-yearly/annual results are published within the timeline stipulated under Listing Regulations. The results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively. The financial results are published within the time stipulated under the Listing Regulations in newspapers viz. Financial Express (in English) and Loksatta (in Marathi).

  As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose e-mail ids are registered with the Depositories/ KFin.

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

- **Analyst/Investor Meets:**
  The Chairman & Managing Director and Executive Director & Global Chief Financial Officer periodically have conference calls with institutional investors and analysts. Official press releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website. The transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at www.glenmarkpharma.com.

- **Press releases, presentations, etc.:**
  Official press and media releases are sent to Stock Exchanges and are displayed on Company's website: www.glenmarkpharma.com

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

- **Company's Corporate Website:**
  Company has its own website viz. www.glenmarkpharma.com which contains all the vital information relating to the Company and its products. Website also has separate dedicated section 'Investors' wherein information relevant for shareholders is available.

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

- **SCORES:**
  The investor complaints are processed in a centralised web-based complaints redressal system. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked online at any time.

- **Letters and Reminders to Shareholders for unclaimed shares/dividends:**
  The Company sends annual reminder letters to shareholders who have not claimed their dividends. Reminder letters are also sent to those shareholders whose Unclaimed Dividend/Shares are liable to be transferred to the IEPF account.

  The Company has also uploaded the names of the Members and the details of the unclaimed dividend on the website. The Members may log in to find out whether their dividend for any of the years is outstanding at the website.

10. COMPANY'S SCRIP INFORMATION:

- **LISTING ON STOCK EXCHANGES:**
  - The shares of the Company are listed on BSE Ltd. (BSE) & The National Stock Exchange of India Ltd. (NSE)

  - The Company's Bonds are listed on Singapore Stock Exchange Ltd.

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

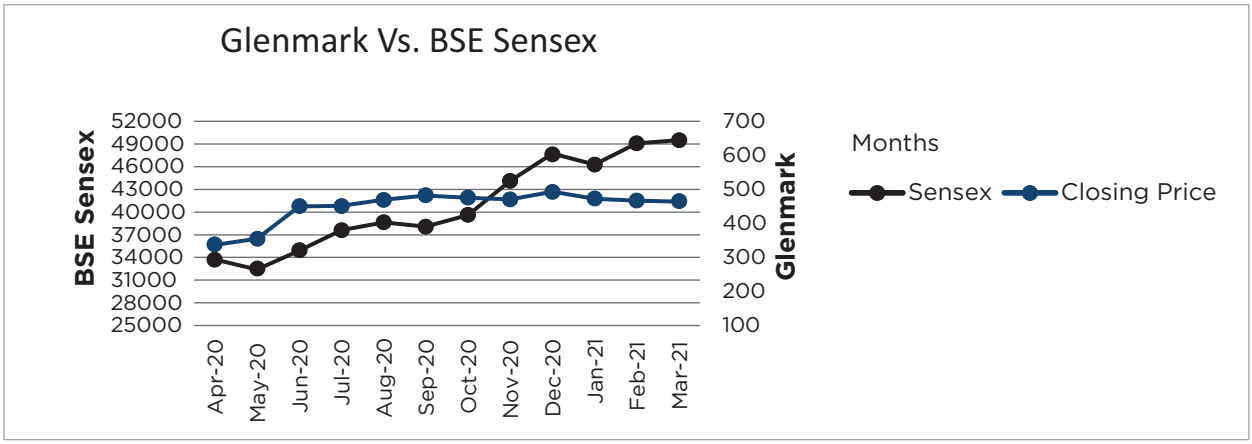
- Listing fee for the F. Y. 2021-22 has been paid to the Stock Exchanges.

- **Market Information:**

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

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2020	361	195.3	360.95	195.8
May 2020	363.6	322.9	363.6	322.9
June 2020	572.7	356.2	573.05	356.25
July 2020	458.25	405.1	458.5	405
August 2020	508.5	442.45	509	442.3
September 2020	518.1	441.65	518.45	441.7
October 2020	509.1	464.75	509.55	464.25
November 2020	515.5	460.45	515.65	460.4
December 2020	548	464.45	549	464.65
January 2021	531.95	469.75	532	469.9
February 2021	513.2	443.9	513.25	449.6
March 2021	492.9	442.15	492.95	442.05

Performance in comparision to broad based incidences namely, BSE Sensex.



11. CORPORATE IDENTITY NUMBER (CIN):

The Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L24299MH1977PLC019982.

12. PLANT LOCATIONS:

The Company's plants are located at:

GLENMARK PHARMACEUTICALS

Manufacturing Facilities

Formulations

- E 37-39, MIDC Industrial Area, D Road, Satpur, Nashik - 422007, Maharashtra
- Plot No. 7 and 9, Colvale Industrial Estate, Bardez - 403513, Goa
- Unit - I, Village Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan, HP – 174101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh, Dist.- Solan, HP – 174101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road, Dist. - Solan, HP – 174101
- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454775, Madhya Pradesh
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra

- Samlik- Marchak, Industrial Growth Centre, Near Ranipool, Dist. - East Sikkim, Sikkim: 737135
- Fibichova 143, 56617, Vysoke Myto, Czech Republic
- Calle 9 Ing Meyer Oks N 593, Parque Industrial Pilar, B1629MX Buenos Aires, Argentina
- 4147 Goldmine Road, Monroe, NC 28110, USA

R&D Centres

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

Clinical Research Centre

- Plot No. M4, Taloja Industrial area, MIDC Taloja, Taluka Panvel, Dist. Raigad – 410208, Maharashtra

ICHNOS SCIENCES INC.

Global Clinical Development Centre

- 461 From Road, Paramus, NJ 07652, USA

R&D Centres

- Biopole, Route de La Corniche SA 1066 Epalinges Switzerland

Manufacturing Facility

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

GLENMARK LIFE SCIENCES

Manufacturing Facility

- Plot 3109 - C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch - 393002, Gujarat - 392130
- Plot No 163-165/170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413213, Maharashtra
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune - 413802, Maharashtra
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat

R&D Centre

- 2nd & 3rd Floor New Block and 1st Floor (Part) Old Block, Plot No. A-607, TTC Industrial Area, MIDC, Mahape, Vashi, Navi Mumbai, Maharashtra

13. CREDIT RATINGS:

- S&P Global has affirmed Long term Credit Rating as 'BB-', Outlook 'Stable'.
- Fitch Ratings has affirmed Long-Term Issuer Default Rating (IDR) at 'BB', Outlook 'Stable'.
- CRISIL has reaffirmed Long- Term and Short- Term Rating as 'AA-', Outlook 'Stable' and A1+ respectively.
- India Ratings and Research (Ind-Ra) has affirmed Long-Term and Short- Term Rating as 'AA-', Outlook 'Stable' and A1+ respectively.

14. OUTSTANDING GDR'S/ADR'S/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS EXERCISED, DATE AND LIKELY IMPACT ON EQUITY:

- **Employee Stock Options Scheme 2016:**
  The shareholders of the Company had approved Employee Stock Options Scheme 2016 in August 2016 and the Company had issued options on 27 October 2016 having expiry period to exercise these options till July 31, 2020. At the Nomination and Remuneration Committee meeting held on 26 June 2020 it was proposed to extend the period of expiry in order to enable the option holders to exercise the options up to 31 July 2021. During the Financial Year 2020-21, 41,666 options were cancelled and no options were issued or exercised under Employees Stock Options Scheme viz. ESOS' 2016. As of 31 March 2021, 4,04,247 options were outstanding and are due for exercise.

  On exercising the convertible options so granted under the ESOS of the Company, the paid-up equity share capital of

the Company will increase by a like number of shares.

- **U.S. $ 200,000,000, 2.00 % Resettable Onward starting equity-linked securities (Bonds):**

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

  On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2021, none of the Bondholders have opted for the conversion option.

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

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

  The Bonds are listed on the Singapore stock exchange.

  The FCC Bonds were partially bought back in October 2018 (see note below on Buyback). In addition to that, the Company approved for tender and consent solicitation for amendment of FCC Bonds in February, 2021 (see note below on Tender Offer and Consent Solicitation).

  As per the original Trust Deed, each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021 (Put Option Date), at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021. This is amended in April, 2021 (see note below on Tender Offer and Consent Solicitation).

  Buy back of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 – October, 2018:
  In September 2018, the Company approved the launch of buyback of FCC Bonds ("Buyback FCCBs") from existing holders of FCC Bonds ("Buyback Bondholders"). MUFG Securities Asia Limited and J.P. Morgan Securities Limited were appointed as dealer managers, on behalf of the Company to buyback FCC Bonds at a buyback price of 105% of the principal amount outstanding (being U.S. $ 262,500 for each U.S. $ 250,000 of FCC Bonds), up to an aggregate purchase price of U.S. $ 100 million plus accrued and unpaid interest per FCC Bond. In October 2018, the Company agreed to buyback U.S. $ 86.5 million in aggregate principal amount (representing 346 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) of the FCC Bonds. These Buyback FCCBs represented 43.25% of the aggregate FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 90,825,000 for the Buyback FCCBs, plus accrued but unpaid interest. Following settlement, the FCCBs bought back were cancelled and U.S. $ 113.5 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook buyback to monetize the opportunity available and to push maturity of external debt. The Company utilised proceeds from an unsecured External Commercial Borrowing facility of up to U.S.$ 100 million ("ECB Facility") from MUFG Bank, Ltd., Singapore Branch, to refinance these Bonds.

  Tender Offer of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 and Consent Solicitation from Bondholders – April, 2021:
  In March, 2021, the Company announced a launch of a tender offer of the FCC Bonds. The Hong Kong and Shanghai Banking Corporation Limited was appointed as the dealer Manger on behalf of the Company to tender an aggregate principal amount of up to U.S. $ 38.5 million at a purchase price of 120.30% of the principal amount of the FCC Bonds (Tender Offer) and also invited the holders of the FCC Bonds to approve the amendment of the optional put notice period from not later than 30 days nor more than 60 days prior to the Put Option Date to a minimum of 150 days prior to

the Put Option Date by passing an Extraordinary Resolution (Consent Solicitation).

Tender Offer: In April, 2021, an aggregate principal amount of U.S. $ 36.75 million (representing 147 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) were validly tendered pursuant to the Offer. These tendered FCCBs represented 32.38% of the outstanding FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 44,210,250 plus accrued but unpaid interest. Following settlement, the tendered FCC Bonds were cancelled and U.S. $ 76.75 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook this tender to utilize the loan financing to manage the Company's debt maturity profile by reducing near-term repayable outstanding indebtedness and to reduce interest costs. The Company utilised proceeds from unsecured External Commercial Borrowing facilities from Fifth Third Bank and International Finance Corporation to refinance these Bonds (see note below on Fifth Third Bank and IFC).

Consent Solicitation: An Extraordinary Resolution was duly passed at the Bondholders Meeting held on 12 April 2021, with 99.78 per cent. of votes cast in favour of the amendment to the optional put notice period. The Company also executed the Supplemental Trust Deed to make the amendment effective from 12 April 2021.

U.S. $ 200,000,000, 4.5% senior notes (Notes):
The Company issued Notes on 1 August 2016. Maturity of the Notes was on 2 August 2021. The interest on Notes was payable semi-annually in arrears on 1 February and 1 August each year.

The Notes were redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company tied up a Syndicated loan (See note below on Syndicated Loan) to refinance the Notes. The Company redeemed aggregate principal amount of U.S. $ 190,000,000 Notes in December, 2020 and the balance U.S. $ 10,000,000 in January, 2021. The Company paid a redemption premium of 1.125% and accrued and unpaid interest and additional amounts, if any as applicable under Optional redemption.

The Notes were delisted from the Singapore stock exchange in January, 2021.

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

U.S. $ 200,000,000, Syndication loan, ECB Facility:
The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 200 million. During the period November 2020 to January 2021, the ECB Facility for U.S. $ 200 million was raised and the proceeds were utilized for the purpose of refinancing the 4.5% Senior Notes. The ECB Facility was raised from 9 Foreign banks with a maturity of 3.5 years. The interest margin is 3.15%p.a.over U.S. $ LIBOR. The Company refinanced its Sr. notes well before the scheduled maturity.

U.S. $ 28,000,000, Fifth Third Bank, ECB Facility:
The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 28 million. The ECB Facility for U.S. $ 28 million was executed in March, 2021 and the Company availed the entire amount in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. The ECB Facility was raised from with Fifth Third Bank, , National Association with a maturity of 3.5 years. The interest margin is 3.15%p.a.over U.S. $ LIBOR.

U.S. $ 40,000,000, International Finance Corporation (IFC), ECB Facility:
The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 40 million. The ECB Facility for U.S. $ 40 million was executed in February, 2021 and the Company availed USD 16,574,250 in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. Balance amount may be used by the Company to finance capital expenditure. The ECB Facility was raised from International Finance Corporation with a maturity of 5.7 years. The interest margin is 3.08%p.a.over U.S. $ LIBOR.

15. NATIONAL AUTOMATED CLEARING HOUSE (NACH):

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number to KFin.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or KFin cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

16. PREVENTION OF INSIDER TRADING:

We have comprehensive guidelines on Prevention of insider trading. The guidelines are in compliance with the SEBI Regulation on prevention of Insider Trading.

17. INVESTOR HELPDESK: FOR CLARIFICATIONS / ASSISTANCE, IF ANY, PLEASE CONTACT:

	Corporate Office	Registrars & Transfer Agents
Persons to contact	Mr. Harish Kuber	Ms. Krishna Priya Maddula
Address	Glenmark Pharmaceuticals Limited Glenmark House, B. D. Sawant Marg, Chakala, Off. Western Express Highway, Andheri (E), Mumbai 400 099.	KFin Technologies Private Limited Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008
Telephone	(022) 40189999	+91-40-67161500
Fax No.	(022) 40189986	+91-40-23420814
Email	complianceofficer@glenmarkpharma.com	priya.maddula@kfintech.com; einward.ris@kfintech.com

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT:

In accordance with Regulation 26(3) and Schedule V of the Listing Regulations, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2021.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
(DIN 00050607)

Place: Mumbai
Date: 28 May 2021

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

We, Glenn Saldanha, Chairman & Managing Director and V. S. Mani, Executive Director & Global Chief Financial Officer, of Glenmark Pharmaceuticals Ltd., certify that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i) Significant changes in internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

iii) During the year there were no instances of fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN: 00050607

V. S. Mani
Executive Director & Global Chief Financial Officer
DIN: 01082878

Place: Mumbai
Date: 28 May 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Glenmark Pharmaceuticals Limited

We have examined the compliance of the conditions of Corporate Governance by Glenmark Pharmaceuticals Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

For **S. S. Rauthan & Associates**
Company Secretaries
UIN: S1999MH2026900

Surjan Singh Rauthan
Proprietor
M.No.: FCS-4807, COP No.: 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807C000384318

Place: Mumbai
Date: 28 May 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Glenmark Pharmaceuticals Limited
CIN: L24299MH1977PLC019982
B-2 Mahalaxmi Chambers
22 Bhulabhai Desai Road Mumbai – 400026

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Glenmark Pharmaceuticals Limited having CIN: L24299MH1977PLC019982 and having registered office at B-2 Mahalaxmi Chambers 22 Bhulabhai Desai Road Mumbai – 400026 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of Appointment/ Reappointment
1.	Mr. Glenn Saldanha	00050607	May 16, 2017
2.	Mrs. Cherylann Pinto	00111844	May 16, 2017
3.	Mr. V. S. Mani	01082878	May 29, 2018
4.	Mr. Rajesh Desai	00007960	June 26, 2020
5.	Mr. Brian W.Tempest	00101235	April 01, 2019
6.	Ms. Sona Saira Ramasastry	08398547	April 01, 2019
7.	Mr. Bernard Munos	05198283	April 01, 2019
8.	Ms. Blanche Saldanha	00007671	August 14, 2009
9.	Mr. Sridhar Gorthi	00035824	April 01, 2019
10.	Mr. D.R. Mehta	01067895	April 01, 2019
11.	Mr. Dipankar Bhattacharjee	08770548	August 14, 2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. S. Rauthan & Associates**
Company Secretaries
UIN: S1999MH2026900

Surjan Singh Rauthan
Proprietor
M.No.: FCS-4807, COP No.: 3233
Peer Reviewed Cert. No. : 434/2016
UDIN: F004807C000384142

Place: Mumbai
Date: 28 May 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Glenmark Pharmaceuticals Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Glenmark Pharmaceuticals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments in and loss allowances of loans given to subsidiaries [Refer note 5(i)A and 5(ii) of the standalone financial statements] As at 31 March 2021, the Company has investments in subsidiaries of ₹ 69,654.00 million (net of provision for impairment) and has given loans to subsidiaries of ₹ 59,307.01 million. Investments in subsidiaries are accounted for at cost less impairment loss, if any. Loans given to subsidiaries are measured at amortised cost.	Our audit included, but was not limited to, the following procedures: • Assessed the appropriateness of accounting policy in respect of impairment and loss allowances in accordance with Ind AS. • Obtained understanding of management's process for loss allowances and for identification of indicators of impairment. Evaluated the design and tested the operating effectiveness of internal controls over loss allowances and impairment assessment process.

Key audit matter	How our audit addressed the key audit matter
Loans are assessed for loss allowances and investments are assessed for impairment annually or earlier if indicator exists. If indicators exist, the loss allowances of loans and impairment of the investments are estimated in order to determine the extent of loss allowances and impairment losses, if any. Any such losses are recognised in Statement of Profit and Loss. Management judgement is required in assessing impairment indicators and recoverable amount for impairment testing. The recoverable amounts have been determined by the management using discounted cash flow valuation method. Key assumptions underpinning management's assessment of the recoverable amounts include but are not limited to projection of future cash flows, revenue growth rates, terminal values operating profit margins, estimated future operating capital expenditure, external market conditions and discount rates. Based on the assessment as above, no impairment / loss allowance has been recognised during the year ended 31 March 2021. We determined impairment of investments in and loss allowances of loans given to subsidiaries as a key audit matter since these assessments are complex and involve significant management estimation and judgement.	• With the assistance of our internal valuation specialists evaluated the reasonableness of the valuation methodologies and discount rates used by the management to determine the recoverable values. • Evaluated the reasonableness of the management's estimates and judgement based on our understanding of the business of the respective subsidiaries, past results and external factors. • Tested the mathematical accuracy of the management workings with regard to cash flows, sensitivity analysis and loss allowances. • Performed sensitivity analysis around aforesaid key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts of investments in and loans receivable from respective subsidiaries.
Inventory existence [Refer note 8 of the standalone financial statements] As at 31 March 2021, the Company held inventories of ₹ 7,623.87 million. Inventories mainly consist of raw material, packing material, work in process, stores and spares, finished goods and stock in trade. Due to inherent nature of the business and its widespread reach geographically, inventories are maintained at a number of locations which include plants, loan licensing facilities and warehouses. Due to COVID-19 pandemic, several restrictions were imposed by the respective state governments across the country on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques, as further described in our audit procedures. As a result of the abovementioned complexities and due to the size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter.	Our audit included, but was not limited to, the following procedures: • Obtained an understanding of the management's process for inventory counts and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory. • Evaluated design and operating effectiveness of internal controls relating to purchases, sales and inventories. • Performed roll forward and alternate procedures, on sample basis, including, review of reconciliation statements prepared by the management for establishing the existence and condition of inventory as at the year end. • Inspected of supporting documentation on test check basis, relating to purchases, production, sales, results of cyclical counts performed by the management through the year, confirmations from third parties and such other evidence. • Tested that the differences, if any, noted in management's physical verification of inventory from book records were adequately adjusted in books of account.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the Management's and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) With respect to adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements – Refer Note 30(i) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

4. Based on our audit we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN: 21105545AAAABL4812
Place: Mumbai
Date: 28 May 2021

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date)

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

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

(c) According to information and explanations provided to us, the title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to information and explanations provided to us, the Company has granted loans to wholly owned subsidiaries covered in the register maintained under Section 189 of the Act and with respect to the same:

(a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) The schedule of repayment of principal and interest has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount and interest is regular;

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

(iv) In our opinion and according to information and explanations provided to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and securities.

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

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

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

(b) According to information and explanations provided to us, the dues on account of income tax, sales tax, good and service tax, service tax, duty of customs, duty of excise, value added tax and cess which are not deposited as at 31 March 2021 on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (INR in million)	Amount Paid Under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	5.49	5.49	FY 2007-2008	Hon'ble Supreme Court of India
		390.07	-	FY 2004-2005 and FY 2008-2009 to FY 2012-2013	Hon'ble High Court, Mumbai
		18.15	-	FY 2009-2010 and FY 2013-2014	Income Tax Appellate Tribunal
		742.93	-	FY 2010-2011 and 2013-2014 to FY 2015-2016	Commissioner of Income Tax Appeal

Name of the Statute	Nature of Dues	Amount (INR in million)	Amount Paid Under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Goa VAT Act, 2005	Value Added Tax	4.78	-	FY 2012-2013 and FY 2014-2015	ACCT (A), Goa
Gujarat VAT Act, 2005	Value Added Tax	174.25	6.58	FY 2015-2016 to FY 2017-2018	JCCT (A), Gujarat
The Central Excise Act, 1994	Duty of Excise	0.12	0.12	FY 2015-2016	Joint Secretary, GOI, MOF, Department of Revenue
		1.58	1.58	FY 2012-2013 to FY 2017-2018	Commissioner of Central Excise (Appeal)-LTU
The Finance Act, 1994	Service Tax	78.48	15.93	FY 2004-2005 to FY 2005-2006	Commissioner of Central Tax (Appeal) – Mumbai – BKC
		116.40	8.73	FY 2012-2013 to FY 2014-2015	Customs Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
The Custom Act, 1962	Custom Duty	771.75	57.88	FY 2012-2013 to FY 2014-2015 and FY 2017-2018	Custom, Excise and Services Tax Appellate Tribunal (CESTAT) Mumbai
The Central Goods and Service Tax Act, 2017	Goods and Service Tax	93.86	93.86	FY 2019-2020	Hon'ble High Court, Sikkim
		4.25	4.25	FY 2019-2020	Hon'ble High Court, Mumbai

(viii) In our opinion and according to information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) In our opinion and according to information and explanations provided by the management, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The Company has utilised the moneys raised by way of term loans for the purposes for which the loans were raised.

(x) Based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations provided by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanations provided by the management, the managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

(xiii) According to information and explanations provided by the management, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations provided to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the Order is not applicable.

(xv) According to information and explanations provided by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) According to the information and explanation provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN: 21105545AAAABL4812
Place: Mumbai
Date: 28 May 2021

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date)

Independent Auditor's Report on the internal financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Glenmark Pharmaceuticals Limited ('the Company') as at 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Board of Directors for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override

of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN: 21105545AAAABL4812
Place: Mumbai
Date: 28 May 2021

STANDALONE BALANCE SHEET

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

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,902.76	14,688.16
Capital work-in-progress	3	933.10	1,524.97
Intangible assets	4	2,322.15	1,431.29
Intangible assets under development	4	380.92	475.17
Financial assets	5		
i. Investments		69,899.48	47,139.29
ii. Loans		59,307.01	71,155.46
iii. Other financial assets		259.18	268.80
Deferred tax assets (net)	6	8,532.94	8,047.35
Other non-current assets	7	546.50	546.53
Total non-current assets		**157,084.04**	**145,277.02**
Current assets			
Inventories	8	7,623.87	8,375.02
Financial assets	9		
i. Trade receivables		24,887.49	18,352.40
ii. Cash and cash equivalents		147.23	872.92
iii. Bank balances other than cash and cash equivalents		10.62	9.67
iv. Other financial assets		9,986.25	11,191.99
Other current assets	10	6,435.70	5,436.97
Total current assets		**49,091.16**	**44,238.97**
Total assets		**206,175.20**	**189,515.99**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11 & 12	282.17	282.17
Other equity		147,812.89	131,980.47
Total equity		**148,095.06**	**132,262.64**
LIABILITIES			
Non-current liabilities			
Financial liabilities	13		
i. Borrowings		31,125.78	31,311.66
ii. Other financial liabilities		1,920.89	2,056.51
Total non-current liabilities		**33,046.67**	**33,368.17**
Current liabilities			
Financial liabilities	14		
i. Borrowings		5,130.15	4,425.97
ii. Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises		310.11	748.82
- Total outstanding dues of other than Micro enterprises and Small enterprises		15,916.61	15,101.71
iii. Other current financial liabilities		1,873.73	2,035.95
Other current liabilities	15	471.81	388.25
Provisions	16	1,092.82	1,024.04
Current tax liabilities (net)	17	238.24	160.44
Total current liabilities		**25,033.47**	**23,885.18**
Total liabilities		**58,080.14**	**57,253.35**
Total equity and liabilities		**206,175.20**	**189,515.99**

See accompanying notes to the financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

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

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	**18**	75,679.33	67,126.31
Other income	**19**	3,962.37	6,067.88
Total income		**79,641.70**	**73,194.19**
Expenses			
Cost of materials consumed	**20**	26,782.60	22,519.81
Purchases of stock-in-trade	**21**	3,159.55	3,652.41
Changes in inventories of finished goods, stock-in-trade and work-in-process	**22**	52.40	487.68
Employee benefits expense	**23**	11,073.96	10,723.27
Finance costs	**24**	2,658.98	2,563.90
Depreciation and amortisation expense	**3 & 4**	1,508.15	1,385.38
Other expenses	**25**	15,707.41	16,700.84
Total expenses		**60,943.05**	**58,033.29**
Profit before exceptional items and tax		**18,698.65**	**15,160.90**
Exceptional items - expense / (income)	**39**	(738.92)	(185.54)
Profit before tax		**19,437.57**	**15,346.44**
Tax expense	**6**		
Current tax		3,436.18	2,692.37
Deferred tax		(493.08)	(891.41)
Total Tax expense		**2,943.10**	**1,800.96**
Profit for the year		**16,494.47**	**13,545.48**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation	**26**	32.33	(88.83)
- Income tax relating to the above		(7.49)	34.61
Other comprehensive income / (loss) for the year		**24.84**	**(54.22)**
Total comprehensive income for the year		**16,519.31**	**13,491.26**
Earnings per equity share of ₹ 1 each	**29**		
Basic (in ₹)		58.46	48.00
Diluted (in ₹)		58.46	48.00

See accompanying notes to the financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

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Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

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

A Equity share capital

Particulars	Amount
Balance as at 1 April 2019	282.17
- Shares issued during the year	-
Balance as at 31 March 2020	**282.17**
- Shares issued during the year	-
Balance as at 31 March 2021	**282.17**

Refer notes 11 and 12 for details on equity share capital

B Other equity

Particulars	Reserves and Surplus						Total
	Securities premium	Capital reserve	Capital redemption reserve	Stock compensation reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	**16,853.60**	**1.00**	**200.00**	**136.99**	**1,384.18**	**113,404.70**	**131,980.47**
Profit for the period	-	-	-	-	-	16,494.47	**16,494.47**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (refer note 26)	-	-	-	-	-	24.84	**24.84**
Total comprehensive income for the year	-	-	-	-	-	16,519.31	**16,519.31**
Dividends to equity shareholders	-	-	-	-	-	(705.42)	**(705.42)**
Employee share based compensation expense (refer note 12(VI))	-	-	-	18.53	-	-	**18.53**
	-	**-**	**-**	**18.53**	**-**	**(705.42)**	**(686.89)**
Balance as at 31 March 2021	**16,853.60**	**1.00**	**200.00**	**155.52**	**1,384.18**	**129,218.59**	**147,812.89**

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

Particulars	Reserves and Surplus						Total
	Securities premium	Capital reserve	Capital redemption reserve	Stock compensation reserve	General reserve	Retained earnings	
Balance as at 1 April 2019	**16,853.60**	**1.00**	**200.00**	**106.15**	**1,384.18**	**100,593.79**	**119,138.72**
Profit for the period	-	-	-	-	-	13,545.48	**13,545.48**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (refer note 26)	-	-	-	-	-	(54.22)	**(54.22)**
Total comprehensive income for the year	-	-	-	-	-	13,491.26	**13,491.26**
Dividends to equity shareholders (including dividend distribution tax)	-	-	-	-	-	(680.34)	**(680.34)**
Employee share based compensation expense (refer note 12(VI))	-	-	-	30.84	-	-	**30.84**
	-	**-**	**-**	**30.84**	**-**	**(680.34)**	**(649.50)**
Balance as at 31 March 2020	**16,853.60**	**1.00**	**200.00**	**136.99**	**1,384.18**	**113,404.70**	**131,980.47**

See accompanying notes to the financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

STANDALONE STATEMENT OF CASH FLOWS

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

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	19,437.57	15,346.44
	Adjustments for:		
	Depreciation and amortisation expenses	1,508.15	1,385.38
	Finance costs	2,658.98	2,563.90
	Interest income	(3,549.12)	(3,060.55)
	Income from investments - dividends	(3.50)	(7.00)
	Loss on sale of Property, plant and equipments	11.60	10.51
	Employee share based compensation expense	18.52	30.84
	Investment written off	-	12.45
	Fair valuation of Investment	(0.34)	0.68
	Provision for bad and doubtful debts/ expected credit losses	100.00	149.00
	Provision for gratuity and compensated absence	233.65	199.65
	Provision for share application money	10.61	-
	Exceptional item - expense/ (income) (Refer note 39)	(738.92)	(185.54)
	Unrealised foreign exchange loss / (gain)	2,101.48	(2,171.16)
	Operating profit before working capital changes	**21,788.68**	**14,274.60**
	Adjustments for changes in working capital :		
	- (Increase)/ Decrease in trade receivables	(7,166.66)	3,046.15
	- (Increase)/ Decrease in other receivables	(21.00)	2,591.98
	- (Increase)/ Decrease in inventories	751.15	(33.02)
	- Increase/ (Decrease) in trade and other payables	440.39	(695.06)
	Net changes in operating assets and liabilities	**(5,996.12)**	**4,910.05**
	- Taxes paid (net of refunds)	(3,358.39)	(3,393.47)
	Net cash generated from operating activities	**12,434.17**	**15,791.18**
B.	**Cash flow from investing activities**		
	Purchase of Property,plant and equipment and Intangible assets (including Capital work in progress)	(2,114.68)	(1,191.99)
	Proceeds from sale of Property,plant and equipment, Intangible assets and business	802.42	1,151.54
	Investments in subsidiaries	(29.93)	(109.40)
	Other investment (made)/repayment received	-	50.13
	Loans to subsidiaries (net)	(15,742.56)	(19,764.92)
	(Increase)/ decrease in bank deposits and margin money	(0.95)	40.77
	Share application money paid	(16.93)	(73.86)
	Interest received	4,746.83	3,816.90
	Dividend received	3.50	7.00
	Net cash used in investing activities	**(12,352.30)**	**(16,073.83)**
C.	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	14,740.43	-
	Repayments of long-term borrowings	(13,315.40)	-
	Proceeds from short-term borrowings (net)	855.71	1,231.08
	Interest paid	(2,116.25)	(1,677.32)
	Dividend paid (including tax on dividend in previous year)	(704.47)	(685.54)
	Payment of lease liability (with interest)	(267.96)	(262.38)
	Net cash used in financing activities	**(807.94)**	**(1,394.16)**
	Net (decrease) / increase in cash and cash equivalents	**(726.07)**	**(1,676.81)**

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

		Year ended 31 March 2021	Year ended 31 March 2020
	Opening balance of cash and cash equivalents	**872.92**	**2,549.97**
	Exchange fluctuation on cash and cash equivalent	0.38	(0.24)
	Closing balance of cash and cash equivalents	**147.23**	**872.92**
	Cash and cash equivalents comprise of :		
	Cash on hand	13.08	13.10
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	134.15	859.82
		147.23	**872.92**

Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.

2 Figures in bracket indicate cash outflow.

3 Loan given to subsidiary amounted to ₹ 22,595.01 (2020 - ₹ 14,322.12) converted into Investment during the year (refer note 27)

4 Reconciliation of Financing Activities

Particulars	As at 31 March 2020	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference	As at 31 March 2021
Long term borrowings	31,311.66	14,740.43	(13,315.40)	424.65	(2,035.56)	31,125.78
Short term borrowings	4,425.97	855.71	-	-	(151.53)	5,130.15

Particulars	As at 31 March 2019	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference	As at 31 March 2020
Long term borrowings	28,314.52	-	-	806.11	2,191.03	31,311.66
Short term borrowings	3,030.30	1,231.08	-	-	164.59	4,425.97

See accompanying notes to the financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

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

Note 1 – Background Information and Summary of Significant Accounting Policies

1. Company Information

Glenmark Pharmaceuticals Limited (the "Company") is a public limited company incorporated in Mumbai, India. The registered office of the Company is at B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400026, India.

The Company is primarily engaged in the business of development, manufacture and marketing of pharmaceutical products. The Company's research and development facilities are located at Mahape, Sinnar, Turbhe and Taloja and manufacturing facilities are located at Nasik, Colvale, Baddi, Nalagarh, Sikkim, Indore and Aurangabad in India.

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

2. Basis of Preparation, Measurement and Summary of Significant Accounting Policies

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

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

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, defined benefit plans- assets/ (liabilities) 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:

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

- 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

Functional currency is the currency of the primary economic environment in which the Company operates whereas presentation currency is the currency in which the financial statements are presented. Indian Rupee is the functional as well as presentation currency for the Company.

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 attributable to qualifying assets .

2.4 Revenue recognition

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

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

Revenue from sale of goods is recognised when control of the goods is transferred to the customer, there are no unfulfilled obligations, the amount of revenue can be reliably measured, and it is probable that future economic benefits associated with the transaction will flow to the Company. The point at which control get transferred is determined by each customer arrangement.

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.

Company enters into development and marketing collaborations and out-licences of the Company's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties. Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached.

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

Sales-based royalties on a licence of intellectual property are not recognised until the relevant product sale occurs. If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates.

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

2.5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price (after deducting trade discount/rebate) / cost of construction, non-refundable duties and taxes, borrowing costs, other expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

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

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

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

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

Depreciation

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

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

The estimated useful lives are as follows:

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

Leasehold land is amortised over the period of respective leases.

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.

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

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

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

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

The Company monetise the molecules under development, as active market exists at each stage / phase wise molecule development, either through out licencing arrangement or subsequent product launches. Accordingly the molecule under development which meets criteria under Ind AS 38 Intangible Assets; para 57 are classified as intangible assets.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use or disposal. Losses arising on such de-recognition are recorded in the 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.

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

2.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial 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.

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.

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

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.

Company present the hybrid contract in balance sheet as a single contractual arrangement. The embedded derivative component is classified as at FVTPL for measurement purposes; the host contract, as a financial liability is measured at amortised cost using the effective interest method.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

2.11 Inventories

Inventories of finished goods, stock in trade, work in process, consumable stores and spares, raw material, packing material are valued at cost or net realisable value, whichever is lower. Cost of inventories is determined on a weighted moving average basis. Cost of materials comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. 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. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

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

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

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

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

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

2.13 Leases

The Company has applied Ind AS 116 using the modified retrospective approach.

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.

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

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

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

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

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

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer note 31)

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for 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.

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

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.

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

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.

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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 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares out standing during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

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(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

3. Critical Accounting Estimates and Significant Judgement in Applying Accounting Policies

Estimation uncertainty

The preparation of these financial statements in conformity with Ind AS 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

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

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.

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

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

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 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.

Deferred tax

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

Expected credit loss

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

i Trade receivables.

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

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

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

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

Note 2 - Recent accounting pronouncements (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021. MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year beginning 1 April 2021.

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

Note 3- Property, Plant and Equipment

Note 3.1 Property, plant and equipment other than right-of-use asset comprise the following:

Particulars	Freehold land	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2020	**50.27**	**256.11**	**5,070.23**	**700.70**	**12,842.81**	**1,082.38**	**220.10**	**56.84**	**20,279.44**	**1,524.97**
- Acquisitions	-	-	291.05	0.18	1,130.75	23.51	9.08	11.18	1,465.75	510.96
- Disposals/ Transfers	-	-	(3.11)	-	(140.16)	(4.67)	(1.16)	(4.29)	(153.39)	(1,102.83)
Balance as at 31 March 2021	**50.27**	**256.11**	**5,358.17**	**700.88**	**13,833.40**	**1,101.22**	**228.02**	**63.73**	**21,591.80**	**933.10**
Accumulated Depreciation										
Balance as at 1 April 2020	**-**	**41.72**	**687.28**	**135.45**	**4,647.86**	**765.03**	**167.72**	**35.26**	**6,480.32**	
- Depreciation charge for the year	-	3.93	95.92	12.26	769.30	60.13	18.37	5.92	965.83	
- Disposals/ Transfers	-	-	(0.64)	-	(69.87)	(2.40)	(1.15)	(4.29)	(78.35)	
Balance as at 31 March 2021	**-**	**45.65**	**782.56**	**147.71**	**5,347.29**	**822.76**	**184.94**	**36.89**	**7,367.80**	
Carrying value										
As at 1 April 2020	50.27	214.39	4,382.95	565.25	8,194.95	317.35	52.38	21.58	13,799.12	1,524.97
As at 31 March 2021	**50.27**	**210.46**	**4,575.61**	**553.17**	**8,486.11**	**278.46**	**43.08**	**26.84**	**14,224.00**	**933.10**

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant and Equipment	Furniture and fixture	Office Equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2019	**50.27**	**256.11**	**4,825.45**	**696.95**	**11,535.94**	**1,050.04**	**200.08**	**56.84**	**18,671.68**	**2,091.79**
- Acquisitions	-	-	253.93	3.75	1,328.14	32.92	21.60	-	1,640.34	608.55
- Disposals/Transfers *	-	-	(9.15)	-	(21.27)	(0.58)	(1.58)	-	(32.58)	(1,175.37)
Balance as at 31 March 2020	**50.27**	**256.11**	**5,070.23**	**700.70**	**12,842.81**	**1,082.38**	**220.10**	**56.84**	**20,279.44**	**1,524.97**
Accumulated Depreciation										
Balance as at 1 April 2019	**-**	**37.78**	**601.21**	**123.28**	**3,947.43**	**698.78**	**152.72**	**28.81**	**5,590.01**	
- Depreciation charge for the year	-	3.94	87.61	12.17	717.21	66.83	16.53	6.45	910.74	
- Disposals/Transfers *	-	-	(1.54)	-	(16.78)	(0.58)	(1.53)	-	(20.43)	
Balance as at 31 March 2020	**-**	**41.72**	**687.28**	**135.45**	**4,647.86**	**765.03**	**167.72**	**35.26**	**6,480.32**	
Carrying value										
As at 1 April 2019	50.27	218.33	4,224.24	573.67	7,588.51	351.26	47.36	28.03	13,081.67	2,091.79
As at 31 March 2020	**50.27**	**214.39**	**4,382.95**	**565.25**	**8,194.95**	**317.35**	**52.38**	**21.58**	**13,799.12**	**1,524.97**

- Refer note 14(i) for details of assets pledged against borrowings.

- Addition to Property, Plant and Equipment includes capital expenditure of ₹ 142.40 (2020 - ₹ 163.71) incurred at approved R&D centres.

- Additions include borrowing costs capitalised of ₹ 70.00 (2020 - ₹ 27.63). The borrowing costs have been capitalised at a weighted average rate of 5.28 % (2020 - 5.40%) .

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

Note 3.2 - Right-of-Use Asset

The Company has entered into an lease arrangement for office premises and furniture in the ordinary course of business. Such leases are generally for a period of 2 to 12 years, with option of renewal on a periodic basis by mutual consent of both parties. Most of the operating leases provide for a percentage increase in rent, at the end of the original lease terms, for future renewed periods. These leasing arrangements are cancellable by the lessor/lessee within 1 to 3 months' notice except in case of certain leases where there is a lock in period/ non-cancellable period of 4 to 5 years. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Particulars	Other Builiding	Office equipment	Total
Cost			
Balance as at 1 April 2020	**1,117.99**	**-**	**1,117.99**
- Additions	-	1.44	1.44
- Disposals/transfers	(0.21)	-	(0.21)
Balance as at 31 March 2021	**1,117.78**	**1.44**	**1,119.22**
Amortisation and impairment			
Balance as at 1 April 2020	**228.95**	**-**	**228.95**
- Depreciation charge for the year	211.34	0.24	211.58
- on disposals/transfers	(0.07)	-	(0.07)
Balance as at 31 March 2021	**440.22**	**0.24**	**440.46**
Carrying value			
As at 1 April 2020	889.04	-	889.04
As at 31 March 2021	**677.56**	**1.20**	**678.76**

Particulars	Other Builiding	Office equipment	Total
Cost			
Balance as at 1 April 2019	**-**	**-**	**-**
- Adjustment on transition to Ind AS 116	1,021.03	-	1,021.03
- Additions	97.61	-	97.61
- Disposals/transfers	(0.65)	-	(0.65)
Balance as at 31 March 2020	**1,117.99**	**-**	**1,117.99**
Amortisation and impairment			
Balance as at 1 April 2019	**-**	**-**	**-**
- Depreciation charge for the year	228.95	-	228.95
- on disposals/transfers	-	-	-
Balance as at 31 March 2020	**228.95**	**-**	**228.95**
Carrying value			
As at 1 April 2019	-	-	-
As at 31 March 2020	**889.04**	**-**	**889.04**

Note 4- Intangible Asset

Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2020	**1,536.32**	**3,016.83**	**4,553.15**	**475.17**
- Additions	272.04	949.56	1,221.60	18.97
- Disposals/transfers	(0.17)	-	(0.17)	(113.22)
Balance as at 31 March 2021	**1,808.19**	**3,966.39**	**5,774.58**	**380.92**
Amortisation and impairment				
Balance as at 1 April 2020	**1,173.99**	**1,947.87**	**3,121.86**	**-**
- Amortisation for the year	255.90	74.84	330.74	-
- on disposals/transfers	(0.17)	-	(0.17)	-
Balance as at 31 March 2021	**1,429.72**	**2,022.71**	**3,452.43**	**-**
Carrying value				
As at 1 April 2020	362.33	1,068.96	1,431.29	475.17
As at 31 March 2021	**378.47**	**1,943.68**	**2,322.15**	**380.92**

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

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	**1,415.46**	**2,513.87**	**3,929.33**	**770.16**
- Additions	120.86	502.96	623.82	60.81
- Disposals/transfers	-	-	-	(355.80)
Balance as at 31 March 2020	**1,536.32**	**3,016.83**	**4,553.15**	**475.17**
Amortisation and impairment				
Balance as at 1 April 2019	**981.12**	**1,895.05**	**2,876.17**	**-**
- Amortisation for the year	192.87	52.82	245.69	-
- on disposals/transfers	-	-	-	-
Balance as at 31 March 2020	**1,173.99**	**1,947.87**	**3,121.86**	**-**
Carrying value				
As at 1 April 2019	434.34	618.82	1,053.16	770.16
As at 31 March 2020	**362.33**	**1,068.96**	**1,431.29**	**475.17**

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

The recoverable amount of each assets/CGU was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each assets/ CGU is determined by applying a suitable discount rate.

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates in the foreseeable future. The terminal growth rate is 2% (2020- 2%).

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. The estimates of recoverable amount are particularly sensitive to the discount rate. However, change in the discount rate up to 1% would have no impact on the impairment testing.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset/CGU. The present value of the expected cash flows of each asset is determined by applying a discount rate in the range of 10% to 14.50%.

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

Note 5 - Non-Current Financial Assets

(i) INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted		
(A) Equity shares		
(a) Investments in subsidiary companies - carried at cost		
a) Glenmark Impex LLC, Russia	1,435.61	1,435.61
[577,767,277 (2020-577,767,277) shares of RUB 1 each]		
b) Glenmark Philippines Inc., Philippines	116.70	116.70
[640,490 (2020-640,490) shares of Pesos 200 each]		
c) Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	208.97	208.97
[645,114,304 (2020-645,114,304) shares of Naira 1 each]		
d) Glenmark Pharmaceuticals Malaysia Sdn.Bhd.,Malaysia	97.72	97.72
[5,686,618 (2020 -5,686,618) shares of RM 1 each]		
e) Glenmark Holding S. A., Switzerland	61,597.84	39,002.83
[742,239,894 (2020 - 442,239,894) shares of CHF 1 each]		
f) Glenmark Pharmaceuticals (Australia) Pty.Ltd., Australia.	76.15	72.48
[2,184,002 (2020-2,119,002) shares of AUD 1 each]		
g) Glenmark Pharmaceuticals Egypt S.A.E., Egypt	421.74	421.74
[55,426,520 (2020 - 55,426,520) shares of EGP 1 each]		
h) Glenmark Pharmaceuticals FZE, (U.A.E)	12.92	12.92
[1 (2020 -1) shares of AED 1,000,000 each]		
i) Glenmark Dominicana, SRL, Dominican Republic	0.19	0.19
[153 (2020 -153) shares of RD 1000 each]		
j) Glenmark Pharmaceuticals (Kenya) Limited, Kenya	97.18	97.18
[1,560,400 (2020 - 1,560,400) shares of KSHS 100 each]		
k) Glenmark Pharmaceuticals Venezuela, CA, Venezuela	715.13	715.13
[169,954,890 (2020 -169,954,890) shares of Bolivar 1 each]		
less: Provision for impairment	(715.13)	(715.13)
l) Glenmark Pharmaceuticals Colombia SAS, Colombia	483.46	432.16
[222,785 (2020 - 191,983) shares of COP 1000 each]		
m) Glenmark Pharmaceuticals Peru SAC, Peru	772.06	662.19
[38,169,324 (2020 -32,993,168) shares of PEN 1 each]		
n) Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	1,695.29	1,695.29
[404,975,500 (2020 -404,975,500) shares of Mexican peso 1 each]		
o) Glenmark Pharmaceuticals Europe Ltd., U.K.	578.23	578.23
[6,285,121 (2020-6,285,121) shares of GBP 1 each]		
p) Glenmark South Africa (Pty) Ltd., South Africa	1,044.20	1,044.20
[113,656 (2020- 113,656) shares of ZAR 1 each]		
q) Glenmark Uruguay S.A., Uruguay	774.53	774.53
[201,240,258 (2020- 201,240,258) shares of UYU 1 each]		
r) Glenmark Pharmaceuticals (Thailand) Co.Ltd., Thailand	3.72	3.72
[26,215 (2020 - 26,215) Ordinary shares of THB 100 each]		
s) Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	189.46	189.46
[2,839,600 (2020- 2,839,600) shares of USD 1 each]		
t) Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	32.73	32.73
[650,010 (2020- 650,010) shares of SGD 1 each]		
u) Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	15.30	15.30
[9,800,450 (2020- 1,960,090) equity shares of ₹ 2 each (2020 - ₹ 10 each)]		
(b) Other investments		
a) 213,032 (2020 - 213,032) Equity Shares of Narmada Clean Tech Ltd. of ₹ 10 each. **(FVTPL)**	2.13	2.13
b) 1 (2020 - 1) Time Share of Dalmia Resorts Limited **(FVTPL)**	0.02	0.02
c) 15,000,000 (2020- 15,000,000) Equity Shares of Integrace Private Limited of ₹ 10 each **(FVOCI)**	150.00	150.00
(B) Preference shares		
(a) Investment in subsidiary - carried at cost		
2 (2020 - 2) Preference shares of THB 100 each of Glenmark Pharmaceuticals (Thailand) Co.Ltd.*	-	-

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

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Other investments		
(a) 1,176,471(2020 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc of USD 0.85 each **(at FVTPL)**	42.65	42.65
(b) 500,000 (2020 -500,000) 7% cumulative preference shares of ₹ 100 each fully paid up of Marksans Pharma Ltd **(at amortised cost)**	50.00	50.00
(C) Investment in government securities		
National Savings Certificate -Sixth Issue **(at amortised cost)**	0.02	0.02
Total	**69,898.82**	**47,138.97**
Quoted		
(D) Equity shares (FVTPL)		
9,000 (2020 - 9,000) Bank of India of ₹10 each	0.61	0.30
1,209 (2020 - 1,209) IDBI Bank Limited of ₹10 each	0.05	0.02
	0.66	**0.32**
Total	**69,899.48**	**47,139.29**
*amount denotes less than Rupees ten thousand.		
Aggregate carrying value of quoted investment	0.66	0.32
Aggregate market value of quoted investment	0.66	0.32
Aggregate carrying value of unquoted investment	69,898.82	47,138.97
Aggregate amount of impairment in value of investment in unquoted equity shares	-	-

Note - The fair values of investments in equity and pref shares being carried at ₹ 194.80 (2020 - ₹ 194.80) cannot be reliably determined and therefore the company is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

(ii) Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loans to related parties (Refer note 27 and 32)	59,307.01	71,155.46
Total	**59,307.01**	**71,155.46**

(iii) Other non-current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Security deposits considered good*	218.22	244.48
Bank deposit including margin money	40.96	24.32
Total	**259.18**	**268.80**

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

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

Note 6 - Taxes

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current income tax expense	3,436.18	2,692.37
Deferred income tax expense/ (benefit)	(237.42)	(840.47)
Minimum Alternate Tax (MAT) Credit (Entitlement)/ utilisation	(255.66)	(50.94)
Total	**2,943.10**	**1,800.96**

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') Issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, Indian companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The Ordinance has been subsequently been enacted as Taxation Laws (Amendment) Act, 2019. The Company made an assessment of the impact and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and other exemptions. The Company has also re-measured its deferred tax liability following the clarification issued by Technical Implementation Group of Ind AS implementation Committee by applying the lower tax rate in measurement of deferred taxes only to extent that the deferred tax liabilities are expected to be reversed in the period during which it expects to be subject to lower tax rate.

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Income tax expense at tax rates applicable	**6,792.27**	**5,362.66**
Tax adjustment for tax-exempt income		
- Income exempt from tax	(3,054.64)	(2,209.02)
Other tax adjustments		
- Additional deduction for research and development expenditure	-	(556.45)
- Lower tax rate for capital gain on Slump Sale of business	(515.18)	(533.86)
- Disallowance of donation/corporate social responsibility expenses	105.23	85.93
- Disallowed expenses	87.73	114.53
- Other allowances / disallowances (net)	(472.31)	(462.83)
Actual tax expense (net)	**2,943.10**	**1,800.96**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	As at 31 March 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred tax assets				
Provision for credit losses	937.16	34.95	-	972.11
MAT credit entitlement	9,488.33	255.66	-	9,743.99
Difference in Right-of-use asset and lease liabilities	18.12	31.07	-	49.19
Accruals deductible on actual payment	369.76	59.67	(7.49)	421.94
Total	**10,813.37**	**381.35**	**(7.49)**	**11,187.23**
Deferred tax liabilities				
Difference in depreciation on property, plant and equipment	1,778.90	102.53	-	1,881.43
Other taxable temporary differences	987.12	(214.26)	-	772.86
Total	**2,766.02**	**(111.73)**	**-**	**2,654.29**
Net deferred income tax asset	**8,047.35**	**493.08**	**(7.49)**	**8,532.94**

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

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				
Provision for credit losses	885.09	52.07	-	937.16
MAT credit entitlement	9,437.39	50.94	-	9,488.33
Difference in Right-of-use asset and lease liabilities	-	18.12	-	18.12
Accruals deductible on actual payment	309.83	25.32	34.61	369.76
Total	**10,632.31**	**146.45**	**34.61**	**10,813.37**
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	2,133.14	(354.24)	-	1,778.90
Other taxable temporary differences	1,377.84	(390.72)	-	987.12
Total	**3,510.98**	**(744.96)**	**-**	**2,766.02**
Net deferred income tax asset	**7,121.33**	**891.41**	**34.61**	**8,047.35**

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

Note 7 - Other Non-Current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	65.70	68.46
Advance tax [net of provision ₹18,117.16 (2020- ₹ 9,884.37)]	474.60	474.60
Prepaid expenses	6.20	3.47
Total	**546.50**	**546.53**

Note 8 - Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw material	3,664.79	4,904.85
Packing material	1,915.44	1,562.57
Work-in-process	730.96	767.12
Stores and spares	755.54	567.10
Finished goods	546.06	557.18
Stock-in-trade	11.08	16.20
Total	**7,623.87**	**8,375.02**

Refer note 14(i) for hypothecation of stocks of raw materials, packing materials, finished goods and work-in-process.

Inventory write downs are accounted, considering the nature of inventory , ageing of inventory as well as provisioning policy of the Company. The Company recorded inventory write down of ₹ 786.88 (2020 - ₹ 1,020.52). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-process and stock -in- trade in the statement of profit and loss, as the case may be.

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

Note 9 - Current Financial Assets

(i) Trade Receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good * (Refer note 35)	24,887.49	18,352.40
Considered doubtful #	2,781.90	2,681.90
Allowance for doubtful debts/ expected credit losses #	(2,781.90)	(2,681.90)
Total	**24,887.49**	**18,352.40**
* Includes amount receivable from related parties (Refer note 32(b))	15,250.35	9,343.92
# Includes amount receivable from related party (Refer note 32(b))	1,558.20	1,558.20

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Company's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 100.00 (2020 - ₹ 149.00) has been recorded during the year. The movement in the expected credit losses is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	2,681.90	2,532.90
Provision for credit losses during the year (net)	100.00	149.00
Closing balance	**2,781.90**	**2,681.90**

(ii) Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	134.15	859.82
Cash on hand	13.08	13.10
Total	**147.23**	**872.92**

(iii) Bank Balances Other than Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Other bank balance - Dividend accounts (Refer note 1 below)	10.62	9.67
Total	**10.62**	**9.67**

Note 1 - Dividend accounts represent balances maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividends. The corresponding liability for payment of dividends is included under other current financial liability in note 14(iii).

(iv) Other Current Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits-unsecured, considered good (Refer note 1 below)	180.11	116.85
Receivable from subsidiary against business sale	9,328.67	10,591.57
Export incentives	413.63	403.09
Bank deposit including margin money	63.84	80.48
Total	**9,986.25**	**11,191.99**

Note 1 - Security deposits represent rental and trade deposits given in the normal course of business realisable within twelve months from the reporting date.

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

Note 10 - Other Current Assetss

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in kind (unsecured)	2,486.29	1,979.38
Input taxes receivable	2,358.71	2,469.62
Advances to vendors	1,245.33	715.45
Prepaid expenses	328.34	126.90
Other assets [net of provision for share application money ₹ 101.78 (2020 - ₹ 91.17)]	17.03	145.62
Total	**6,435.70**	**5,436.97**

Note 11 - Equity and Reserves

a) Ordinary shares

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

The Company has an authorised share capital of 2,370,000,000 equity shares of ₹ 1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits in accordance with the regulations. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. Dividends are taxable in the hands of the shareholders and tax is deducted by the Company at applicable rates.

The Company had declared dividend payout of ₹ 2.50/- per share (2020 - ₹ 2.50/- per share)

c) Reserves

Securities premium reserve – The amount received by the Company over and above the face value of shares issued is shown under this head. It is available for utilisation as per the provisions of the Companies Act, 2013.

Capital redemption reserve – TThe capital redemption reserve had been created as per the requirement of earlier provisions of Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

General reserve - The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

Stock compensation reserve - Stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in statement of profit and loss and is credited to the reserve. Upon exercise of options, such reserves are reclassified to equity share capital at the nominal capital value and excess through securities premium as the case may be.

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

Note 12 - Equity Share Capital

Share capital		As at 31 March 2021		As at 31 March 2020	
		No. of Shares	Amount	No. of Shares	Amount
(I)	**Authorised**				
	Equity Shares of Re 1 each	2,370,000,000	2,370.00	2,370,000,000	2,370.00
	Cumulative redeemable non-convertible preference shares of ₹ 100 each	4,000,000	400.00	4,000,000	400.00
	Issued, subscribed and fully paid-up equity shares of ₹ 1 each				
	At the beginning of the year	282,168,156	282.17	282,168,156	282.17
	Add: Issued during the year	-	-	-	-
	At the end of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**

(II)	List of shareholders holding more than 5 % shares	As at 31 March 2021		As at 31 March 2020	
		% of Holding	No. of Shares	% of Holding	No. of Shares
	Saldanha Family Trust	45.45	128,241,936	45.45	128,241,936

(III) As at 31 March 2021, Pursuant to Employee Stock Options Scheme 2016, 404,247 options were outstanding, which upon exercise are convertible into equivalent number of equity shares.

(IV) Right, Preference and restriction on shares

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

(V) In the period of five years immediately preceeding 31 March 2021, the Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

(VI) Employee Stock Option Scheme 2016 (ESOS)

The Company has formulated an Employee Stock Option Scheme 2016 ('ESOS') namely ESOS 2016 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 6 years from the date of grant depending on the terms of the grant. The grants are made at the market price of the equity shares of the Company on either the date of the grant or the closing price of the date prior to the day of the grant or the price decided by the Nomination & Remuneration Committee of the Board. Pursuant to ESOS 2016, 404,247 options were outstanding as at 31 March 2021, which upon exercise are convertible into equivalent number of equity shares. Employee stock compensation charged during the year is ₹ 18.53 (2020 -₹ 30.84).

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

Particulars	2020-2021		2019-2020	
	Number	weighted average price (₹)	Number	weighted average price (₹)
Outstanding at the beginning of the year	445,913	364.32	459,414	387.34
Granted during the year	-	-	20,000	28.55
Forfeited during the year	(41,666)	130.23	(33,501)	479.48
Exercised during the year	-	-	-	-
Outstanding at the end of the year	404,247	388.45	445,913	364.32

All of the above options outstanding as of 31 March 2021 are unvested.

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

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

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

Particulars	31 March 2021	31 March 2020
Share price (₹)	600	600
Exercise price (₹)	600	600
Weighted average volatility rate	49%	50%
Dividend payout	250%	200%
Risk free rate	6.45%	6.45%
Average remaining life	1-28 months	1-40 months

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

Note 13 - Non-Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loans (at amortised cost)		
Foreign currency convertible bonds (FCCB)	10,173.04	9,644.58
Senior notes	-	14,878.82
External commercial borrowing (ECB) facility	6,651.11	6,788.26
Syndicated ECB facility	14,301.63	-
Total long-term borrowings	**31,125.78**	**31,311.66**

U.S. $ 200,000,000, 2.00 % Resettable Onward starting equity-linked securities (Bonds):

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

On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹ 861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2021, none of the Bondholders have opted for the conversion option.

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

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

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

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially bought back in October 2018. In addition to that, the Company approved for tender and consent solicitation for amendment of FCC Bonds in February, 2021 (see note below on Tender Offer and Consent Solicitation).

As per the original Trust Deed, each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021 (Put Option Date), at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021. This is amended in April, 2021(see note below on Tender Offer and Consent Solicitation).

Tender Offer of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 and Consent Solicitation from Bondholders – April, 2021:

In March, 2021, the Company announced a launch of a tender offer of the FCC Bonds. The Hong Kong and Shanghai Banking Corporation Limited was appointed as the Dealer Manager on behalf of the Company to launch a tender offer, an aggregate principal amount of up to U.S. $ 38.5 million at a purchase price of 120.30% of the principal amount of the FCC Bonds (Tender Offer) and also invited the holders of the FCC Bonds to approve the amendment of the optional put notice period from not later than 30 days nor more than 60 days prior to the Put Option Date to a minimum of 150 days prior to the Put Option Date by passing an Extraordinary Resolution (Consent Solicitation).

Tender Offer: In April, 2021, an aggregate principal amount of U.S. $ 36.75 million (representing 147 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) were validly tendered pursuant to the Offer. These tendered FCCBs represented 32.38% of the outstanding FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 44,210,250 plus accrued but unpaid interest. Following settlement, the tendered FCC Bonds were cancelled and U.S. $ 76.75 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook this tender to utilize the loan financing to manage the Company's debt maturity profile by reducing near-term repayable outstanding indebtedness and to reduce interest costs. The Company utilised proceeds from unsecured External Commercial Borrowing facilities from Fifth Third Bank and International Finance Corporation to refinance these Bonds (see note below on Fifth Third Bank and IFC).

Consent Solicitation: An Extraordinary Resolution was duly passed at the Bondholders Meeting held on 12 April 2021, with 99.78 per cent. of votes cast in favour of the amendment to the optional put notice period. The Company also executed the Supplemental Trust Deed to make the amendment effective from 12 April 2021.

U.S. $ 200,000,000, 4.5% senior notes (Notes):

The Company issued Notes on 1 August 2016. Maturity of the Notes was on 2 August 2021. The interest on Notes was payable semi-annually in arrears on 1 February and 1 August each year.

The Notes were redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company tied up a Syndicated loan (See note below on Syndicated Loan) to refinance the Notes. The Company redeemed aggregate principal amount of U.S. $ 190,000,000 Notes in December, 2020 and the balance U.S. $ 10,000,000 in January, 2021. The Company paid a redemption premium of 1.125% and accrued and unpaid interest and additional amounts, if any as applicable under Optional redemption.

The Notes were delisted from the Singapore stock exchange in January, 2021.

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

U.S. $ 90,825,000, MUFG Bank, ECB Facility:

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

U.S. $ 200,000,000, Syndicated ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 200 million. During the period November 2020 to January 2021, the ECB Facility for U.S. $ 200 million was raised and the proceeds were utilized for the purpose of refinancing of the 4.5% Senior Notes. The ECB Facility was raised from 9 Foreign banks with a maturity of 3.5 years. The interest margin is 3.15% p.a. over U.S. $ LIBOR. The Company refinanced its Sr. notes well before the scheduled maturity.

U.S. $ 28,000,000, Fifth Third Bank, ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 28 million. The ECB Facility for U.S. $ 28 million was executed in March, 2021 and the Company availed the entire amount in April, 2021 and the proceeds were utilized for the purpose of refinancing of the FCC Bonds. The ECB Facility was raised from Fifth Third Bank, National Association with a maturity of 3.5 years. The interest margin is 3.15% p.a. over U.S. $ LIBOR.

U.S. $ 40,000,000, International Finance Corporation (IFC), ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 40 million. The ECB Facility for U.S. $ 40 million was executed in February, 2021 and the Company availed USD 16,574,250 in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. Balance amount may be used by the Company to finance capital expenditure. The ECB Facility was raised from International Finance Corporation with a maturity of 5.7 years. The interest margin is 3.08% p.a. over U.S. $ LIBOR.

Maturity profile of non-current borrowings

Year ending	As at 31 March 2021	As at 31 March 2020
2022	-	14,948.00
2023	15,110.66	12,504.84
2024	8,384.47	4,072.96
2025	8,055.30	-

As per the loan arrangement, the Company is required to comply with certain financial covenants and the Company was in compliance with such covenants as at 31 March 2021.

(ii) Other Non-Current Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits from customers	1,366.09	1,346.42
Lease liability (Refer note 31)	554.80	710.09
Total	**1,920.89**	**2,056.51**

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

Note 14 - Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans		
Loans repayable on demand from banks	-	-
Unsecured loans		
From banks	5,130.15	4,425.97
Total	**5,130.15**	**4,425.97**

Secured loans includes working capital facilities, secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets at certain locations.

Unsecured loans includes working capital facilities and other short term credit facilities

The Company has borrowed secured/unsecured loans at interest rates ranging between 0.85% - 8.95% p.a.

The Company has not defaulted on repayment of secured /unsecured loans and interest during the year.

(ii) Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006 [Refer note (i) below]	310.11	748.82
Trade payables outstanding dues to creditors other than micro, small and medium enterprises	12,546.00	11,801.96
Trade payables to related party (Refer note 27 and 32)	3,370.61	3,299.75
Total	**16,226.72**	**15,850.53**

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 principle amount remaining unpaid to any supplier at the end of the year	310.11	748.46
b) Interest due remaining unpaid to any supplier at the end of the year	-	0.36
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

(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
Interest accrued but not due	160.20	160.74
Unclaimed dividend*	10.62	9.67
Employee dues	18.91	15.85
Sundry creditors for capital goods	91.14	207.35
Accrued expenses	631.59	644.22
Payable to related parties (Refer note 27)	732.08	747.18
Lease liability (Refer note 31)	229.19	250.94
Total	**1,873.73**	**2,035.95**

*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund (IEPF). Unclaimed Dividends shall be transferred to IEPF as and when they become due.

Note 15 - Other Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	471.81	345.13
Other liabilities	-	43.12
Total	**471.81**	**388.25**

Other liabilities includes advance from customers and other such adjustable balances.

Note 16- Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits :		
Provision for gratuity (Refer note 26)	429.73	414.88
Provision for compensated absences (Refer note 26)	263.09	209.16
Provision for sales return	400.00	400.00
Total	**1,092.82**	**1,024.04**

Movement of Provision for sales return	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	400.00	400.00
Provided during the year	373.80	317.58
Utilised/ reversed during the year	(373.80)	(317.58)
Balance at the end of the year	**400.00**	**400.00**

Note 17 - Current Tax Liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax [net of advance tax ₹14,309.92 (2020 - ₹ 6,030.25)]	238.24	160.44
Total	**238.24**	**160.44**

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

Note 18- Revenue from Operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	74,249.78	64,131.39
Sale of services	259.33	780.61
Other operating revenue*	1,170.22	2,214.31
Total	**75,679.33**	**67,126.31**

*Other operating revenue primarily comprises of Export incentives of ₹ 740.26 (2020 - ₹ 619.21) , Sale of Abbreviated New Drug Applications (ANDA), Sale of scrap and others ₹ 429.96 (2020 - ₹ 1,595.10).

Disaggregation of revenue :

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

Geographical area	For the Year ended 31 March 2021 Total revenue	For the Year ended 31 March 2020 Total revenue
India	36,291.24	31,576.05
North America	22,674.07	18,106.97
Latin America	1,937.19	1,580.93
Europe	6,976.99	5,736.79
Rest of the World (ROW)	7,799.84	10,125.57
Total	**75,679.33**	**67,126.31**

Reconciliation of revenue recognised in the Income statement with the contracted price

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Revenue as per contracted price	83,289.66	74,822.87
Less : Trade discounts, sales and expiry returns	7,610.33	7,696.56
Sale of products, services and other operating revenue	**75,679.33**	**67,126.31**

Contract liabilities from contracts with customers :

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

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	-	43.12

Note 19 - Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend income	3.50	7.00
Interest income	3,549.12	3,060.55
Exchange gain (net)	-	2,914.20
Miscellaneous income	409.75	86.13
Total	**3,962.37**	**6,067.88**

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

Note 20 - Cost of Materials Consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of raw material and packing material	26,285.75	22,035.67
Consumption of stores and spares	496.85	484.14
Total	**26,782.60**	**22,519.81**

Note 21 - Purchases of Stock-in-Trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of finished goods	3,159.55	3,652.41
Total	**3,159.55**	**3,652.41**

Note 22 - Changes in inventories of finished goods, stock-in-trade and work-in-process

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(Increase)/Decrease in stock of finished goods, stock-in-trade and work-in-process	52.40	487.68
Total	**52.40**	**487.68**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	546.06	557.18
Work-in-process	730.96	767.12
Stock-in-trade	11.08	16.20
	1,288.10	**1,340.50**
At the beginning of the year		
Finished goods	557.18	988.89
Work-in-process	767.12	766.36
Stock-in-trade	16.20	72.93
	1,340.50	**1,828.18**
(Increase)/Decrease in stocks	**52.40**	**487.68**

Note 23 - Employee Benefit Expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	10,328.33	10,032.57
Contribution to provident and other funds and retirement benefits (Refer note 26)	647.08	592.74
Employee stock compensation cost	18.52	30.84
Staff welfare expenses	80.03	67.12
Total	**11,073.96**	**10,723.27**

Note 24 - Finance Costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on		
- Term loans	150.10	325.51
- Interest on foreign currency convertible bonds	926.45	837.67
- Interest on senior notes and ECB facility	1,363.89	1,113.61
- Interest on leases (Refer note 31)	89.48	105.42
- Others	129.06	181.69
Total	**2,658.98**	**2,563.90**

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

Note 25 - Other Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Labour charges	737.92	651.82
Power,fuel and water charges	668.30	723.33
Repairs and maintenance - plant and machinery	69.36	69.66
Repairs and maintenance - building	35.01	34.87
Repairs and maintenance - others	769.28	824.63
Rent	150.10	146.95
Rates and taxes	81.36	57.34
Director sitting fees	6.50	8.80
Other manufacturing expenses	211.04	281.80
Consumable - Lab chemicals and reagents	353.15	437.54
Selling and Marketing expenses	1,282.39	1,079.64
Sales promotion expenses	2,408.71	3,180.55
Export commission	199.62	49.44
Commission on sales	39.88	76.67
Travelling expenses	913.02	1,595.62
Freight outward	2,896.39	2,051.43
Telephone expenses	32.18	27.54
Investment written off	-	12.45
Provision for doubtful debts / expected credit losses (net)	100.00	149.00
Insurance premium	128.95	116.99
Electricity charges	136.64	184.23
Loss on sale of property, plant and equipment/ Intangible assets (net)	11.60	10.51
Auditors remuneration		
- Audit fees	18.74	23.00
- Other services	-	10.45
- Reimbursement of expenses	3.03	2.08
Corporate social responsibility expense (Refer note 34)	305.17	255.58
Legal and professional charges	982.80	1,351.15
Exchange loss (net)	648.90	-
Other expenses	2,517.37	3,287.77
Total	**15,707.41**	**16,700.84**

Note 26 - Employee Post- Retirement Benefits

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

a) Gratuity (defined benefit plan)

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

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

Particulars	31 March 2021	31 March 2020
Current service cost	96.07	82.98
Net interest on defined benefit schemes	26.75	22.09
Net periodic expense	**122.82**	**105.07**

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

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 demographic assumptions	-	(0.43)
Based on adjustment of financial assumptions	5.72	56.61
Due to liability experience adjustment	14.10	11.78
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(52.15)	20.87
Total remeasurement loss recognised in the statement of other comprehensive income	**(32.33)**	**88.83**

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	858.36	768.58
Fair value of plan assets	(428.63)	(353.70)
Net defined benefit liability	429.73	414.88
Being:		
Retirement benefit liabilities	429.73	414.88

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	414.88	290.06
Cost recognised in statement of profit and loss	122.82	105.07
Remeasurement (gains) / losses recognised in other comprehensive income	(32.33)	88.83
Actual employer contributions	-	-
Benefits paid	(75.64)	(69.08)
Transfer In/ (out)	-	-
Closing balance	**429.73**	**414.88**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	768.58	638.12
Current service cost	96.07	82.98
Interest cost on the defined benefit obligations	49.53	48.60
Actual benefit payments	(75.64)	(69.08)
Transfer In/ (out)	-	-
Actuarial (gains)/losses - Demographic assumptions	-	(0.43)
Actuarial (gains)/losses - Financial assumptions	5.72	56.61
Actuarial (gains)/losses - Liability experience	14.10	11.78
Closing balance	**858.36**	**768.58**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	353.70	348.06
Interest income on plan assets	22.79	26.51
Actual employer contributions	-	-
Actual return on assets (excluding interest income on plan assets)	52.14	(20.87)
Closing balance	**428.63**	**353.70**

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

The Company expects to contribute ₹ 525.84 to its defined benefit plans in 2021-2022.

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

Particulars	31 March 2021	31 March 2020
Discount Rate	6.35%	6.45%
Salary Escalation rate (%)	3.00%	3.00%

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

Particulars	31 March 2021	31 March 2020
Average life expectancy (Years)	24.80	25.23

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 as at 31 March are as follows:

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	858.36	768.58
Fair value of plan assets	(428.63)	(353.70)
Net defined benefit liability	**429.73**	**414.88**

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.	(27.82)	(25.61)
Discount rate - 0.5 % p.a.	29.69	27.32
Rate of compensation + 0.5 % p.a.	28.73	26.47
Rate of compensation - 0.5 % p.a.	(27.15)	(25.04)

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	78.94	58.17
Personnel expenses	**78.94**	**58.17**
Net interest on long term benefit schemes	13.48	12.43
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	-	(0.24)
Based on adjustment of financial assumptions	3.59	32.82
Due to liability experience adjustment	15.72	(8.39)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.90)	(0.20)
Net periodic expense	**110.83**	**94.59**

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

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	434.67	369.50
Fair value of plan assets	(171.58)	(160.34)
Net long term benefit liability	**263.09**	**209.16**
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	**263.09**	**209.16**

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	209.16	163.24
Cost recognised in the statement of profit and loss	110.83	94.59
Benefits paid	(56.90)	(48.67)
Transfer In/ (out)	-	-
Closing balance	**263.09**	**209.16**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	369.50	316.69
Current service cost	78.94	58.17
Interest cost on the long term benefit obligations	23.82	24.12
Actual benefit payments	(56.90)	(53.67)
Transfer In/ (out)	-	-
Actuarial (gains)/losses - Demographic assumptions	-	(0.24)
Actuarial (gains)/losses - Financial assumptions	3.59	32.82
Actuarial (gains)/losses - Liability experience	15.72	(8.39)
Closing balance	**434.67**	**369.50**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	160.34	153.45
Interest income on plan assets	10.32	11.69
Actual benefit payments	-	(5.00)
Return on plan assets	0.92	0.20
Closing balance	**171.58**	**160.34**

The Company expects to contribute ₹ 325.36 to its long term benefit plan in 2021-2022.

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

Particulars	31 March 2021	31 March 2020
Discount rate (weighted average)	6.35%	6.45%
Rate of compensation increase (weighted average)	3.00%	3.00%

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

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

Particulars	31 March 2021	31 March 2020
Average life expectancy	24.80	25.46

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 as at 31 March are as follows:

Particulars	31 March 2021	31 March 2020
Present value of obligations	434.67	369.50
Fair value of plan assets	(171.58)	(160.34)
Net long term benefit liability	**263.09**	**209.16**

The present value of long term benefit obligations by category of members as at 31 March are as follows:

Particulars	31 March 2021	31 March 2020
Active number of employees	11,788	11,496
Present value of obligations	434.67	369.50

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.	(17.44)	(14.92)
Discount rate - 0.5 % p.a.	18.75	16.04
Rate of compensation increase + 0.5 % p.a.	19.28	16.51
Rate of compensation decrease - 0.5 % p.a.	(18.07)	(15.48)

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. The Company contributed approximately ₹ 413.43 (2020 - ₹ 393.08) towards the provident fund plan during the year ended 31 March 2021.

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

Note 27 - Related Party Disclosures

a) Parties where direct/indirect control exists

i) Subsidiary companies

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.

Glenmark Pharmaceuticals Europe Ltd., U.K.

Glenmark Pharmaceuticals S.R.O., Czech Republic

Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic

Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)

Glenmark Holding S. A., Switzerland

Glenmark Pharmaceuticals S.R.L., Romania (liquidated w.e.f. 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 (liquidated w.e.f. 2 December 2019)

Viso Farmaceutica S.L.U., Spain

Glenmark Specialty S A, Switzerland

Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic

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

Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand

Glenmark Pharmaceuticals Nordic AB, Sweden

Glenmark Ukraine LLC, Ukraine

Glenmark-Pharmaceuticals Ecuador S.A., Ecuador

Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore

Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India

Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA), Switzerland

Ichnos Sciences Inc., USA (w.e.f. 31 May, 2019)

Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda. , Brazil (liquidated w.e.f. 23 December 2020)

b) Enterprise over which key managerial personnel excercise significant influence

Glenmark Foundation

Glenmark Aquatic Foundation

Trilegal

c) Key Management Personnel

Mr. Glenn Saldanha (Chairman & Managing Director)

Mrs. Cherylann Pinto (Executive Director)

Mr. V S Mani (Executive Director & Global Chief Financial Officer)

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

Mr. Rajesh Desai (Non-executive Director)

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

Mr. Bernard Munos (Non-executive Director)

Mr. J.F.Ribeiro (Non-executive Director up to 26th June, 2020)

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

Mr. Sridhar Gorthi (Non-executive Director)

Mr. Milind Sarwate (Non-executive Director up to 28th October, 2020)

Mr. Dipankar Bhattacharjee (Non-executive Director with effect from 14th August, 2020)

Ms. Sona Saira Ramasastry (Non-executive Director)

Mr. Harish Kuber (Company Secretary & Compliance Officer)

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

d) Transactions with related parties during the year

		2020-2021	2019-2020
Companies where direct/indirect control exists			
	Sale of materials & services	32,875.59	26,442.19
	Other Operating Income	50.13	261.00
	Sale of fixed assets	60.50	-
	Purchase of materials,Services and reimbursements	11,580.89	7,939.20
	Purchase of Intangible assets	901.61	-
	Investment in subsidiary	164.84	192.91
	Share Application Money	16.99	73.86
	Loans given to subsidiary	26,472.69	25,788.24
	Loan given to subsidiary converted into Investment	22,595.01	14,322.12
	Loans repaid by subsidiary	13,671.29	6,301.70
	Interest income	3,536.09	3,032.22
	Expenses incurred on behalf of subsidiary	0.04	11.41
	Other Income	385.39	-

		2020-2021	2019-2020
Transactions with entities over which Key Management Personnel exercise significant influence			
Contribution incurred for CSR activities to			
	Glenmark Foundation	233.04	134.95
	Glenmark Aquatic Foundation	50.00	73.02
Disclosure in Respect of Major Related Party Transactions during the Year:			
Sale of materials & services			
	Glenmark Pharmaceuticals Inc., USA	20,471.52	15,515.10
	Glenmark Pharmaceuticals Europe Ltd., U.K.	3,570.35	2,816.84
Other Operating Income			
	Ichnos Sciences SA	-	156.62
	Ichnos Sciences Biotherapeutics S.A	9.03	-
	Glenmark Specialty S.A.	41.10	104.38
Sale of fixed assets			
	Glenmark Life Sciences Limited	60.50	-
Purchase of materials,Services and reimbursement			
	Glenmark Life Sciences Limited	6,751.71	5,040.23
	Glenmark Pharmaceuticals Inc., USA	3,107.86	550.35
	Glenmark Impex L.L.C., Russia	852.28	1,114.34
Purchase of Intangible assets			
	Ichnos Sciences S.A.	901.61	-
Investment in share capital			
	Glenmark-Pharmaceuticals Ecuador S.A., Ecuador	-	80.69
	Glenmark Pharmaceuticals Colombia Ltda., Colombia	51.32	112.22
	Glenmark Pharmaceuticals Peru SAC., Peru	109.85	-
Share Application Money			
	Glenmark Pharmaceuticals Peru SAC., Peru	-	48.77
	Glenmark Pharmaceuticals Colombia Ltda., Colombia	16.99	25.03
Loans given			
	Glenmark Holding S.A., Switzerland	26,472.69	25,788.24
Loan given to subsidiary converted into Investment			
	Glenmark Holding S.A., Switzerland	22,595.01	14,322.12
Loans repaid			
	Glenmark Holding S.A., Switzerland	13,671.08	6,301.70
Interest income			
	Glenmark Holding S.A., Switzerland	2,630.78	2,665.75
	Glenmark Life Sciences Limited	874.70	335.15
Expenses incurred on behalf of			
	Glenmark Pharmaceuticals Europe Ltd., U.K.	-	1.85
	Glenmark Pharmaceuticals Inc., USA	0.04	-
	Glenmark Farmaceutica Ltda., Brazil	-	5.62
	Glenmark Therapeutics Inc., USA	-	3.94
Other Income from			
	Glenmark Holding S.A., Switzerland	278.25	-
	Glenmark Pharmaceuticals Inc., USA	99.31	-

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

		2020-2021	2020-2021	2019-2020	2019-2020
Key Management Personnel			252.00		231.82
Remuneration					
	Mr. Glenn Saldanha	138.57		122.35	
	Mrs. Cherylann Pinto	40.70		45.21	
	Mr. V S Mani (Executive Director & Global Chief Financial Officer)	62.26		51.50	
	Mr. Harish Kuber (Company Secretary & Compliance Officer)	3.97		3.96	
Sitting fees paid to Non-executive Directors		6.50		8.80	
The directors are covered under the Company's gratuity policy and ESOP scheme along with other employees of the Company. Proportionate amount of gratuity and stock compensation expense is not included in the aforementioned disclosures as it cannot be separately ascertained.					

e) Related party balances

		As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
Net Receivable/(Payable) from/ (to) subsidiary companies/ enterprise			81,341.54		88,602.23
	Glenmark Farmaceutica Ltda., Brazil	869.53		168.83	
	Glenmark Philippines Inc., Philippines	24.30		77.06	
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	88.51		2,590.67	
	Glenmark Holding S.A., Switzerland	58,924.66		70,790.20	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	378.98		382.20	
	Glenmark Impex L.L.C., Russia	198.40		555.57	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	422.58		368.24	
	Glenmark Pharmaceuticals FZE., United Arab Emirates	(333.43)		(260.30)	
	Glenmark Generics SA., Argentina	1.20		0.48	
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela (provided for)	1,558.20		1,558.20	
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	497.29		539.45	
	Glenmark Pharmaceuticals Peru SAC., Peru	78.54		62.46	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	(1,389.99)		(831.32)	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.	(238.02)		(56.29)	
	Glenmark Pharmaceuticals Inc., USA	6,725.00		1,378.30	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	258.13		394.87	
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	(0.01)		(0.01)	
	Glenmark Pharmaceuticals SP z.o.o., Poland	(0.15)		(0.18)	
	Glenmark Pharmaceuticals S.R.L., Romania	-		(0.04)	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	32.92		30.13	
	Glenmark Uruguay S.A., Uruguay	(732.08)		(747.18)	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	40.51		33.98	
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	904.20		978.79	
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	263.48		74.30	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	136.37		118.52	
	Glenmark Pharmaceuticals Canada Inc., Canada	399.06		112.80	
	Glenmark Pharmaceuticals B.V., Netherlands	(0.01)		(0.01)	
	Glenmark Specialty S A, Switzerland	4,029.18		1,543.80	
	Glenmark Ukraine LLC, Ukraine	162.84		221.33	
	Glenmark Pharmaceuticals Ecuador S.A., Ecuador	109.37		73.26	
	Glenmark Foundation	-		(0.94)	
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	(46.50)		(59.50)	
	Glenmark Life Sciences Limited	7,966.18		8,500.62	
	Glenmark Therapeutics Inc., USA	3.94		3.94	
	Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA), Switzerland*	0.00		-	
	Glenmark Arzneimittel Gmbh., Germany	8.36		-	
	*amount denotes less than Rupees ten thousand.				
Share application money pending allotment			17.03		145.62
	Glenmark Dominicana, SRL, Dominican Republic	0.04		0.11	
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela	-		10.61	
	Glenmark Pharmaceuticals Peru SAC., Peru	-		109.87	
	Glenmark Pharmaceuticals Colombia SAS, Colombia	16.99		25.03	

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

Note 28 - Research and Development Expense

During the year, the Company's research and development expenses is ₹ 3,626.61 (2020 - ₹ 3,882.27).

Note 29 - Earnings Per Share (EPS)

The basic earnings per share for the year ended 31 March 2021 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 for the year	16,494.47	13,545.48
Weighted average number of shares outstanding during the year for basic EPS	282,168,156	282,168,156
Effect of dilutive potential ordinary shares:		
Employee stock options	-	-
Weighted average number of shares outstanding during the year for diluted EPS	282,168,156	282,168,156
Basic EPS, in ₹	58.46	48.00
Diluted EPS, in ₹	58.46	48.00

Note 30 - Commitments and Contingencies

Particulars		As at 31 March 2021	As at 31 March 2020
(I)	**Contingent Liabilties**		
	Claims against the Company not acknowledged as debts		
	Labour disputes	46.06	38.49
	Disputed taxes and duties	1,397.79	405.09

The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 12.24 Crs as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹ 3.33 Crs towards interest @15% p.a. on the overcharged amount up to 31 January, 2014. The Company had filed a petition under Article 32 with the Hon'ble Supreme Court of India (Hon'ble Court), challenging the issue of the above mentioned demand notice on various grounds. This petition was tagged along with other petitions filed by other pharmaceutical companies, pending before Hon'ble Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule of the DPCO, 1995. The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand. Whilst the matter was pending before the Hon'ble Supreme Court, in Oct 2015, NPPA issued a fresh demand notice of ₹ 12.24 Crs as overcharging liability and ₹ 6.39 Crs as interest thereon calculated upto 30 September, 2015 to which the Company has responded stating that the matter was sub-judice. On 20 July, 2016 Hon'ble Supreme Court heard the Company's petition and ordered the petition to be transferred back to Hon'ble Delhi High Court to be heard on merits subject to deposit of 50% of the overcharged claimed amount. The Company has deposited ₹ 6.12 Crs (50% of the overcharged claimed amount). The pleadings have been completed and matter is pending to be listed in the Hon'ble Delhi High Court for hearing.

(b) On March 10, 2016 Ministry of Health and Family Welfare (MoH) issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect. Several products of the Company were also covered in the notified prohibited "FDC's". The Company had filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company

by staying the notifications banning the FDC's. The matter was clubbed with petition of other companies before the Supreme Court of India (Hon'ble Court). The Hon'ble Court directed the Drug Technical Advisory Board (DTAB) sub-committee to examine the ban of drugs. DTAB appointed an expert committee under the chair of Dr. Nilima Kshirsagar to examine the list of banned FDC. Company made due written and oral representations before the Committee in relation to its affected products. The committee has submitted its report to the Ministry of Health. Meanwhile taking the proactive approach the Company has revised the composition of the affected FDC's for its domestic market. Based on the Nilima Kshirsagar Committee Report, MoH on 7 September, 2018 issued series of notification which has prohibited the manufacture for sale, sale or distribution for human use of 328 FDCs with immediate effect. It has also restricted the manufacture, sale or distribution of certain of Company's FDCs subject to certain conditions. The Company filed writ petitions in the Delhi High Court against the 7 notification/s in respect of its affected FDCs which were still circulating in the market and obtained an ad interim stay, on the notifications allowing the Company to liquidate its affected FDCs. Since then the Company on 27 March, 2019, withdrew its Writs except for one product meant for exports and for which the Company continues to enjoy an ad-interim protection.

(c) In October 2019 National Pharmaceutical Pricing Authority (NPPA) issued a Show Cause Notice alleging that the Company had violated DPCO 2013 by self-invoking Para 32 in respect of its product Remolifozin Etabonate + Metformin by not seeking approval for exemption from the Government. Although the Company has responded to the Show cause notice, on 2 January, 2020, NPPA issued a letter seeking production of documents /records under Para 29. The Company challenged the decision of NPPA by filing a writ petition before Hon'ble Delhi High Court. In January 2020, Hon'ble Delhi High Court was pleased to note NPPA's submission that without prejudice to their rights of the parties, NPPA will grant a hearing to the Company, to decide on the Company's entitlement under paragraph 32 of the DPCO, 2013 and disposed of the petition, with a noting that in view of the personal hearing, the impugned orders will not be given effect to. Although NPPA granted the Company personal hearing, it issued a price order notification in March 2020 notifying the price of Remolifozin Etabonate + Metformin Hydrocloride without deciding the entitlement under paragraph 32 of the DPCO, 2013. The Company thereafter challenged various orders passed by the NPPA by filing a fresh writ petition. After hearing both Parties, Hon'ble Delhi High Court was pleased to grant the no coercive action in favour of the Company based on the Impugned Orders dated 3 March, 2020 and 20 March, 2020. The matter is sub-judice.

(d) On a complaint by a stockiest with the Competition Commission of India ("CCI") in July 2015 against pharma co.'s (including the Company and its C&F agent) and the Trade associations, alleging refusal to supply medicines to it in spite of having all valid licenses and documents, CCI ordered the Director General ("DG") to investigate and submit a report. CCI clubbed this matter with other matters on a similar complaint against other pharmaceutical co.'s and local Trade associations. On submission of DG's report CCI has recently issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees have appealed the said Order at National Company Law Tribunal ("NCLAT").

(e) In response to FDA action on Zantac and its generic equivalent (ranitidine) in late 2019 and early 2020, in various jurisdictions against brand-name and generic manufacturers, distributors, and retailers of Zantac and ranitidine which were consolidated in a Multidistrict Litigation (MDL) in the Southern District of Florida. Glenmark Pharmaceuticals Ltd. (GPL) and Glenmark Pharmaceuticals Inc., USA (GPI) are named in the in the MDL. In addition to the MDL, GPI has also been named in lawsuits filed in New Mexico state court by the AG's office of New Mexico, in Maryland state court by the Mayor and City Counsel of Baltimore, and in California state court by private plaintiffs. Plaintiffs in all of the lawsuits allege that ranitidine potentially contains a probable human carcinogen, N-Nitrosodimethylamine (NDMA), that they have developed or will develop cancer as a result of their ingestion of ranitidine, and/or that they were otherwise injured. GPL and GPI asserted a number of defenses and filed renewed motions to dismiss the claims against it in the MDL. GPL and GPI has filed motions to dismiss in New Mexico, Maryland and California state court. GPL and GPI will continue to defend vigorously.

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

(f) From time to time the Company and its certain subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs.

i. A multiple punitive class and individual action were filed in 2018 by purchasers of branded Zetia and generic Zetia (ezetimibe) against Glenmark Pharmaceuticals Ltd and Glenmark Pharmaceuticals Inc., before the United States District Court for the Eastern District of Virginia seeking relief under the US antitrust laws. The Plaintiffs allege that Glenmark Pharmaceuticals Ltd, Glenmark Pharmaceuticals Inc. and Merck & Co Inc. ("Merck") violated the federal and state antitrust laws by entering into a so-called reverse payment patent settlement agreement in Hatch-Waxman patent litigation in May 2010 related to Merck's branded Zetia product. The lawsuits allege that the patent settlement agreement delayed the entry of generic which caused purchasers to pay higher prices. On December 11, 2020 further allegations were filed in state court in California. These cases seek various forms of reliefs including monetary reliefs, including damages. Glenmark Pharmaceuticals Ltd and Glenmark Pharmaceuticals Inc. believes that its patent settlement agreement is lawful and served to increase competition and is defending the same vigorously.

ii. A multiple putative class and individual actions were filed in July 2020 by purchasers of branded Bystolic (nebivolol) against Glenmark Pharmaceuticals Ltd.,Glenmark Pharmaceuticals Inc. and Glenmark Pharmaceuticals S.A. (n/k/a Ichnos Sciences S.A.) (collectively, "Glenmark") in the United States District Court for the Southern District of New York. The Plaintiffs allege that Glenmark and Forest Laboratories, Inc. ("Forest") violated federal and state antitrust laws by entering into a so-called reverse-payment patent settlement agreement in Hatch-Waxman patent litigation in December 2012 related to Forest's Bystolic product. The lawsuits allege that the patent settlement agreement and mPEGS-1 collaboration agreement delayed the entry of generic which caused purchasers to pay higher prices. Glenmark believes that its patent settlement agreement and mPEGS-1 collaboration agreement are lawful and is defending vigorously.

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2021 aggregate ₹ 1,052.80 (2020 - ₹ 1,317.88)

(b) Estimated amount of contracts remaining to be executed on other than capital account, net of advances, not provided for as at 31 March 2021 aggregate ₹ 1,775.38 (2020 - ₹ 1,008.88)

Particulars	As at 31 March 2021	As at 31 March 2020
(iii) Others		
(a) Guarantees		
Bank guarantees	2,370.32	2,240.22
(b) Letter of comfort/ Corporate Guarantees on behalf of subsidiaries :		
Glenmark Holding SA., Switzerland	19,991.79	23,019.92
Glenmark Pharmaceuticals Inc, USA	9,153.75	10,837.30
Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited),India	3,850.00	7,764.86
Glenmark Pharmaceuticals Distribution s.r.o., Czech--Performance Guarantee	492.00	-

Note 31 - Leases

Company as lessee

The Company's leased assets primarily consist of leases for office premises and godowns. Leases of office premises and godowns generally have lease term between 2 to 12 years. The Company has applied low value exemption for leased laptops, lease lines, furniture and equipment and accordingly are excluded from Ind AS 116. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

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

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable certain to exercise extension option and not to exercise termination option, the Company has opted to include such extended term and ignore termination option in determination of lease term.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	2020-2021	2019-2020
As at 1 April	**889.04**	**-**
Adjustment on transition to Ind AS 116	-	1,021.03
Additions	1.44	97.23
Termination	(0.14)	(0.65)
Modification	-	0.38
Depreciation expenses	(211.58)	(228.95)
As at March 31	**678.76**	**889.04**

ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	2020-2021	2019-2020
As at 1 April	**961.03**	**-**
Adjustment on transition to Ind AS 116	-	1,021.03
Additions	1.44	97.23
Termination	(0.14)	(0.65)
Accretion of interest	89.48	105.42
Modification	0.14	0.38
Payments	(267.96)	(262.38)
As at 31 March	**783.99**	**961.03**
Current	229.19	250.94
Non-current	554.80	710.09

iii) The following are the amounts recognised in profit or loss for the year ended:

Particulars	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets	211.58	228.95
Interest expense on lease liabilities	89.48	105.42
Expense relating to short-term leases and low value assets	150.10	146.95
Total	**451.16**	**481.32**

The Company had total cash outflows for leases of ₹ 418.06 in FY 2020-21.

iv) The table below provides details regarding contractual maturity of the lease liability as on 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
within 1 year	242.93	267.49
1-5 years	694.88	930.64
5 years and above	12.31	18.51
Total	**950.12**	**1,216.64**

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

Note 32 - Disclosure Pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 186 of Companies Act, 2013

Particulars		Maximum amount outstanding during the year		As at	
		2020-2021	2019-2020	31 March 2021	31 March 2020
a)	**Loans and advances to subsidiaries/enterprise**				
	Glenmark Holding S.A., Switzerland	74,439.40	81,212.02	58,924.66	70,790.20
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	87.93	84.99	87.77	84.99
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	12.35	12.09	12.35	12.07
	Glenmark Pharmaceuticals Kenya Ltd; Kenya	153.20	149.48	145.86	149.48
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	136.43	118.52	136.37	118.51
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	0.21	0.21	-	0.21
				59,307.01	**71,155.46**

b)	**Receivable from subsidiary companies**		
	Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	88.51	2,590.67
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	291.21	297.21
	Glenmark Philippines Inc., Philippines	24.30	77.06
	Glenmark Impex L.L.C., Russia	198.40	555.57
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	422.58	368.24
	Glenmark Pharmaceuticals Venezuela., C.A , Venezuela (provided for)	1,558.20	1,558.20
	Glenmark Pharmaceuticals Peru SAC., Peru	78.54	62.46
	Glenmark Pharmaceuticals s.r.o., Czech Republic	258.13	394.87
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	20.57	18.06
	Glenmark Pharmaceuticals Kenya Ltd, Kenya	758.34	829.31
	Glenmark Pharmaceuticals Colombia SAS, Colombia	40.51	33.98
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	263.48	74.30
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	497.29	539.45
	Glenmark Pharmaceuticals Inc., USA	6,725.00	1,378.30
	Glenmark Generics SA., Argentina	1.20	0.48
	Glenmark Pharmaceuticals Canada Inc., Canada	399.06	112.80
	Glenmark Specialty S A, Switzerland	4,029.18	1,543.80
	Glenmark Ukraine LLC, Ukraine	162.84	221.33
	Glenmark Pharmaceuticals Ecuador S.A., Ecuador	109.37	73.26
	Glenmark Therapeutics Inc., USA	3.94	3.94
	Glenmark Farmaceutica Ltda., Brazil	869.53	168.83
	Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA), Switzerland*	0.00	-
	Glenmark Arzneimittel Gmbh., Germany	8.36	-
	*amount denotes less than Rupees ten thousand.		
c)	**Receivable from subsidiary against business sale**		
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	9,328.67	10,591.57

		As at 31 March 2021	As at 31 March 2020
d)	**Payable to subsidiaries**		
	Glenmark Pharmaceuticals FZE., United Arab Emirates	333.43	260.30
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.	238.02	56.29
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.01	0.01
	Glenmark Pharmaceuticals Europe Ltd., U.K.	1,389.99	831.32
	Glenmark Uruguay S.A., Uruguay	732.08	747.18
	Glenmark Pharmaceuticals SP z.o.o.	0.15	0.18
	Glenmark Pharmaceuticals S.R.L., Romania	-	0.04
	Glenmark Pharmaceuticals B.V., Netherlands	0.01	0.01
	Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore	46.50	59.50
	Glenmark Life Sciences Limited (Formerly known as Zorg Laboratories Private Limited), India	1,362.49	2,091.15

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

Particulars	No. of Shares in Million			
	As at 1 April 2020	Invested during the Year	Sold/written off during the Year	Balance as at 31 March 2021
e) Movement of shares during the year				
Investments in Subsidiary Companies - Unquoted - non trade				
Glenmark Holding S.A., Switzerland	442.24	300.00	-	742.24
Glenmark Pharmaceuticals (Australia) Pty .Ltd., Australia.	2.12	0.06	-	2.18
Glenmark Pharmaceuticals Colombia SAS, Colombia	0.19	0.03	-	0.22
Glenmark Pharmaceuticals Peru SAC, Peru	32.99	5.18	-	38.17

f) For disclosure of guarantees on behalf of subsidiaries refer note 30(iii)(b).

Note 33 - Fair Value Measurements

Financial instruments by category

Particulars	As at 31 March 2021					As at 31 March 2020				
	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value
Financial assets										
Non-current financial assets	-	-	259.18	259.18	259.18	-	-	268.80	268.80	268.80
Loans to related parties	-	-	59,307.01	59,307.01	59,307.01	-	-	71,155.46	71,155.46	71,155.46
Trade receivables	-	-	24,887.49	24,887.49	24,887.49	-	-	18,352.40	18,352.40	18,352.40
Cash and cash equivalents	-	-	147.23	147.23	147.23	-	-	872.92	872.92	872.92
Bank balances other than cash and cash equivalents	-	-	10.62	10.62	10.62	-	-	9.67	9.67	9.67
Investments	45.46	150.00	50.02	245.48	245.48	45.12	150.00	50.02	245.14	245.14
Other current financial assets	-	-	9,986.25	9,986.25	9,986.25	-	-	11,191.99	11,191.99	11,191.99
Total	**45.46**	**150.00**	**94,647.80**	**94,843.26**	**94,843.26**	**45.12**	**150.00**	**101,901.26**	**102,096.38**	**102,096.38**
Financial Liabilities										
Long term borrowings	65.03	-	31,060.75	31,125.78	31,125.78	1.40	-	31,310.26	31,311.66	31,311.66
Non-current financial liabilities	-	-	1,920.89	1,920.89	1,920.89	-	-	2,056.51	2,056.51	2,056.51
Trade payables	-	-	16,226.72	16,226.72	16,226.72	-	-	15,850.53	15,850.53	15,850.53
Short term borrowings	-	-	5,130.15	5,130.15	5,130.15	-	-	4,425.97	4,425.97	4,425.97
Other current financial liabilities	-	-	1,873.73	1,873.73	1,873.73	-	-	2,035.95	2,035.95	2,035.95
Total	**65.03**	**-**	**56,212.24**	**56,277.27**	**56,277.27**	**1.40**	**-**	**55,679.22**	**55,680.62**	**55,680.62**

Investment in subsidiaries are carried at cost.

Trade receivables comprise amounts receivable from the sale of goods and services.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates to their fair value.

The Bonds are interest bearing instruments with an embedded derivative instrument of conversion option. The instrument's value predominately consist of liability measured at amortised cost; the embedded derivative is measured at FVTPL .

Fair value hierarchy :

Level 2 : All FVTPL and FVOCI financial assets and liabilities are classified under level 2 of fair value hierarchy except quoted investments amounting to ₹ 0.66 which are classified as level 1 inputs.

Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

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

Note 34 - Note on Expenditure on Corporate Social Responsibility

The information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2021 is as follows :

i Gross amount required to be spent by the Company during the year as per provisions of section 135 of the Companies Act, 2013 - ₹ 305.17 (2020 - ₹ 388.75)

ii Amount spent during the year on CSR by way of contribution to the trusts and projects undertaken (excess amount spent is carried forward):

Particulars	Amount paid in cash	Amount carried forward to next year	Total amount
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above:"			
Promoting education	127.72	-	127.72
Promoting health care including preventive health care	6.00	-	6.00
Reducing child mortality and improving maternal health	17.32	-	17.32
Training to promote olympic sports	50.00	-	50.00
Disaster Response (including COVID-19)	272.49	(187.12)	85.37
Administrative expenses	18.76	-	18.76
Total	**492.29**	**(187.12)**	**305.17**

Note 35 - Risk Management Objectives and Policies

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

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

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

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

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

The Company's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Company to fair value interest-rate risk.

Foreign Currency sensitivity

The foreign currency sensitivity analysis has been performed in relation to US Dollar (USD), Euro (EUR) and Russian ruble(RUB).

US Dollar conversion rate was INR 74.74 at the beginning of the year and scaled to a high of INR 76.30 and to low of INR 72.29. The closing rate is INR 73.23. 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

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

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	244.00	17,868.04	183.75	13,733.35
Financial liabilities	(80.71)	(5,910.40)	(73.69)	(5,507.23)
Total	**163.29**	**11,957.64**	**110.06**	**8,226.12**
Long term exposure				
Financial assets	809.87	59,306.99	952.04	71,155.26
Financial liabilities	(430.84)	(31,550.43)	(423.96)	(31,686.54)
Total	**379.03**	**27,756.56**	**528.08**	**39,468.72**

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(3,971.42)	(4,769.48)
Equity	-	-

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	3,971.42	4,769.48
Equity	-	-

EUR conversion rate was INR 82.21 at the beginning of the year and scaled to a high of INR 90.12 and to low of INR 80.80. The closing rate is INR 85.87. 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	3.86	331.71	4.95	407.25
Financial liabilities	(4.46)	(383.39)	(15.14)	(1,244.68)
Total	**(0.60)**	**(51.68)**	**(10.19)**	**(837.43)**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	5.17	83.74
Equity	-	-

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

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(5.17)	(83.74)
Equity	-	-

RUB conversion rate was INR 0.95 at the beginning of the year and scaled to a high of INR 1.10 and to low of INR 0.92. The closing rate is INR 0.96. Considering the volatility in direction of strengthening RUB upto 10% , the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2021		31 March 2020	
	RUB (million)	INR	RUB (million)	INR
Short term exposure				
Financial assets	823.67	790.72	584.83	555.59
Financial liabilities	-	-	-	-
Total	**823.67**	**790.72**	**584.83**	**555.59**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(79.07)	(55.56)
Equity	-	-

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	79.07	55.56
Equity	-	-

Interest rate sensitivity

The Company's policy is to minimise interest rate cash flow risk exposures on long-term borrowings. The Company has taken several long term and short term borrowings on fixed rate of interest. Since, there is no interest rate risk associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The bank deposits are placed on fixed rate of interest of approximately 2.75% to 3.60%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

The Company has outstanding borrowings of USD 200 million (2020 - Nil) which are linked to LIBOR/Benchmark prime lending rate (BPLR). Increases by 25 basis points then such increase shall have the following impact on:

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(36.62)	-

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

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact on:

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	36.62	-

Credit risk analysis

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

Particulars	As at 31 March 2021	As at 31 March 2020
Cash & cash equivalents	147.23	872.92
Bank balances other than cash and cash equivalents	10.62	9.67
Trade receivables	24,887.49	18,352.40
Current financial assets	9,986.25	11,191.99
Non current financial assets	129,465.67	118,563.55
Total	**164,497.26**	**148,990.53**

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

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for customers.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding for more than 6 months	3,110.36	2,460.02
Others	21,777.13	15,892.38
Total	**24,887.49**	**18,352.40**

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.

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

Liquidity risk analysis

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

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

As at 31 March 2021, the Company's liabilities have contractual maturities which are summarised below:

Particulars	Current Within 1 year	Non-Current 1to 5 years
Trade payable	16,226.72	-
Financial liabilities	1,873.73	-
Short term borrowings	5,130.15	-
Long-term borrowings	-	31,125.78
Other non-current financial liabilities	-	1,920.89
Total	**23,230.60**	**33,046.67**

For long term borrowings refer Note 13 and for Lease obligations refer Note 31 for further details

Note 36 - Capital Management Policies and Procedures

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

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

Particulars	31 March 2021	31 March 2020
Total debt	36,255.93	35,737.63
Less: Cash & cash equivalents	147.23	872.92
Net debt (A)	**36,108.70**	**34,864.71**
Total equity (B)	**148,095.06**	**132,262.64**
Net debt to equity ratio (A/B)	**24.38%**	**26.36%**

Dividends	31 March 2021	31 March 2020
(i) Equity shares		
Final dividend paid during the year ended	705.42	680.34

(ii) Dividends not recognised at the end of the reporting period.

In addition to the above dividends, since year end the Board of Directors have recommended the payment of a final dividend of ₹ 2.50 (2020 - ₹ 2.50) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

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

Note 37 - Impact of Covid -19

The Company continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business, including how it has impacted and how it will impact its customers, employees, vendors and business partners. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the financial statements for the year ended 31 March 2021.

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

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

Note 38

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

Note 39 - Exceptional Items

During the year ended 31 March 2021, the exceptional items consists of net gain of ₹ 738.92 on account of gain from transfer of intimate hygiene brand Vwash and reimbursement of onetime costs.

During the year ended 31 March 2020, the exceptional item primarily consists of net gain of ₹ 185.54 arising from the sale of Gynecology business to Integrace Private Limited by way of a slump sale.

Note 40 - Code On Social Security

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the financials when the Rules/Schemes thereunder are notified.

Note 41 - Segment Reporting

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

Note 42 - Authorisation of Financial Statements

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors on 28 May 2021.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Glenmark Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Glenmark Pharmaceuticals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2021, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets (including intangible assets under development) [Refer note 5 of the consolidated financial statements] As at 31 March 2021, the Group is carrying intangible assets of ₹ 21,130.59 million and intangible assets under development of ₹ 1,638.79 million in its consolidated financial statements relating to multiple Cash Generating Units ("CGUs").	Our Audit included, but was not limited to the following procedures: • Obtained understanding of management's process for identification of indicators of impairment. Evaluated the design and tested the operating effectiveness of internal controls over impairment assessment process. • With the assistance of our internal valuation specialists evaluated the reasonableness of the valuation methodologies and discount rates used by the management to determine the recoverable values.

Key audit matter	How our audit addressed the key audit matter
These intangibles are subject to test of impairment by the management at least annually in case of each intangible asset having indefinite or indeterminable useful life and intangibles assets under development, and when impairment indicators exist in case of all other intangible assets, in accordance with the applicable accounting standards. Any such losses are recognised in consolidated statement of profit and loss. Management judgement is required in assessing impairment indicators and recoverable amount for impairment testing. The recoverable amounts have been determined by the management using discounted cash flow valuation method. Key assumptions underpinning management's assessment of the recoverable amounts include but are not limited to projection of future cash flows, revenue growth rates, terminal values operating profit margins, estimated future operating capital expenditure, external market conditions and discount rates. Based on the assessment as above, no impairment has been recognised during the year ended 31 March 2021. We determined impairment of intangible assets (including intangible assets under development) as a key audit matter since these assessments are complex and involve significant management estimation and judgement.	• Evaluated the reasonableness of the management's estimates and judgement based on our understanding of the business of the respective subsidiaries, past results and external factors. • Tested the mathematical accuracy of the management workings with regard to cash flows, sensitivity analysis and loss allowances. • Performed sensitivity analysis around aforesaid key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts.
Revenue recognition in US Subsidiary [Refer note 19 of the consolidated financial statements] The Group's sales to customers in the United States of America ('US') fall under certain commercial and governmental reimbursement schemes of which the most significant ones are chargebacks, failure to supply penalties and Medicaid Drug Rebate Program ('Medicaid'). The provision recognised as at 31 March 2021 for revenue deductions related to such items aggregated to ₹ 111,438.29 million. These arrangements result in deductions to gross sales recognised by the Group and require the management to estimate and recognise obligations of the Group to provide such deductions to its customers for sales made during the reporting period. Accordingly, the Group has recognised an accrual of ₹ 111,438.29 million for the year ended 31 March 2021 towards these arrangements and has adjusted revenues to the extent of ₹ 111,438.29 million pertaining to Group's US operations during the year ended 31 March 2021. Refer Note 19 to the consolidated financial statements.	This has been identified as a key audit matter by the US component (i.e. US Subsidiary) auditor. The US component audit included, but was not limited to, the following procedures: • Obtained an understanding of the management process for estimation and accounting treatment of transactions arising from various discount schemes, mandated contracts, chargebacks, rebates, failure to supply penalties and Medicaid compliance requirements, pertaining to Group's revenue operations in US. • Evaluated the design and tested the operating effectiveness of controls implemented by the Group for approval of such schemes, for recording of such transactions and obligations arising from such arrangements completely and accurately, and for ensuring appropriate accounting treatment thereof. • Tested the calculations for accruals under applicable schemes by testing the data with supporting documents such as Group's stated commercial policies, terms of underlying contracts inspected on a sample basis, stock lying at wholesalers, historical levels of product returns, and wholesale acquisition cost (WAC) determined for such calculations.

Key audit matter	How our audit addressed the key audit matter
Ind AS 115 requires the management to estimate the amount of variable consideration to which it will be entitled to the extent it is not highly probable that such amount will reverse. Variable consideration may include discounts and sales returns. The estimate depends on contractual terms, relevant regulations, historical experience, as well as forecasts of sales volumes by sales channel. Additionally, dispensing of the product and the final determination of the net selling price may occur several months later. US Component auditor focused on this area since these arrangements are complex and determining appropriate accruals and adjustments requires significant judgement and estimation by management. This judgement is particularly complex in US healthcare environment which involves multi- layered product discounting due to competitive pricing pressure apart from regulatory requirements such as Medicaid. Considering the materiality of the amount involved and high estimation uncertainty requiring significant judgement as discussed above, this matter was determined to be a key audit matter for the current period audit.	• Tested credit notes issued, and payments made during the year under such schemes and arrangements, on a sample basis, from underlying supporting documents such as contracts, sales data and satisfaction of eligibility criteria as per terms of the scheme. • Tested subsequent settlements, payments and rebates given to customers under various schemes and arrangements to determine adequacy of the accruals made at year end. • Evaluated the historical accuracy of the Group's estimates of year-end accruals relating to such arrangements made in previous years. • Reviewed related contracts, and performed procedures to validate contractual terms and inventory levels of significant customers and wholesalers. • Identified and tested specific journal entries such as those manually posted directly to revenue, outside of expected hours, or by unexpected individuals and for large or unusual amounts. • Agreed a sample of revenue transactions to customers' cash deposits and withdrawals. • Performed test of details on a sample of revenue transactions recorded during the year, including specific periods before and after the year-end. For the samples selected, inspected supporting documents, including contracts and related amendments for revisions to performance obligations or price terms, and invoices. • Evaluated the adequacy and appropriateness of the disclosures made in the accompanying consolidated financial statements relating to such arrangements in accordance with the requirements of the accounting standards.
Recoverability of deferred tax assets [Refer note 7 of the consolidated financial statements] At the balance sheet date, deferred tax assets recognised for carried forward tax losses amounted to ₹ 5,602.44 million. Refer note 3.13 of Summary of significant accounting policies and other explanatory information and note 7 of the consolidated financial statements of the Group for the year ended 31 March 2021.	Our audit included, but was not limited to, the following: • Evaluated the design and tested the operating effectiveness of key controls implemented by the Group over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws as applicable to the respective entities in the Group. • Involved auditor's experts to assess the appropriateness of the deferred tax asset balance recognised in the consolidated balance sheet. • Read the component auditors reports with respect to the conclusion drawn by them in respect of the recoverability of deferred tax assets on carried forward tax losses recognised in the financial statement of the respective components.

Key audit matter	How our audit addressed the key audit matter
The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws, as applicable to the respective entities in the Group, involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits includes key assumptions such as future growth rates and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgemental, subjective and depend on the future market and economic conditions. Owing to the significance of the balances and complexities involved as described above, we have considered recoverability of such deferred tax assets recognised on carried forward tax losses as a key audit matter.	• Reconciled the future taxable profit projections to future business plans of the respective entities in the Group as approved by the Board of Directors of the respective entities. • Tested and challenged management's judgements relating to the forecasts of future taxable profit and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on historical data trends. • Tested the mathematical accuracy of the projections including sensitivity analysis performed by management and performed independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections. • Assessed if there are any restrictions in the local tax legislation impacting the utilization. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and other tax laws applicable to the respective entities in the Group, and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Re-computed the amount of deferred tax assets as appearing in the financial statements confirming the amounts of carried forward tax losses and unabsorbed depreciation. • Assessed the adequacy and appropriateness of the disclosures included in note 7 in respect of the deferred tax balances.
Inventory existence [Refer note 9 of the consolidated financial statements] As at 31 March 2021, the Group held inventories of ₹ 22,768.33 million. Inventories mainly consist of raw material, packing material, work in process, stores and spares, finished goods and stock in trade. Due to inherent nature of the business and its widespread reach geographically, inventories are maintained at a number of locations which include plants, loan licensing facilities and warehouses. Due to COVID-19 pandemic, several restrictions were imposed by the respective state governments across the country on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques, as further described in our audit procedures. As a result of the abovementioned complexities and due to the size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter.	Our audit included, but was not limited to, the following procedures: • Obtained an understanding of the management's process for inventory counts and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory. • Evaluated design and operating effectiveness of internal controls relating to purchases, sales and inventories. • Performed roll forward and alternate procedures, on sample basis, including, review of reconciliation statements prepared by the management for establishing the existence and condition of inventory as at the year end. • Inspected of supporting documentation on test check basis, relating to purchases, production, sales, results of cyclical counts performed by the management through the year, confirmations from third parties and such other evidence. • Tested that the differences, if any, noted in management's physical verification of inventory from book records were adequately adjusted in books of account.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is made available to us.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These consolidated financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of those companies, as the case may be, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate those companies or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Statement includes the audited financial statements / financial information in respect of 43 subsidiaries, whose financial statements / financial information, without giving effects to elimination of intra-group transactions reflect total assets of ₹ 251,034.30 million as at 31 March 2021, total revenue of ₹ 87,362.87 million, total net loss after tax of ₹ 3,753.89 million, total comprehensive income (loss) of ₹ 2,553.43 million and cash flows (net) of ₹ 1,003.90 million for the year ended 31 March 2021, as considered in the Statement which have been audited by the other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Further, of the above, 37 subsidiaries, located outside India, whose annual financial statements / financial information have been prepared in accordance with International Financial Reporting Standards / accounting principles generally accepted in their respective countries and which have been audited by other auditors under auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements / financial information of such subsidiaries from International Financial Reporting Standards / accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments if any made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the audit reports of other auditors and the conversion adjustments, if any made by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary in India and taken on record by the Board of Directors of the Holding Company and Board of Directors of subsidiary company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

2) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 31 to the consolidated financial statements;

   ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act during the year ended 31 March 2021.

3) As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, 1 subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN: 21105545AAAABN3800

Place: Mumbai
Date: 28 May 2021

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date)

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Glenmark Pharmaceuticals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Board of Directors for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN: 21105545AAAABN3800

Place: Mumbai
Date: 28 May 2021

CONSOLIDATED BALANCE SHEET

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

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,577.79	29,777.08
Capital work-in-progress	3	12,177.94	10,906.36
Goodwill	4	580.11	528.99
Intangible assets	5	21,130.59	19,979.48
Intangible assets under development	5	1,638.79	1,312.50
Financial assets	6		
i. Investments		246.25	245.91
ii. Other financial assets		641.61	655.79
Deferred tax assets (net)	7	15,346.68	14,557.05
Other non-current assets	8	1,100.22	848.75
Total non-current assets		**82,439.98**	**78,811.91**
Current assets			
Inventories	9	22,768.33	21,356.24
Financial assets	10		
i. Trade receivables		25,720.55	24,089.62
ii. Cash and cash equivalents		11,380.95	11,102.75
iii. Bank balances other than cash and cash equivalents		10.62	9.67
iv. Other financial assets		1,439.84	1,249.44
Other current assets	11	12,275.50	10,228.44
Total current assets		**73,595.79**	**68,036.16**
Total assets		**156,035.77**	**146,848.07**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 & 13	282.17	282.17
Other equity		70,364.10	60,422.88
Equity attributable to owners of Glenmark Pharmaceuticals Limited		**70,646.27**	**60,705.05**
Non-controlling interests		(3.54)	(3.92)
Total equity		**70,642.73**	**60,701.13**
LIABILITIES			
Non-current liabilities			
Financial liabilities	14		
i. Borrowings		38,888.16	40,429.94
ii. Other non-current financial liabilities		4,200.27	4,288.01
Other non-current liabilities	15	6.92	4.68
Deferred tax liabilities (net)		287.49	164.48
Total non-current liabilities		**43,382.84**	**44,887.11**
Current liabilities			
Financial liabilities	16		
i. Borrowings		5,130.15	4,425.97
ii. Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises		667.81	849.48
- Total outstanding dues of other than Micro enterprises and Small enterprises		21,709.87	20,408.95
iii. Other current financial liabilities		7,330.33	8,583.66
Other current liabilities	17	1,527.50	1,432.65
Provisions	18	5,143.34	5,151.99
Current tax liabilities (net)		501.20	407.13
Total current liabilities		**42,010.20**	**41,259.83**
Total liabilities		**85,393.04**	**86,146.94**
Total equity and liabilities		**156,035.77**	**146,848.07**

See accompanying notes to the consolidated financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	19	109,439.29	106,409.69
Other income	20	502.16	1,596.02
Total income		**109,941.45**	**108,005.71**
Expenses			
Cost of materials consumed	21	31,378.05	25,414.74
Purchases of stock-in-trade	22	7,502.69	10,290.83
Changes in inventories of work-in-process, stock-in-trade and finished goods	23	(1,892.54)	1,280.82
Employee benefit expense	24	23,437.07	22,547.76
Finance costs	25	3,531.13	3,773.18
Depreciation, amortisation and impairment expense	3 & 5	4,435.54	4,171.66
Other expenses	26	28,170.21	29,894.72
Total expenses		**96,562.15**	**97,373.71**
Profit before exceptional items and tax		**13,379.30**	**10,632.00**
Exceptional items - expense / (income)	41	(445.45)	(328.76)
Profit before tax		**13,824.75**	**10,960.76**
Tax expense	7		
Current tax		4,981.40	3,961.27
Deferred tax		(857.53)	(760.21)
Total Tax expense		**4,123.87**	**3,201.06**
Profit for the year		**9,700.88**	**7,759.70**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation		51.79	52.52
- Income tax relating to the above		(7.47)	15.08
Items that will be reclassified to profit or loss			
- Exchange differences on translating foreign operations		719.81	(2,248.33)
- Income tax relating to the above		102.68	(276.42)
Other comprehensive income/(loss) for the year		**866.81**	**(2,457.15)**
Total comprehensive income for the year		**10,567.69**	**5,302.55**
Total comprehensive income attributable to:			
Non-controlling interest		0.50	0.03
Equity shareholders of Glenmark Pharmaceuticals Limited		10,567.19	5,302.52
Earnings per equity share of ₹ 1 each	30		
Basic (in ₹)		34.38	27.50
Diluted (in ₹)		34.38	27.50

See accompanying notes to the consolidated financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

CONSOLIDATED 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	**282.17**
- Shares issued during the year	-
Balance as at 31 March 2020	**282.17**
- Shares issued during the year	-
Balance as at 31 March 2021	**282.17**

Refer notes 12 and 13 for details on equity share capital

B Other equity

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of Glenmark Pharmaceuticals Limited	Non Controlling interest	Total Shareholders' equity
	Securities premium reserve	Capital reserve	General Reserve	Capital redemption reserve	Stock compensation reserve	Retained earnings	Currency Translation reserve			
Balance as at 1 April 2020	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**136.99**	**63,296.78**	**(21,520.62)**	**60,422.88**	**(3.92)**	**60,418.96**
Dividends to equity shareholders	-	-	-	-	-	(705.42)	-	(705.42)	-	(705.42)
Employee share based compensation expense (refer note 13(VI))	-	-	-	-	79.33	-	-	79.33	-	79.33
Transaction with non controlling interest	-	-	-	-	-	0.12	-	0.12	(0.12)	-
Transactions with owners	**-**	**-**	**-**	**-**	**79.33**	**(705.30)**	**-**	**(625.97)**	**(0.12)**	**(626.09)**
Net income for the year	-	-	-		-	9,700.38	-	9,700.38	0.50	9,700.88
Other Comprehensive Income:										
Exchange difference on translation of foreign operations (net of tax)	-	-	-	-	-	-	822.49	822.49	-	822.49
Remeasurement of the net defined benefit plans (net of tax) (refer note 27)	-	-	-	-	-	44.32	-	44.32	-	44.32
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**9,744.70**	**822.49**	**10,567.19**	**0.50**	**10,567.69**
Balance as at 31 March 2021	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**216.32**	**72,336.18**	**(20,698.13)**	**70,364.10**	**(3.54)**	**70,360.56**

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

Particulars	Reserves and surplus						Other comprehensive income	Total attributable to owners of Glenmark Pharmaceuticals Limited	Non Controlling interest	Total Shareholders' equity
	Securities premium reserve	Capital reserve	General Reserve	Capital redemption reserve	Stock compensation reserve	Retained earnings	Currency Translation reserve			
Balance as at 1 April 2019	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**106.15**	**56,149.67**	**(18,995.87)**	**55,769.67**	**(3.77)**	**55,765.90**
Dividends to equity shareholders (including dividend distribution tax)	-	-	-	-	-	(680.34)	-	(680.34)	-	(680.34)
Employee share based compensation expense (refer note 13(VI))	-	-	-	-	30.84	-	-	30.84	-	30.84
Transaction with non controlling interest	-	-	-	-	-	0.18	-	0.18	(0.18)	-
Transactions with owners	**-**	**-**	**-**	**-**	**30.84**	**(680.16)**	**-**	**(649.32)**	**(0.18)**	**(649.50)**
Net income for the year	-	-	-	-	-	7,759.67	-	7,759.67	0.03	7,759.70
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	-	(2,524.75)	(2,524.75)	-	(2,524.75)
Remeasurement of the net defined benefit plans (net of tax) (refer note 27)	-	-	-	-	-	67.60	-	67.60	-	67.60
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**7,827.27**	**(2,524.75)**	**5,302.52**	**0.03**	**5,302.55**
Balance as at 31 March 2020	**16,853.60**	**1.00**	**1,455.13**	**200.00**	**136.99**	**63,296.78**	**(21,520.62)**	**60,422.88**	**(3.92)**	**60,418.96**

See accompanying notes to the consolidated financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash inflow/(outflow) from operating activities**		
	Profit before tax	13,824.75	10,960.76
	Adjustments to reconcile profit before tax to net cash provided by operating activities:		
	Depreciation, impairment and amortisation expense	4,435.54	4,171.66
	Finance costs	3,531.13	3,773.18
	Interest income	(26.47)	(46.76)
	Dividend income	(3.50)	(7.00)
	(Profit)/ loss on sale of property, plant and equipments	(3.54)	11.73
	Fair valuation of Investment	(0.34)	-
	Employee benefit obligation	409.95	421.43
	Provision for doubtful debts / expected credit losses	113.69	178.33
	Employee share based compensation expense	79.37	30.84
	Provision for sales returns	32.39	-
	Exceptional item - expense/ (income) (Refer note 41)	(445.45)	(328.76)
	Unrealised foreign exchange (gain)/ loss	(1,674.59)	(1,842.37)
	Operating profit before working capital changes	**20,272.93**	**17,323.04**
	Changes in operating assets and liabilities		
	- (Increase)/ Decrease in trade receivables	(1,179.03)	(2,926.79)
	- (Increase)/ Decrease in inventories	(1,338.08)	972.56
	- (Increase)/ Decrease in other assets	(2,945.97)	1,697.51
	- Increase/ (Decrease) in trade payable and other liabilities	1,604.70	1,527.36
	Net changes in operating assets and liabilities	**(3,858.38)**	**1,270.64**
	Income taxes paid	(5,102.42)	(4,669.55)
	Net cash generated from operating activities	**11,312.13**	**13,924.13**
(B)	**Cash inflow/(outflow) from investing activities**		
	Restricted cash	(29.08)	(171.57)
	Interest received	26.47	43.27
	Dividend received	3.50	7.00
	(Increase)/ Decrease in non current asset	-	(10.45)
	Proceed from sale of shares/ Investment (made in) shares	-	50.00
	Payments for Purchase of Property,plant and equipment and Intangible assets (including Capital work in progress)	(7,747.58)	(9,313.73)
	Proceeds from sale of property, plant and equipment, Intangible assets and brands, business	994.33	1,560.31
	Net cash used in investing activities	**(6,752.36)**	**(7,835.17)**
(C)	**Cash inflow/ (outflow) from financing activities**		
	Proceeds from long-term borrowings	16,442.89	7,219.56
	Repayments of long-term borrowings	(17,108.93)	(8,375.63)
	Proceeds from /(repayment) of short-term borrowings (net)	855.71	1,231.08
	Interest paid	(2,936.22)	(3,014.54)
	Payment of lease liability (with interest)	(966.77)	(821.56)
	Dividend paid (including tax on dividend in previous year)	(704.47)	(685.54)
	Net cash used in financing activities	**(4,417.79)**	**(4,446.63)**
	Effect of exchange rate changes on cash and cash equivalents	136.22	97.64
	Net increase/(decrease) in cash and cash equivalents	**278.20**	**1,739.97**
	Cash and cash equivalents at the beginning of the year	**11,102.75**	**9,362.78**

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

		Year ended 31 March 2021	Year ended 31 March 2020
	Cash and cash equivalents at the end of the year (refer note - 10(ii))	**11,380.95**	**11,102.75**
	Cash and cash equivalents comprise of :		
	Cash on hand	16.12	16.59
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	11,364.83	11,086.16
		11,380.95	**11,102.75**

Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.

2 Figures in bracket indicate cash outflow.

3 Reconciliation of Financing Activities

Particulars	As at 31 March 2020	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference/ translation	As at 31 March 2021
Long term borrowings *	44,260.37	16,442.89	(17,108.93)	424.65	(2,274.85)	41,744.13
Short term borrowings	4,425.97	855.71	-	-	(151.53)	5,130.15

Particulars	As at 31 March 2019	Borrowings made during the year	Amount buy back / repaid during the year	FCCB premium and Issue cost	Exchange difference/ translation	As at 31 March 2020
Long term borrowings *	41,456.44	7,219.56	(8,375.63)	806.11	3,153.89	44,260.37
Short term borrowings	3,030.24	1,231.08	-	-	164.65	4,425.97

*Refer note 14(i) for current / non current classification

See accompanying notes to the consolidated financial statements.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

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V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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

Note 1 – Background information and summary of Significant Accounting Policies

1. Group Information

Glenmark Pharmaceuticals Limited (the "Company") and its subsidiaries (together referred to as "the Group") are primarily engaged in the business of development, manufacture and marketing of pharmaceutical products both formulation and active pharmaceuticals ingredient to regulated and semi regulated markets. The Group has a significant presence in branded generics markets across emerging economies including India and also has a fast growing generics business in the United States and Europe. The Group is actively involved in the discovery of new molecules both NCEs (new chemical entities) and NBEs (new biological entities).

The Group's research and development facilities are located at Mahape, Sinnar, Turbhe and Taloja in India, and at La Chaux-de-fonds, Neuchatel and Biopole, Lausanne in Switzerland. The manufacturing facilities of the Group in India are located at Nasik, Colvale, Baddi, Nalagarh, Ankleshwar, Mohol, Kurkumbh, Sikkim, Indore, Dahej and Aurangabad. Overseas manufacturing facilities are located in Czech Republic, Argentina, La Chaux-de-fonds in Switzerland and Monroe (USA).

Glenmark Pharmaceuticals Limited is the Group's ultimate parent company and is a public limited company incorporated in Mumbai, India. The registered office of the Company is at B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400026, India.

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

2. Basis of Preparation and Measurement

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The preparation of consolidated financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 4.

These consolidated financial statements are prepared under the historical cost convention, except for certain financial assets and liabilities, defined benefit plans - assets/ (liabilities) and share-based payments.

These consolidated financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. Amounts in figures presented have been rounded to INR million unless otherwise stated.

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

3. Summary of Significant Accounting Policies

The significant accounting policies that are used in the preparation of these consolidated financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

3.1. Fair value measurement

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

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

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

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

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

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

3.2. Basis of Consolidation

These consolidated financial statements include financial statements of the Company and all of its subsidiaries drawn up to the dates specified in Note 2. Subsidiaries are all entities over which the Company has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group acquires control until the date the control ceases.

The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statements immediately preceding the date of acquisition in subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

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

Non-controlling interests represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the shareholders of the Company.

3.3. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless

of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit and loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

3.4. Foreign currency transactions and foreign operations

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated statement of profit and loss in the period in which they arise.

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are

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

translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year, resulting foreign currency differences are recognized in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

3.5. Revenue recognition

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

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

Revenue from sale of goods is recognised when control of the goods is transferred to the customer, there are no unfulfilled obligations, the amount of revenue can be reliably measured, and it is probable that future economic benefits associated with the transaction will flow to the Group. The point at which control get transferred is determined by each customer arrangement but generally occurs on delivery to the customer.

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

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

Group enters into development and marketing collaborations and out-licences of the Group's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties. Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached.

Sales-based royalties on a licence of intellectual property are not recognised until the relevant product sale occurs. If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates.

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

3.6. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price (after deducting trade discount/rebate) / cost of construction, non-refundable duties and taxes, borrowing costs, other expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total

cost and different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

Depreciation

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

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

The estimated useful lives are as follows:

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

Leasehold land is amortised over the period of respective leases.

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

3.7. Borrowing Costs

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

3.8. Intangible Assets

Goodwill

Goodwill arises upon the acquisition of subsidiaries. Goodwill represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Acquisitions prior to the Group's date of transition to Ind AS :

As part of its transition to Ind AS, the Group elected to restate only those business combinations that occurred on or after 1 April 2015. In respect of acquisitions prior to 1 April 2015, goodwill represents the amount recognised under previous GAAP.

Research and development

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if development

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

costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Group, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the consolidated statement of profit and loss as incurred.

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

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

The Group monetise the molecules under development, as active market exists at each stage / phase wise molecule development, either through out licencing arrangement or subsequent product launches. Accordingly the molecule under development which meets criteria under Ind AS 38 Intangible Assets; para 57 are classified as intangible assets.

De-recognition of intangible assets

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

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

Other intangible assets

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

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

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

Amortisation

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

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

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

3.9. Impairment of non-financial assets

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

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the consolidated statement of profit and loss.

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

3.10. Investments and financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

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

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

Measurement

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

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

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

Measurement of debt instruments

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

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

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

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

Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the consolidated statement of profit and loss as other income when the Group's right to receive payments is established.

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

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Interest income from financial assets

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

3.11. Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Group present the hybrid contract in consolidated balance sheet as a single contractual arrangement. The embedded derivative component is classified as at FVTPL for measurement purposes; the host contract, as a financial liability is measured at amortised cost using the effective interest method.

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

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

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

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

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

3.12. Inventories

Inventories of finished goods, stock in trade, work in process, consumable stores and spares, raw material, packing material are valued at cost or net realisable value, whichever is lower. Cost of inventories is determined on a weighted moving average basis. Cost of materials comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. 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

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and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

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

3.13. Accounting for Income Taxes

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

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

Deferred tax is not recognised for the following temporary differences:

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

In addition, deferred tax is not recognised for taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

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

3.14. Leases

The Group has applied Ind AS 116 using the modified retrospective approach.

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

restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. (Refer Note 32)

Short-term leases and leases of low-value assets

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

Land acquired on long term leases

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

3.15. Equity

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

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

Foreign currency translation differences are included in the currency translation reserve.

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

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

3.16. Employee Benefits

Short-term benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Defined benefit costs are recognised as follows:

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

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

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

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

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

Compensated leave of absence

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

Termination benefits

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

3.17. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Contingent assets are not recognised.

3.18. Share based Compensation

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

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

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

3.19. Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number

of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares out standing during the period is adjusted for the effects of all dilutive potential equity shares.

3.20. Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

4. Critical accounting estimates and significant judgement in applying accounting policies

Estimation Uncertainty

The preparation of these financial statements in conformity with Ind AS 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.

Revenue

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims sometime after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Group.

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.

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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.

Leases

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

Critical judgements are required when an entity is,

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

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate
- estimating the lease term

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The useful lives are specified in notes 3.6 and 3.8.

Post-employment benefits

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in note 27.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial instruments (note 34). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment

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

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. Refer note 4 and 5 for impairment testing assumptions for intangibles and goodwill.

Current 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.

Deferred tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilise without a time limit, that deferred tax asset is usually recognised in full.

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

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.

Expected credit loss

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

i Trade receivables.

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

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

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

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

5. Recent accounting pronouncements (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.There is no such notification which would have been applicable from 1 April 2021. MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable for the financial year beginning 1 April 2021.

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

Note 2 - Basis of Consolidation

The subsidiaries which consolidate under Glenmark Pharmaceuticals Limited ('GPL') comprise the entities listed below:

Name of the Entity	Year End Date	Country of Incorporation	Holding Company as of	Effective Group Shareholding (%) as on	
			31 March 2021	31 March 2021	31 March 2020
Glenmark Pharmaceuticals (Europe) R&D Ltd.	31 March	United Kingdom	GHSA	100%	100%
Glenmark Pharmaceuticals Europe Ltd.	31 March	United Kingdom	GPL	100%	100%
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March	Czech Republic	GHSA	100%	100%
Glenmark Pharmaceuticals SK, S.R.O.	31 March	Slovak Republic	GP S.R.O.	100%	100%
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.) (GPSA)	31 March	Switzerland	ISI USA	100%	100%
Glenmark Holding S. A.,(GHSA)	31 March	Switzerland	GPL	100%	100%
Glenmark Pharmaceuticals S.R.L (liquidated with effect from 30 July 2020)	up to the date of liquidation	Romania	GHSA	100%	100%
Glenmark Pharmaceuticals SP z.o.o.	31 March	Poland	GHSA	100%	100%
Glenmark Pharmaceuticals Inc.	31 March	USA	GHSA	100%	100%
Glenmark Therapeutics Inc.	31 March	USA	GHSA	100%	100%
Glenmark Farmaceutica Ltda (GFL)	31 March	Brazil	GHSA	100%	100%
Glenmark Generics SA	31 March	Argentina	GHSA	100%	100%
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March	Mexico	GPL	100%	100%
Glenmark Pharmaceuticals Peru SAC	31 March	Peru	GPL	100%	100%
Glenmark Pharmaceuticals Colombia SAS.	31 March	Colombia	GPL	100%	100%
Glenmark Uruguay S.A. (GU S.A.)	31 March	Uruguay	GPL	100%	100%
Glenmark Pharmaceuticals Venezuela, C.A	31 March	Venezuela	GPL	100%	100%
Glenmark Dominicana SRL	31 March	Dominican Republic	GPL	100%	100%
Glenmark Pharmaceuticals Egypt S.A.E.	31 March	Egypt	GPL	100%	100%
Glenmark Pharmaceuticals FZE	31 March	United Arab Emirates	GPL	100%	100%
Glenmark Impex L.L.C	31 March	Russia	GPL	100%	100%
Glenmark Philippines Inc.	31 March	Philippines	GPL	100%	100%
Glenmark Pharmaceuticals (Nigeria) Ltd	31 March	Nigeria	GPL	100%	100%
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March	Malaysia	GPL	100%	100%
Glenmark Pharmaceuticals (Australia) Pty Ltd,	31 March	Australia	GPL	100%	100%
Glenmark South Africa (pty) Ltd (GSAPL)	31 March	South Africa	GPL	100%	100%
Glenmark Pharmaceuticals South Africa (pty) Ltd	31 March	South Africa	GSAPL	100%	100%
Glenmark Pharmaceuticals (Thailand) Co. Ltd	31 March	Thailand	GPL	49%	49%
Glenmark Pharmaceuticals B.V.	31 March	Netherland	GHSA	100%	100%
Glenmark Arzneimittel Gmbh	31 March	Germany	GHSA	100%	100%
Glenmark Pharmaceuticals Canada Inc.	31 March	Canada	GHSA	100%	100%
Glenmark Pharmaceuticals Kenya Ltd	31 March	Kenya	GPL	100%	100%
Glenmark Therapeutics AG (liquidated with effect from 2 December 2019)	up to the date of liquidation	Switzerland	GPL	-	-
Viso Farmaceutica S.L.U.	31 March	Spain	GHSA	100%	100%
Glenmark Specialty SA	31 March	Switzerland	GHSA	100%	100%
Glenmark Pharmaceuticals Distribution S.R.O.	31 March	Czech Republic	GHSA	100%	100%
Glenmark Pharmaceuticals Nordic AB	31 March	Sweden	GHSA	100%	100%
Glenmark Ukraine LLC	31 March	Ukraine	GHSA	100%	100%
Glenmark Pharmaceuticals Ecuador S.A.	31 March	Ecuador	GPL	100%	100%
Glenmark Pharmaceuticals Singapore Pte. Ltd.	31 March	Singapore	GPL	100%	100%
Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA)	31 March	Switzerland	ISI USA	100%	100%
Glenmark Life Sciences Limited	31 March	India	GPL	100%	100%
Ichnos Sciences Inc., USA (w.e.f. 31 May, 2019) (ISI USA)	31 March	USA	GHSA	100%	100%
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda. (liquidated with effect from 23 December 2020)	up to the date of liquidation	Brazil	GFL	-	100%

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

Note 3- Property, Plant and Equipment

Note 3.1 - Property, plant and equipment other than right-of-use asset comprise the following:

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant & Equipment	Furniture and fixture	Office Equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2020	**126.44**	**448.84**	**10,655.62**	**1,845.02**	**21,029.97**	**2,053.13**	**3,434.76**	**220.12**	**39,813.90**	**10,906.36**
- Other acquisitions	-	7.18	513.30	96.95	1,613.18	39.01	259.03	12.22	2,540.87	3,306.36
- Disposals/Transfers	-	-	(7.00)	-	(132.09)	(11.58)	(21.24)	(48.12)	(220.03)	(1,827.57)
- Translation adjustment	(1.15)	-	(8.48)	(41.98)	(38.19)	(5.53)	(47.50)	(5.02)	(147.85)	(207.21)
Balance as at 31 March 2021	**125.29**	**456.02**	**11,153.44**	**1,899.99**	**22,472.87**	**2,075.03**	**3,625.05**	**179.20**	**41,986.89**	**12,177.94**
Accumulated Depreciation										
Balance as at 1 April 2020	**-**	**73.70**	**1,548.83**	**862.48**	**7,151.13**	**1,081.14**	**2,123.04**	**151.05**	**12,991.37**	**-**
- Depreciation charge for the year	-	7.52	300.62	91.08	1,445.05	124.06	295.81	23.18	2,287.32	-
- Disposals/Transfers	-	-	(1.61)	0.00	(100.37)	(9.42)	(20.07)	(40.14)	(171.61)	-
- Translation adjustment	-	-	1.29	(21.36)	(1.70)	4.38	(27.21)	(1.59)	(46.19)	-
Balance as at 31 March 2021	**-**	**81.22**	**1,849.13**	**932.20**	**8,494.11**	**1,200.16**	**2,371.57**	**132.50**	**15,060.89**	**-**
Carrying value										
As at 1 April 2020	126.44	375.14	9,106.79	982.54	13,878.84	971.99	1,311.72	69.07	26,822.53	10,906.36
As at 31 March 2021	**125.29**	**374.80**	**9,304.31**	**967.79**	**13,978.76**	**874.87**	**1,253.48**	**46.70**	**26,926.00**	**12,177.94**

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant & Equipment	Furniture and fixture	Office Equipment	Vehicles	Total	Capital work-in-progress
Cost										
Balance as at 1 April 2019	**121.16**	**405.25**	**8,670.31**	**1,711.00**	**16,868.00**	**1,476.38**	**2,376.98**	**332.21**	**31,961.29**	**12,343.68**
- Other acquisitions	-	43.59	1,839.18	107.86	4,039.81	559.13	930.00	8.35	7,527.92	1,404.29
- Disposals/Transfers	-	-	(22.05)	(3.51)	(42.59)	(8.97)	(37.15)	(47.37)	(161.64)	(3,424.86)
- Translation adjustment	5.28	-	168.18	29.67	164.75	26.59	164.93	(73.07)	486.33	583.25
Balance as at 31 March 2020	**126.44**	**448.84**	**10,655.62**	**1,845.02**	**21,029.97**	**2,053.13**	**3,434.76**	**220.12**	**39,813.90**	**10,906.36**
Accumulated Depreciation										
Balance as at 1 April 2019	-	66.56	1,329.55	732.05	5,958.18	978.44	1,764.48	153.91	10,983.17	-
- Depreciation charge for the year	-	7.14	205.35	89.53	1,177.58	110.88	287.38	44.34	1,922.20	-
- Disposals/Transfers	-	-	(2.32)	(3.51)	(30.02)	(8.30)	(30.22)	(42.67)	(117.04)	-
- Translation adjustment	-	-	16.25	44.41	45.39	0.12	101.40	(4.53)	203.04	-
Balance as at 31 March 2020	**-**	**73.70**	**1,548.83**	**862.48**	**7,151.13**	**1,081.14**	**2,123.04**	**151.05**	**12,991.37**	**-**
Carrying value										
As at 1 April 2019	121.16	338.69	7,340.76	978.95	10,909.82	497.94	612.50	178.30	20,978.12	12,343.68
As at 31 March 2020	**126.44**	**375.14**	**9,106.79**	**982.54**	**13,878.84**	**971.99**	**1,311.72**	**69.07**	**26,822.53**	**10,906.36**

Notes :

- The Group's property, plant and equipment at certain locations have been pledged as security for short term borrowings disclosed under Note 16 (i).

- Additions include borrowing costs capitalised of ₹ 150.00 (2020 - ₹ 162.43). The borrowing costs have been capitalised at a weighted average rate of 4.26% (2020 - 5.11%).

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

Note 3.2 - Right-of-Use Asset

The Group has entered into an lease arrangement for office premises, furniture and vehicles in the ordinary course of business. Such leases are generally for a period of 2 to 12 years, with option of renewal on a periodic basis by mutual consent of both parties. Most of the operating leases provide for a percentage increase in rent, at the end of the original lease terms, for future renewed periods. These leasing arrangements are cancellable by the lessor/lessee with 1 to 3 months' notice except in case of certain leases where there is a lock in period/ non-cancellable period of 4 to 5 years. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Particulars	Other Building	Office Equipment	Vehicles	Total
Cost				
Balance as at 1 April 2020	**3,592.04**	**0.27**	**177.50**	**3,769.81**
- Adjustment on transition to Ind AS 116	-	-	-	-
- Additions	439.53	1.44	105.09	546.06
- Disposals/Transfers	(9.83)	-	(93.23)	(103.06)
- Translation adjustment	(35.30)	0.01	90.16	54.87
Balance as at 31 March 2021	**3,986.44**	**1.72**	**279.52**	**4,267.68**
Accumulated Depreciation				
Balance as at 1 April 2020	738.10	0.07	77.09	815.26
- Depreciation charge for the year	780.74	0.38	94.03	875.15
- Disposals/Transfers	(9.36)	-	(88.49)	(97.85)
- Translation adjustment	(9.31)	-	32.64	23.33
Balance as at 31 March 2021	**1,500.17**	**0.45**	**115.27**	**1,615.89**
Carrying value				
As at 1 April 2020	**2,853.94**	**0.20**	**100.41**	**2,954.55**
As at 31 March 2021	**2,486.27**	**1.27**	**164.25**	**2,651.79**

Particulars	Other Building	Office Equipment	Vehicles	Total
Cost				
Balance as at 1 April 2019	**-**	**-**	**-**	**-**
- Adjustment on transition to Ind AS 116	3,159.02	-	129.10	3,288.12
- Additions	373.51	0.27	55.18	428.96
- Disposals/Transfers	(0.65)	-	(7.16)	(7.81)
- Translation adjustment	60.16	-	0.38	60.54
Balance as at 31 March 2020	**3,592.04**	**0.27**	**177.50**	**3,769.81**
Accumulated Depreciation				
Balance as at 1 April 2019	-	-	-	-
- Depreciation charge for the year	704.04	0.07	83.86	787.97
- Disposals/Transfers	-	-	(7.16)	(7.16)
- Translation adjustment	34.06	-	0.39	34.45
Balance as at 31 March 2020	**738.10**	**0.07**	**77.09**	**815.26**
Carrying value				
As at 1 April 2019	**-**	**-**	**-**	**-**
As at 31 March 2020	**2,853.94**	**0.20**	**100.41**	**2,954.55**

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

Note 4- Goodwill

The net carrying amount of goodwill can be analysed as follows:

Particulars	31 March 2021	31 March 2020
Opening balance	528.99	547.35
Effect of translation adjustments	51.12	(18.36)
Closing balance	580.11	528.99

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the cash generating unit (CGU) expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows

Particulars	As at 31 March 2021	As at 31 March 2020
Europe	560.33	508.70
ROW	19.78	20.29
Goodwill	580.11	528.99

At the year end, the goodwill was tested for impairment based on conditions at that date.

The recoverable amount of each CGU was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each CGU is determined by applying a suitable discount rate, reflective of underlying markets.

Particulars	Long term growth Rates		Discount Rates	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Europe & ROW	2 - 3.5%	2 - 3.5%	8.00-13.00%	8.00-13.00%

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates for the foreseeable future.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each CGU.

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. The estimates of recoverable amount are particularly sensitive to the discount rate. However, change in the discount rate up to 1% would have no impact on the impairment testing.

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

Note 5 - Intangible Assets

Intangible assets comprise of :

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2020	**2,647.63**	**35,937.98**	**38,585.61**	**1,312.50**
- Additions	402.56	2,969.47	3,372.03	498.51
- Disposals/transfers	(2.14)	(951.19)	(953.33)	(205.65)
- Translation adjustment	(10.86)	(512.36)	(523.22)	33.43
Balance as at 31 March 2021	**3,037.19**	**37,443.90**	**40,481.09**	**1,638.79**
Amortisation and impairment				
Balance as at 1 April 2020	1,667.40	16,938.73	18,606.13	-
- for the year	432.81	840.26	1,273.07	-
- on disposals/transfers	(1.83)	(398.35)	(400.18)	-
- Translation adjustment	(5.92)	(122.60)	(128.52)	-
Balance as at 31 March 2021	**2,092.46**	**17,258.04**	**19,350.50**	**-**
Carrying value				
As at 1 April 2020	980.23	18,999.25	19,979.48	1,312.50
As at 31 March 2021	**944.73**	**20,185.86**	**21,130.59**	**1,638.79**

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	**2,144.31**	**30,619.73**	**32,764.04**	**1,645.70**
- Additions	516.87	4,054.76	4,571.63	552.98
- Disposals/transfers	(70.49)	(912.64)	(983.13)	(916.99)
- Translation adjustment	56.94	2,176.13	2,233.07	30.81
Balance as at 31 March 2020	**2,647.63**	**35,937.98**	**38,585.61**	**1,312.50**
Amortisation and impairment				
Balance as at 1 April 2019	**1,370.40**	**16,216.57**	**17,586.97**	**-**
- for the year	335.50	1,125.99	1,461.49	-
- on disposals/transfers	(65.67)	(810.27)	(875.94)	-
- Translation adjustment	27.17	406.44	433.61	-
Balance as at 31 March 2020	**1,667.40**	**16,938.73**	**18,606.13**	**-**
Carrying value				
As at 1 April 2019	773.91	14,403.16	15,177.07	1,645.70
As at 31 March 2020	**980.23**	**18,999.25**	**19,979.48**	**1,312.50**

At the year end, the intangibles being product developments/brands with indefinite or indeterminable lives were tested for impairment based on conditions at that date. In performing the impairment testing management considers various factors inter-alia, the size and nature of the target market, competition, and probability of out-licensing arrangements.

The recoverable amount of each assets/CGU was determined based on value-in-use calculations, covering a detailed cashflow forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each assets/ CGU is determined by applying a suitable discount rate.

Particulars	Long term growth Rates		Discount Rates	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
India, North America and Europe	2 - 3.5 %	2 %	8.00-14.50 %	10.00-12.00 %

Long term growth rates

The long term growth rates reflect the long-term average growth rates for the product lines and industry. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates in the foreseeable future.

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

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the assets/CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimates of recoverable amount are particularly sensitive to the discount rate. If the discount rate used is increased by 1%, it would have no impact on the impairment testing.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset/CGU.

Intangible assets with indefinite or indeterminable life are ₹ 15,013.99 (2020 - ₹ 14,469.13).

Note 6 - Non- Current Financial Assets

(i) Investments

The fair values of investments in equity and preference shares being carried at ₹ 195.57 (2020 - ₹ 195.57) cannot be reliably determined and therefore the Group is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

Particulars		As at 31 March 2021	As at 31 March 2020
Unquoted			
(i)	**Equity Shares**		
	289,832 (2020 - 289,832) Equity Shares of Narmada Clean Tech Ltd. of ₹10 each. **(FVTPL)**	2.90	2.90
	1 (2020 -- 1) Time Share of Dalmia Resorts Limited **(FVTPL)**	0.02	0.02
	15,000,000 (2020- 15,000,000) Equity Shares of Integrace Private Limited of ₹ 10 each **(FVOCI)**	150.00	150.00
(ii)	**Preference shares**		
	1,176,471(2020 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc of USD 0.85 each **(FVTPL)**	42.65	42.65
	500,000 (2020 - 500,000) 7% cumulative preference shares of ₹ 100 each fully paid up of Marksans Pharma Ltd **(at amortised cost)**	50.00	50.00
(iii)	**Investments in Government securities**		
	National Savings Certificate -Sixth Issue (at amortised cost)	0.02	0.02
	Total	**245.59**	**245.59**
Quoted			
(i)	**Equity Shares (FVTPL)**		
	9,000 (2020 -- 9,000) Bank of India of ₹10 each	0.61	0.30
	1,209 (2020 -- 1,209) IDBI Bank Limited of ₹10 each	0.05	0.02
	Total	**0.66**	**0.32**
	Total	**246.25**	**245.91**
	Aggregate carrying value of quoted investment	0.66	0.32
	Aggregate market value of quoted investment	0.66	0.32
	Aggregate carrying value of unquoted investment	245.59	245.59
	Aggregate amount of impairment in value of investment in unquoted equity shares	-	-

(ii) Other non-current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Security deposits considered good*	368.91	394.37
Bank deposit including margin money	272.70	261.42
Total	**641.61**	**655.79**

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

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

Note 7 - Taxes

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Current income tax expense	4,981.40	3,961.27
Deferred income tax expense / (benefit)	(601.87)	(731.83)
Minimum Alternate Tax (MAT) Credit (Entitlement)/ utilisation	(255.66)	(28.38)
Total	**4,123.87**	**3,201.06**

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') Issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, Indian companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The Ordinance has been subsequently been enacted as Taxation Laws (Amendment) Act, 2019. The Group made an assessment of the Impact and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and other exemptions. The Group has also re-measured its deferred tax liability following the clarification issued by Technical Implementation Group of Ind AS implementation Committee by applying the lower tax rate in measurement of deferred taxes only to extent that the deferred tax liabilities are expected to be reversed in the period during which it expects to be subject to lower tax rate.

Current income tax expenses include ₹ 102.68 recognised on account of foreign exchange movement of items designated as net investment in foreign operations which is recognised in other comprehensive income.

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Income tax expense at tax rates applicable to individual entities	**6,723.35**	**4,137.33**
Tax adjustment for tax-exempt income		
- Income exempt from tax	(3,054.64)	(2,209.02)
Other tax adjustments		
- Additional deduction for R & D Expenditure	-	(559.92)
- Unrecognised tax benefit on losses of subsidiaries (net)	1,116.60	2,514.59
- Disallowed expenses	394.24	278.61
- Other allowances / disallowances (net)	(1,055.68)	(960.53)
Actual tax expense (net)	**4,123.87**	**3,201.06**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	As at 31 March 2020	Recognised in the consolidated statement of profit and loss	Recognised in other comprehensive income	Effect of translation adjustment	As at 31 March 2021
Deferred income tax assets - Non current					
Provision for credit losses	364.48	21.61	-	4.16	390.25
Unused tax losses	5,321.22	429.36	-	(148.14)	5,602.44
MAT credit entitlement	9,473.40	252.59	-	0.56	9,726.55
Difference in right-of-use asset and lease liability	27.37	36.19	-	(0.27)	63.29
Depreciation and accruals deductible on actual payment	2,357.50	103.93	(7.47)	(2.15)	2,451.81
Total	**17,543.97**	**843.68**	**(7.47)**	**(145.84)**	**18,234.34**
Deferred income tax liabilities - Non current					
Other current assets	212.84	12.61	-	37.57	263.02
Difference in depreciation on property, plant and equipment	1,951.45	187.82	-	0.03	2,139.30
Other taxable temporary difference	987.11	(214.28)	-	-	772.83
Total	**3,151.40**	**(13.85)**	**-**	**37.60**	**3,175.15**
Net deferred income tax asset	**14,392.57**	**857.53**	**(7.47)**	**(183.44)**	**15,059.19**

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

Particulars	As at 31 March 2019	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Effect of translation adjustment	As at 31 March 2020
Deferred income tax assets - Non current					
Provision for credit losses	331.67	32.47	-	0.34	364.48
Unused tax losses	5,315.32	255.88	-	(249.98)	5,321.22
MAT credit entitlement	9,448.20	28.38	-	(3.18)	9,473.40
Lease assets	-	26.89	-	0.48	27.37
Depreciation and accruals deductible on actual payment	2,452.57	(121.09)	16.74	9.28	2,357.50
Total	**17,547.76**	**222.53**	**16.74**	**(243.06)**	**17,543.97**
Deferred income tax liabilities - Non current					
Other current assets	107.55	134.46	1.66	(30.83)	212.84
Difference in depreciation on property, plant and equipment	2,232.87	(281.42)	-	-	1,951.45
Other taxable temporary difference	1,377.83	(390.72)	-	-	987.11
Total	**3,718.25**	**(537.68)**	**1.66**	**(30.83)**	**3,151.40**
Net deferred income tax asset	**13,829.51**	**760.21**	**15.08**	**(212.23)**	**14,392.57**

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

Deferred income taxes are not provided on undistributed earnings of subsidiaries outside India, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. The Company indefinitely reinvests all the accumulated undistributed earnings of subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of its foreign subsidiaries. It is impracticable to determine the taxes payable when these earnings are remitted.

The unrecognised deferred tax for the year ended 31 March 2021 and 31 March 2020 is ₹ 1,163.66 and ₹ 2,202.18 respectively.

During the year ended 31 March 2021, the Group, based on probable future taxable profit, has recognized/(reversed) previously unrecognised/ recognised deferred tax assets of ₹ 96.09 in F.Y 2020-21 and ₹ 62.14 in F.Y. 2019-20.

Deferred tax assets on unused tax losses will expire within period of 2 -7 years, except in a certain jurisdiction where there is no time limit for its expiry.

Note 8 - Other Non-Current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	6.20	3.46
Capital advances	279.69	245.57
Advance tax (net of provision)	814.33	599.72
Total	**1,100.22**	**848.75**

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

Note 9 - Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	5,283.12	6,352.55
Packing materials	2,297.42	1,932.73
Work-in-process	4,394.49	3,608.95
Stores and spares	1,069.48	845.19
Finished goods	8,391.92	7,254.45
Stock-in-trade	1,331.90	1,362.37
Total	**22,768.33**	**21,356.24**

Refer note 16(i) for hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process.

Inventory write downs are accounted, considering the nature of inventory, ageing of inventory as well as provisioning policy of the Group. The Group recorded inventory write down (net) of ₹ 1,686.63 (2020 - ₹ 1,580.86). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-process and stock -in- trade in the consolidated statement of profit and loss, as the case may be.

Note 10 - Current Financial Assets

(i) Trade Receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	25,720.55	24,089.62
Doubtful	1,067.51	958.96
Allowance for doubtful debts / expected credit losses	(1,067.51)	(958.96)
Total	**25,720.55**	**24,089.62**

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 113.69 (2020 - ₹ 178.33) has been recorded. The movement in the expected credit losses can be reconciled as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	958.96	764.09
Amounts written off/ (written back) during the year	(5.14)	16.54
Provision for credit loss during the year (net)	113.69	178.33
Closing balance	**1,067.51**	**958.96**

(ii) Cash And Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	11,364.83	11,086.16
Cash on hand	16.12	16.59
Total	**11,380.95**	**11,102.75**

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

(iii) Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Other bank balance - Dividend accounts (Refer note 1 below)	10.62	9.67
Total	**10.62**	**9.67**

Note 1 - Dividend accounts represent balances maintained in specific bank accounts for payment of dividends. The use of these funds is restricted and can only be used to pay dividends. The corresponding liability for payment of dividends is included in short term financial liability.

(iv) Other Current Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits-unsecured, considered good (Refer note 1 below)	298.23	253.15
Export incentives	670.59	614.69
Bank deposit including margin money	93.40	81.87
Other receivables (unsecured)	377.62	299.73
Total	**1,439.84**	**1,249.44**

Note 1 - Security deposits represent rental and trade deposits given in the normal course of business realisable within twelve months from the reporting date.

Note 11 - Other Current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in kind (unsecured)	3,634.34	3,092.52
Input taxes receivable	3,748.70	3,661.59
Advance to vendors	2,694.66	1,990.84
Prepaid expenses	2,197.80	1,457.04
Advance tax (net of provision)	-	26.45
Total	**12,275.50**	**10,228.44**

Note 12 - Equity And Reserves

a) Ordinary shares

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

The Company has an authorised share capital of 2,370,000,000 equity shares of ₹ 1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits in accordance with the regulations. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. Dividends are taxable in the hands of the shareholders and tax is deducted by the Company at applicable rates.

The Company had declared dividend payout of ₹ 2.50/- per share (2020 - ₹ 2.50/- per share).

c) Reserves

Securities premium reserve – The amount received by the Company over and above the face value of shares issued is shown under this head. It is available for utilisation as per the provisions of the Companies Act, 2013.

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

Capital redemption reserve – The capital redemption reserve had been created as per the requirement of earlier provisions of Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

General reserve - The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Currency translation reserve - Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve account.

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

Stock compensation reserve - Stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in statement of profit and loss and is credited to the reserve. Upon exercise of options, such reserves are reclassified to equity share capital at the nominal capital value and excess through securities premium as the case may be.

Note 13 - Equity Share Capital

Share capital		As at 31 March 2021		As at 31 March 2020	
		No. of Shares	Amount	No. of Shares	Amount
(I)	**Authorised**				
	Equity Shares of ₹ 1 each	2,370,000,000	2,370.00	2,370,000,000	2,370.00
	Cumulative redeemable non-convertible preference shares of ₹ 100 each	4,000,000	400.00	4,000,000	400.00
	Issued, subscribed and fully paid-up equity shares of ₹ 1 each				
	At the beginning of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**
	Add: Issued during the year	-	-	-	-
	At the end of the year	**282,168,156**	**282.17**	**282,168,156**	**282.17**

(II)	List of shareholders holding more than 5 % shares	As at 31 March 2021		As at 31 March 2020	
		% of Holding	No. of Shares	% of Holding	No. of Shares
	Saldanha Family Trust	45.45	128,241,936	45.45	128,241,936

(III) As at 31 March 2021, Pursuant to Employee Stock Options Scheme 2016, 404,247 options were outstanding, which upon exercise are convertible into equivalent number of equity shares.

(IV) Right, Preference and restriction on shares

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

(V) In the period of five years immediately preceding 31 March 2021, the Company has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

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

(VI) Employee Stock Option Scheme, 2003 and 2016 (ESOS)

The Company has formulated an Employee Stock Option Scheme 2016 ('ESOS') namely ESOS 2016 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 6 years from the date of grant depending on the terms of the grant. The grants are made at the market price of the equity shares of the Company on either the date of the grant or the closing price of the date prior to the day of the grant or the price decided by the Nomination & Remuneration Committee of the Board. Pursuant to ESOS 2016, 404,247 options were outstanding as at 31 March 2021, which upon exercise are convertible into equivalent number of equity shares. Employee stock compensation charged during the year is ₹ 18.53 (2020 -₹ 30.84).

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

Particulars	2020-2021		2019-2020	
	Number	weighted average price (₹)	Number	weighted average price (₹)
Outstanding at the beginning of the year	445,913	364.32	459,414	387.34
Granted during the year	-	-	20,000	28.55
Forfeited during the year	(41,666)	130.23	(33,501)	479.48
Exercised during the year *	-	-	-	-
Outstanding at the end of the year	404,247	388.45	445,913	364.32

All of the above options outstanding as of 31 March 2021 are unvested.

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

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

Particulars	31 March 2021	31 March 2020
Share price (₹)	600	600
Exercise price (₹)	600	600
Weighted average volatility rate	49%	50%
Dividend payout	250%	200%
Risk free rate	6.45%	6.45%
Average remaining life	1-28 months	1-40 months

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

Ichnos Sciences Inc. - 2020 OMNIBUS INCENTIVE COMPENSATION PLAN

Ichnos Sciences Inc. (Ichnos) has formulated an 2020 OMNIBUS INCENTIVE COMPENSATION PLAN namely Ichnos ESOP 2020 under which it has made grants on various dates from time to time. Each grant has a vesting period which varies from 1 - 7 years from the date of grant depending on the terms of the grant. The grants are made at the fair value of the equity shares of the Ichnos on the date of the grant. Pursuant to Ichnos ESOP 2020 plan, 1,825,002 options were outstanding as at 31 March 2021, which upon exercise are convertible into equivalent number of equity shares. Employee stock compensation charged during the year is USD 830,835 and ₹ 60.80 (2020 -₹ Nil).

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

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

Particulars	2020-2021		2019-2020	
	Number	weighted average price USD	Number	weighted average price USD
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,825,002	1.35	-	-
Forfeited during the year	-	-	-	-
Exercised during the year *	-	-	-	-
Outstanding at the end of the year	1,825,002	1.35	-	-

Of the above options outstanding as of 31 March 2021 502,085 are vested and balance of 1,322,917 are unvested

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

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

Particulars	31 March 2021	31 March 2020
Share price (USD)	1.35	-
Exercise price (USD)	1.35	-
Weighted average volatility rate	75.95% to 76.35%	-
Dividend payout	0%	-
Risk free rate	0.31 to 0.38%	-
Average remaining life	65 to 73 months	-

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

Note 14- Non-Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loans		
Foreign currency convertible bonds (FCCB)	10,173.04	9,644.58
Senior notes	-	14,878.82
External commercial borrowings (ECB) facility	6,651.11	6,788.26
Syndicated ECB facility	14,301.63	-
Term loans from banks	10,618.35	12,948.71
Total	**41,744.13**	**44,260.37**
Less: Current portion of long term borrowings	(2,855.97)	(3,830.43)
	38,888.16	**40,429.94**

U.S. $ 200,000,000, 2.00 % Resettable Onward starting equity-linked securities (Bonds):

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

On 30 November 2017, the Company set the initial conversion price (i.e. the price at which the ordinary shares of the Company will be issued upon conversion of Bonds subject to any further adjustments according to conditions) at ₹861.84 as determined in accordance with condition 6.1.3 of the Trust deed. As of 31 March 2021, none of the Bondholders have opted for the conversion option.

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

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

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

The Bonds are listed on the Singapore stock exchange.

The FCC Bonds were partially bought back in October 2018. In addition to that, the Company approved for tender and consent solicitation for amendment of FCC Bonds in February, 2021 (see note below on Tender Offer and Consent Solicitation).

As per the original Trust Deed, each Bondholder has the right to require the Company to redeem in whole or in part, such Bondholder's Bonds, on 28 July 2021 (Put Option Date), at a price equal to 121.78% of its outstanding principal amount of Bonds, together with interest (if any) accrued but unpaid on 28 July 2021. This is amended in April, 2021 (see note below on Tender Offer and Consent Solicitation).

Tender Offer of the Company's U.S. $ 200,000,000 2.00% resettable onward starting equity- linked securities due 2022 and Consent Solicitation from Bondholders – April, 2021:

In March, 2021, the Company announced a launch of a tender offer of the FCC Bonds. The Hong Kong and Shanghai Banking Corporation Limited was appointed as the Dealer Manager on behalf of the Company to launch a tender offer, an aggregate principal amount of up to U.S. $ 38.5 million at a purchase price of 120.30% of the principal amount of the FCC Bonds (Tender Offer) and also invited the holders of the FCC Bonds to approve the amendment of the optional put notice period from not later than 30 days nor more than 60 days prior to the Put Option Date to a minimum of 150 days prior to the Put Option Date by passing an Extraordinary Resolution (Consent Solicitation).

Tender Offer: In April, 2021, an aggregate principal amount of U.S. $ 36.75 million (representing 147 FCC Bonds in number of U.S. $ 250,000 denomination for each FCC Bond) were validly tendered pursuant to the Offer. These tendered FCCBs represented 32.38% of the outstanding FCC Bonds. On the closing/settlement date, the Company paid an aggregate purchase price of U.S. $ 44,210,250 plus accrued but unpaid interest. Following settlement, the tendered FCC Bonds were cancelled and U.S. $ 76.75 million in aggregate principal amount of FCC Bonds remained outstanding. The Company undertook this tender to utilize the loan financing to manage the Company's debt maturity profile by reducing near-term repayable outstanding indebtedness and to reduce interest costs. The Company utilised proceeds from unsecured External Commercial Borrowing facilities from Fifth Third Bank and International Finance Corporation to refinance these Bonds (see note below on Fifth Third Bank and IFC).

Consent Solicitation: An Extraordinary Resolution was duly passed at the Bondholders Meeting held on 12 April 2021, with 99.78 per cent. of votes cast in favour of the amendment to the optional put notice period. The Company also executed the Supplemental Trust Deed to make the amendment effective from 12 April 2021.

U.S. $ 200,000,000, 4.5% senior notes (Notes):

The Company issued Notes on 1 August 2016. Maturity of the Notes was on 2 August 2021. The interest on Notes was payable semi-annually in arrears on 1 February and 1 August each year.

The Notes were redeemable at any time on or after 2 August 2019, all or part of the Notes by paying the redemption price, subject to fulfilment of certain conditions. The Company tied up a Syndicated loan (See note below on Syndicated Loan) to refinance the Notes. The Company redeemed aggregate principal amount of U.S. $ 190,000,000 Notes in December, 2020 and the balance U.S. $ 10,000,000 in January, 2021. The Company paid a redemption premium of 1.125% and accrued and unpaid interest and additional amounts, if any as applicable under Optional redemption.

The Notes were delisted from the Singapore stock exchange in January, 2021.

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

U.S. $ 90,825,000, MUFG Bank, ECB Facility:

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

U.S. $ 200,000,000, Syndicated ECB facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 200 million. During the period November 2020 to January 2021, the ECB Facility for U.S. $ 200 million was raised and the proceeds were utilized for the purpose of refinancing of the 4.5% Senior Notes. The ECB Facility was raised from 9 Foreign banks with a maturity of 3.5 years. The interest margin is 3.15%p.a.over U.S. $ LIBOR. The Company refinanced its Sr. notes well before the scheduled maturity.

U.S. $ 28,000,000, Fifth Third Bank, ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 28 million. The ECB Facility for U.S. $ 28 million was executed in March, 2021 and the Company availed the entire amount in April, 2021 and the proceeds were utilized for the purpose of refinancing of the FCC Bonds. The ECB Facility was raised from with Fifth Third Bank, , National Association with a maturity of 3.5 years. The interest margin is 3.15% p.a. over U.S. $ LIBOR.

U.S. $ 40,000,000, International Finance Corporation (IFC), ECB Facility:

The Company has obtained LRN from RBI to raise an ECB Facility to the extent of U.S. $ 40 million. The ECB Facility for U.S. $ 40 million was executed in February, 2021 and the Company availed USD 16,574,250 in April, 2021 and the proceeds were utilized for the purpose of refinancing the FCC Bonds. Balance amount may be used by the Company to finance capital expenditure. The ECB Facility was raised from International Finance Corporation with a maturity of 5.7 years. The interest margin is 3.08% p.a. over U.S. $ LIBOR.

The Group has availed term loans from banks at interest rates ranging between 2.52% to 5.37% p.a.

Maturity profile of long term borrowings

Year ending	31 March 2021	31 March 2020
2021	-	3830.43*
2022	2855.97*	17,622.20
2023	16,868.18	14,057.94
2024	11,569.97	6,705.30
2025	10,874.66	2,258.64

* represents current maturity of long-term borrowings.

As per the loan arrangement, the Group is required to comply with certain financial covenants and the Group was in compliance with such covenants as at 31 March 2021.

(ii) Other Non-Current Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits from customers	1,366.09	1,346.42
Lease liability (Refer note 32)	2,240.35	2,313.43
Other liability*	593.83	628.16
Total	**4,200.27**	**4,288.01**

* includes liability towards settlement of claims.

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

Note 15 - Other Non Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Other liabilities	6.92	4.68
Total	**6.92**	**4.68**

Note 16 - Current Financial Liabilities

(i) Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans		
Loans repayable on demand from banks	-	-
Unsecured loans		
From banks	5,130.15	4,425.97
Total	**5,130.15**	**4,425.97**

Secured loans includes working capital facilities, secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets at certain locations.

Unsecured loans includes working capital facilities and other short term credit facilities.

The Company has borrowed secured/unsecured loans at interest rates ranging between 0.85% - 8.95% p.a.

The Group has not defaulted on repayment of loan and interest during the year.

(ii) Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payable outstanding dues to micro, small and medium enterprises under MSMED Act, 2006 [Refer note (i) below]	667.81	849.48
Trade payable outstanding dues to creditors other than micro, small and medium enterprises	21,709.87	20,407.77
Trade payables to related party (Refer note 29)	-	1.18
Total	**22,377.68**	**21,258.43**

Note (i)

Dues to Micro and Small enterprises

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

Particulars	As at 31 March 2021	As at 31 March 2020
a) The principle amount remaining unpaid to any supplier at the end of the year	667.81	849.08
b) Interest due remaining unpaid to any supplier at the end of the year	-	0.40
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

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

(iii) Other Current Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt	2,855.97	3,830.43
Interest accrued but not due	176.07	192.09
Unclaimed dividend*	10.62	9.67
Employee dues	648.87	179.31
Sundry creditors for capital goods	104.04	231.33
Accrued expenses	2,792.22	3,280.86
Lease liability (Refer note 32)	742.54	859.97
Total	**7,330.33**	**8,583.66**

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

NOTE 17 - Other Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	1,241.10	1,039.02
Other liabilities	286.40	393.63
Total	**1,527.50**	**1,432.65**

Other liabilities includes advance from customers and other such adjustable balances.

Note 18- Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits :		
Provision for compensated absences (Refer note 27)	334.31	270.52
Provision for defined benefit plan (Refer note 27)	1,153.59	1,122.76
Provision for sales return and rebates	3,655.44	3,758.71
Total	**5,143.34**	**5,151.99**

Movement of Provision for sales return and rebates	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	3,758.71	3,226.29
Provided during the year	406.20	850.00
Utilised/ reversed during the year	(509.47)	(317.58)
Balance at the end of the year	**3,655.44**	**3,758.71**

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

Note 19- Revenue from Operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	107,970.93	103,893.26
Sale of services	89.33	79.02
Other operating revenue*	1,379.03	2,437.41
Total	**109,439.29**	**106,409.69**

*Other operating revenue primarily comprises of Export incentives of ₹ 858.72 (2020 - ₹ 956.37) and Sale of scrap ₹ 152.76 (2020 - ₹ 183.60)

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

Geographical area	For the year ended 31 March 2021	For the year ended 31 March 2020
	Total revenue	Total revenue
India	39,527.67	36,455.82
North America	32,041.47	32,849.31
Latin America	5,661.47	6,405.49
Europe	16,910.96	15,349.74
Rest of the World (ROW)	15,297.72	15,349.33
Total	**109,439.29**	**106,409.69**

Reconciliation of revenue recognised in the consolidated statement of profit and loss with the contracted price :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue as per contracted price	252,405.46	237,145.11
Less : Trade discounts, sales and expiry returns	142,966.17	130,735.42
Sale of product, services and other operating revenue	**109,439.29**	**106,409.69**

Contract liabilities from contracts with customers :

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

Particulars	As at 31 March 2021	As at 31 March 2020
Contract liabilities from contracts with customers	333.64	377.80

Note 20 - Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend income	3.50	7.00
Interest income	26.47	46.76
Profit on sale of fixed assets	3.54	-
Exchange gain (net)	-	1,379.33
Miscellaneous income	468.65	162.93
Total	**502.16**	**1,596.02**

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

Note 21- Cost of Material Consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of raw material and packing material	30,591.65	24,666.21
Consumption of stores and spares	786.40	748.53
Total	**31,378.05**	**25,414.74**

Note 22- Purchases of Stock-In-Trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of finished goods	7,502.69	10,290.83
Total	**7,502.69**	**10,290.83**

Note 23- Changes in Inventories of Work-in-Process, Stock-in-Trade and Finished Goods

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(Increase)/Decrease in stock of finished goods, work-in-process and stock-in-trade	(1,892.54)	1,280.82
Total	**(1,892.54)**	**1,280.82**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	8,391.92	7,254.45
Work-in-process	4,394.49	3,608.95
Stock-in-trade	1,331.90	1,362.37
	14,118.31	**12,225.77**
At the beginning of the year		
Finished goods	7,254.45	8,533.56
Work-in-process	3,608.95	3,744.09
Stock-in-trade	1,362.37	1,228.94
	12,225.77	**13,506.59**
Total	**(1,892.54)**	**1,280.82**

Note 24- Employee Benefit Expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	21,600.02	20,633.94
Contribution to provident and other funds and Retirement benefits (Refer note 27)	1,646.66	1,698.08
Employee stock compensation cost	18.52	30.84
Staff welfare expenses	171.87	184.90
Total	**23,437.07**	**22,547.76**

Note 25 - Finance Costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on		
- Term loans	862.44	1,397.62
- Interest on foreign currency convertible bonds	926.45	837.67
- Interest on senior notes and ECB facility	1,363.89	1,113.61
- Interest on lease (Refer note 32)	219.35	235.19
- Others	159.00	189.09
Total	**3,531.13**	**3,773.18**

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

Note 26 - Other Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Labour charges	1,141.49	1,081.29
Power, fuel and water charges	1,422.59	1,502.82
Repairs and maintenance - plant and machinery	124.96	118.02
Repairs and maintenance - building	70.50	91.26
Repairs and maintenance - others	1,285.96	1,291.60
Rent	378.99	381.24
Rates and taxes	386.67	197.41
Other manufacturing expenses	449.87	679.99
Consumables	4,187.10	2,684.27
Selling and Marketing expenses	1,584.36	1,340.91
Sales promotion expenses	4,286.51	5,697.63
Travelling expenses	1,158.55	2,375.79
Freight outward	3,925.54	3,017.78
Telephone expenses	90.03	92.95
Provision for doubtful debts / expected credit loss (net)	113.69	178.33
Insurance	304.69	276.88
Electricity charges	224.08	234.03
Auditors remuneration		
- Audit fees	85.12	86.59
- Other services	-	10.45
- Reimbursement of expenses	3.03	2.08
Corporate social responsibility expense (Refer Note 35)	348.64	281.86
Legal and professional charges	2,689.77	3,181.70
Director sitting fees (Refer Note 29)	6.50	8.80
Exchange loss (net)	752.09	-
Loss on sale of property, plant and equipments (net)	-	11.73
Other expenses	3,149.48	5,069.31
Total	**28,170.21**	**29,894.72**

Note 27 - Employee Post- Retirement Benefits

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

a) Gratuity (defined benefit plan)

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

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

Particulars	31 March 2021	31 March 2020
Current service cost	284.99	311.16
Curtailment and past service cost	(42.66)	(23.64)
Personnel expenses	242.33	287.52
Net interest on defined benefit schemes	39.14	33.74
Administration cost (excluding cost for managing plan assets)	0.77	0.66
Net periodic expense	**282.24**	**321.92**

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

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

Particulars	31 March 2021	31 March 2020
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(118.19)	(0.31)
Based on adjustment of financial assumptions	92.87	55.56
Due to liability experience adjustment	(34.43)	(147.23)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	7.96	39.45
Total remeasurement (benefit)/loss recognised in the statement of other comprehensive income	**(51.79)**	**(52.52)**

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group's defined benefit plans.

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	2,481.88	2,389.41
Fair value of plan assets	(1,328.29)	(1,266.65)
Net defined benefit liability	**1,153.59**	**1,122.76**
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	1,153.59	1,122.76

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

Particulars	31 March 2021	31 March 2020
Beginning balance	1,122.76	934.60
Addition during the year	183.92	21.16
Cost recognised in income statement	282.24	321.92
Remeasurement (gains) / losses recognised in other comprehensive income	(51.79)	(52.52)
Actual employer contributions	(127.89)	(82.34)
Benefits paid	(85.22)	(75.38)
Exchange differences	(170.43)	55.32
Closing balance	**1,153.59**	**1,122.76**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	2,389.41	1,993.97
Addition during the year	449.46	21.16
Current service cost	284.99	311.16
Interest cost on the defined benefit obligations	67.71	64.95
Actual employee contributions	79.58	52.29
Curtailment and past service cost	(42.66)	(23.64)
Actual benefit payments	(255.18)	(90.56)
Actuarial (gains)/losses - Demographic assumptions	(118.19)	(0.31)
Actuarial (gains)/losses - Financial assumptions	92.87	55.56
Actuarial (gains)/losses - Liability experience	(34.43)	(147.23)
Administration cost (excluding cost for managing plan assets)	0.77	0.66
Exchange differences	(11.53)	152.03
Risk and admin premiums	(420.92)	(0.63)
Closing balance	**2,481.88**	**2,389.41**

(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	1,266.65	1,059.37
Added during the year	263.06	-
Interest income on plan assets	28.57	31.31
Actual employer contributions	127.86	82.34
Actual employee contributions	82.09	52.29
Actual benefit payments	(169.96)	(15.18)
Actual return on assets (excluding interest income on plan assets)	(7.96)	(40.18)
Exchange differences	(262.02)	96.70
Closing balance	**1,328.29**	**1,266.65**

The Group expects to contribute ₹ 698.63 to its defined benefit plans in 2021-2022.

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

Particulars	31 March 2021	31 March 2020
Discount rate (weighted average)	0.35%-7.58%	0.60%-8.79%
Rate of compensation increase (weighted average)	1.5%-5.83%	1.50%-5.31%
Inflation rate (weighted average)	1.00% - 3.75%	0.24%-3.75%

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

Particulars	31 March 2021	31 March 2020
Average life expectancy (Years)	25.18 - 60.00	25.42- 44.00

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 as at 31 March are as follows:

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	2,481.88	2,389.41
Fair value of plan assets	(1,328.29)	(1,266.65)
Net defined benefit liability	1,153.59	1,122.76

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 + 0.25% / +0.5 % p.a.	(107.12)	(106.18)
Discount rate - 0.25% / - 0.5 % p.a.	107.05	107.66
Rate of compensation + 0.25% / + 0.5 % p.a.	54.02	50.68
Rate of compensation - 0.25% / - 0.5 % p.a.	(60.57)	(54.82)

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

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

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

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

Particulars	31 March 2021	31 March 2020
Current service cost	89.20	68.53
Personnel expenses	89.20	68.53
Net interest on defined benefit schemes	17.31	16.90
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	-	(0.28)
Based on adjustment of financial assumptions	5.82	26.94
Due to liability experience adjustment	16.60	(12.48)
Return on plan assets (excluding amounts in net interest on long term benefit schemes)	(1.22)	(0.10)
Net periodic expense	**127.71**	**99.51**

The following tables show the change in present value of long term benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group's long term benefit plans.

Particulars	31 March 2021	31 March 2020
Present value of funded obligations	508.65	433.31
Fair value of plan assets	(174.34)	(162.79)
Net long term benefit liability	**334.31**	**270.52**
Being:		
Retirement benefit plan assets	-	-
Retirement benefit plan liabilities	**334.31**	**270.52**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	270.52	222.61
Added during the year	-	6.11
Cost recognised in income statement	127.71	99.51
Remeasurement (gains) / losses recognised in other comprehensive income	-	-
Actual employer contributions	-	(2.50)
Benefits paid	(65.16)	(55.21)
Exchange difference	1.24	-
Closing balance	**334.31**	**270.52**

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

Particulars	31 March 2021	31 March 2020
Beginning balance	433.31	376.06
Addition during the year	-	6.11
Current service cost	89.20	68.53
Interest cost on the long term benefit obligations	27.63	28.64
Actual benefit payments	(65.15)	(60.21)
Actuarial (gains)/losses - Demographic assumptions	-	(0.28)
Actuarial (gains)/losses - Financial assumptions	5.82	26.94
Actuarial (gains)/losses - Liability experience	16.60	(12.48)
Exchange difference	1.24	-
Closing balance	**508.65**	**433.31**

(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	162.79	153.45
Interest income on plan assets	10.32	11.74
Return on plan assets	-	(2.50)
Actual employer contributions	1.23	0.10
Closing balance	**174.34**	**162.79**

The Group expects to contribute ₹ 398.64 to its long term benefit plan in F.Y. 2021-2022.

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

Particulars	31 March 2021	31 March 2020
Discount rate (weighted average)	3%-6.35%	6.45%
Rate of compensation increase (weighted average)	3%-5%	3%-5%

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

Particulars	31 March 2021	31 March 2020
Average life expectancy at 58 (Years)	25.38-45	25.38-45

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 as at 31 March are as follows:

Particulars	31 March 2021	31 March 2020
Present value of obligations	508.65	433.31
Fair value of plan assets	(174.34)	(162.79)
Net long term benefit liability	**334.31**	**270.52**

The present value of long term benefit obligations by category of members as at 31 March are as follows::

Particulars	31 March 2021	31 March 2020
Active number of employees	13,390	13,014
Present value of obligations	508.65	433.31

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.	(20.65)	(17.60)
Discount rate - 0.5 % p.a.	22.20	18.92
Rate of compensation increase + 0.5 % p.a.	22.80	19.46
Rate of compensation decrease - 0.5 % p.a.	(21.37)	(18.24)

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

c) Provident fund and others (defined contribution plan)

Apart from being covered under the Gratuity Plan described earlier, employees of the Indian companies participate in a provident fund plan; a defined contribution plan. The Group makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Group does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. The Group contributed approximately ₹ 1,236.72 (2020 - ₹ 1,288.72) towards the provident fund plan and others during the year ended 31 March 2021.

Note 28- Research and Development Expenditure

During the year, the Group expenditure on research and development is ₹ 13,186.91 (2020 - ₹ 13,205.12).

Note 29 Related Party Transactions

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mr. Glenn Saldanha (Chairman & Managing Director)

Mrs. Cherylann Pinto (Executive Director)

Mr. V S Mani (Executive Director & Global Chief Financial Officer)

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

Mr. Rajesh Desai (Non-executive Director)

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

Mr. Bernard Munos (Non-executive Director)

Mr. J.F.Ribeiro (Non-executive Director up to 26th June, 2020)

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

Mr. Sridhar Gorthi (Non-executive Director)

Mr. Milind Sarwate (Non-executive Director up to 28th October, 2020)

Mr. Dipankar Bhattacharjee (Non-executive Director with effect from 14th August, 2020)

Ms. Sona Saira Ramasastry (Non-executive Director)

Mr. Harish Kuber (Company Secretary & Compliance Officer)

Enterprises over which significant influence exercised by key management personnel/directors:

Glenmark Foundation

Glenmark Aquatic Foundation

Trilegal

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

Summary of transactions with related parties during the year

Nature of transaction	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of services		
Trilegal	-	10.90
Expenditure incurred for CSR activities to		
Glenmark Foundation	275.04	161.22
Glenmark Aquatic Foundation	50.00	73.02
Transactions with key management personnel		
Remuneration		
- Mr. Glenn Saldanha	138.57	122.35
- Mrs. Cherylann Pinto	40.70	45.21
- Mr. V S Mani	62.26	51.50
- Mr. Harish Kuber (Company Secretary & Compliance Officer)	3.97	3.96
Sitting fees paid to Non-executive Directors	6.50	8.80

Related party balances	As at 31 March 2021	As at 31 March 2020
(Payable)/ Advance given		
Glenmark Foundation	-	(1.18)

The directors are covered under the Group's gratuity policy and ESOP scheme along with other employees of the Group. Proportionate amount of gratuity and stock compensation expense is not included in the aforementioned disclosures as it cannot be separately ascertained.

Note 30 - Earnings Per Share (EPS)

The basic earnings per share for the year ended 31 March 2021 has been calculated using the profits attributable to the equity shareholders.

Calculation of basic and diluted EPS is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit attributable to shareholders of Glenmark Pharmaceuticals Ltd., for basic and diluted	9,700.38	7,759.67
Weighted average number of shares outstanding during the year for basic EPS	282,168,156	282,168,156
Effect of dilutive potential ordinary shares:		
Employee stock options	-	-
Weighted average number of shares outstanding during the year for diluted EPS	282,168,156	282,168,156
Basic EPS, in ₹	34.38	27.50
Diluted EPS, in ₹	34.38	27.50

Note 31 - Commitments and Contingencies

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	**Contingent Liabilties**		
	Claims against the Group not acknowledged as debts		
	Disputed taxes and duties	1,425.61	433.34
	Labour disputes	46.06	38.49

The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

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

(a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 12.24 Crs as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹ 3.33 Crs towards interest @15% p.a. on the overcharged amount up to 31 January, 2014. The Company had filed a petition under Article 32 with the Hon'ble Supreme Court of India (Hon'ble Court), challenging the issue of the above mentioned demand notice on various grounds. This petition was tagged along with other petitions filed by other pharmaceutical companies, pending before Hon'ble Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule of the DPCO, 1995. The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand. Whilst the matter was pending before the Hon'ble Supreme Court, in Oct 2015, NPPA issued a fresh demand notice of ₹ 12.24 Crs as overcharging liability and ₹ 6.39 Crs as interest thereon calculated upto 30 September, 2015 to which the Company has responded stating that the matter was sub-judice. On 20 July, 2016 Hon'ble Supreme Court heard the Company's petition and ordered the petition to be transferred back to Hon'ble Delhi High Court to be heard on merits subject to deposit of 50% of the overcharged claimed amount. The Company has deposited ₹ 6.12 Crs (50% of the overcharged claimed amount). The pleadings have been completed and matter is pending to be listed in the Hon'ble Delhi High Court for hearing.

(b) On March 10, 2016 Ministry of Health and Family Welfare (MoH) issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect. Several products of the Company were also covered in the notified prohibited "FDC's". The Company had filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company by staying the notifications banning the FDC's. The matter was clubbed with petition of other companies before the Supreme Court of India (Hon'ble Court). The Hon'ble Court directed the Drug Technical Advisory Board (DTAB) sub-committee to examine the ban of drugs. DTAB appointed an expert committee under the chair of Dr. Nilima Kshirsagar to examine the list of banned FDC. Company made due written and oral representations before the Committee in relation to its affected products. The committee has submitted its report to the Ministry of Health. Meanwhile taking the proactive approach the Company has revised the composition of the affected FDC's for its domestic market. Based on the Nilima Kshirsagar Committee Report, MoH on 7 September, 2018 issued series of notification which has prohibited the manufacture for sale, sale or distribution for human use of 328 FDCs with immediate effect. It has also restricted the manufacture, sale or distribution of certain of Company's FDCs subject to certain conditions. The Company filed writ petitions in the Delhi High Court against the 7 notification/s in respect of its affected FDCs which were still circulating in the market and obtained an ad interim stay, on the notifications allowing the Company to liquidate its affected FDCs. Since then the Company on 27 March, 2019, withdrew its Writs except for one product meant for exports and for which the Company continues to enjoy an ad-interim protection.

(c) In October 2019 National Pharmaceutical Pricing Authority (NPPA) issued a Show Cause Notice alleging that the Company had violated DPCO 2013 by self-invoking Para 32 in respect of its product Remolifozin Etabonate + Metformin by not seeking approval for exemption from the Government. Although the Company has responded to the Show cause notice, on 2 January, 2020, NPPA issued a letter seeking production of documents /records under Para 29. The Company challenged the decision of NPPA by filing a writ petition before Hon'ble Delhi High Court. In January 2020, Hon'ble Delhi High Court was pleased to note NPPA's submission that without prejudice to their rights of the parties, NPPA will grant a hearing to the Company, to decide on the Company's entitlement under paragraph 32 of the DPCO, 2013 and disposed of the petition, with a noting that in view of the personal hearing, the impugned orders will not be given effect to. Although NPPA granted the Company personal hearing, it issued a price order notification in March 2020 notifying the price of Remolifozin Etabonate + Metformin Hydrocloride without deciding the entitlement under paragraph 32 of the DPCO, 2013. The Company thereafter challenged various orders passed by the NPPA by filing a fresh writ petition. After hearing both Parties, Hon'ble Delhi High Court was pleased to grant the no coercive action in favour of the Company based on the Impugned Orders dated 3 March, 2020 and 20 March, 2020. The matter is sub-judice.

(d) On a complaint by a stockiest with the Competition Commission of India ("CCI") in July 2015 against pharma co.'s (including the Company and its C&F agent) and the Trade associations, alleging refusal to supply medicines to it in spite of having all valid licenses and documents, CCI ordered the Director General ("DG") to investigate and submit a report. CCI clubbed this matter with other matters on a similar complaint against other pharmaceutical co.'s and local Trade

associations. On submission of DG's report CCI has recently issued notices to the Company and some of its employees to submit their objections to the said Report. Despite having contested DG's claim, CCI in its order has found the Company and concerned employees guilty as having contravened provision 3(1) of the Competition Act, 2002 and has levied penalty under the Act. The Company and the concerned employees have appealed the said Order at National Company Law Tribunal ("NCLAT").

(e) The Department of Justice ("DOJ") of United States of America, as part of its investigation into various generic pharmaceutical companies regarding antitrust violations, filed an indictment in the United States District Court for the Eastern District of Pennsylvania, which charges Glenmark Pharmaceutical Inc. (GPI) with one count of conspiracy to restrain trade. The indictment asserts that GPI engaged in a conspiracy to suppress and eliminate competition by agreeing to increase and maintain prices of pravastatin and other unspecified generic drugs sold in the United States. No trial date has been set in the case. These charges run contrary to the very essence of GPI's motto i.e. to drive down drug prices and improve patient access to medications. GPI will continue to vigorously defend against these charges.

(f) Glenmark Pharmaceutical Inc. (GPI) and 78 other manufacturers of generic pharmaceutical products have been sued by private and governmental entity plaintiffs in a multi-district litigation (MDL) proceeding pending in United States federal court for allegedly agreeing to fix the prices and allocate markets and customers of various generic drugs. Plaintiffs in these cases seek multiple forms of monetary relief, including disgorgement of alleged ill-gotten gains and compensatory damages. GPI disputes the allegations and is vigorously defending itself through motions to dismiss and discovery requests directed to the plaintiffs.

(g) In response to FDA action on Zantac and its generic equivalent (ranitidine) in late 2019 and early 2020, in various jurisdictions against brand-name and generic manufacturers, distributors, and retailers of Zantac and ranitidine which were consolidated in a Multidistrict Litigation (MDL) in the Southern District of Florida. Glenmark Pharmaceuticals Ltd. (GPL) and Glenmark Pharmaceuticals Inc., USA (GPI) are named in the in the MDL. In addition to the MDL, GPI has also been named in lawsuits filed in New Mexico state court by the AG's office of New Mexico, in Maryland state court by the Mayor and City Counsel of Baltimore, and in California state court by private plaintiffs. Plaintiffs in all of the lawsuits allege that ranitidine potentially contains a probable human carcinogen, N-Nitrosodimethylamine (NDMA), that they have developed or will develop cancer as a result of their ingestion of ranitidine, and/or that they were otherwise injured. GPL and GPI asserted a number of defenses and filed renewed motions to dismiss the claims against it in the MDL. GPL and GPI has filed motions to dismiss in New Mexico, Maryland and California state court. GPL and GPI will continue to defend vigorously.

(h) From time to time the Company and its certain subsidiaries are involved in various intellectual property claims and legal proceedings, which are considered normal to its business. Some of this litigation has been resolved through settlement agreements with the plaintiffs.

i. A multiple punitive class and individual action were filed in 2018 by purchasers of branded Zetia and generic Zetia (ezetimibe) against Glenmark Pharmaceuticals Ltd and Glenmark Pharmaceuticals Inc., before the United States District Court for the Eastern District of Virginia seeking relief under the US antitrust laws. The Plaintiffs allege that Glenmark Pharmaceuticals Ltd, Glenmark Pharmaceuticals Inc. and Merck & Co Inc. ("Merck") violated the federal and state antitrust laws by entering into a so-called reverse payment patent settlement agreement in Hatch-Waxman patent litigation in May 2010 related to Merck's branded Zetia product. The lawsuits allege that the patent settlement agreement delayed the entry of generic which caused purchasers to pay higher prices. On December 11, 2020 further allegations were filed in state court in California. These cases seek various forms of reliefs including monetary reliefs, including damages. Glenmark Pharmaceuticals Ltd and Glenmark Pharmaceuticals Inc. believes that its patent settlement agreement is lawful and served to increase competition and is defending the same vigorously.

ii. A multiple putative class and individual actions were filed in July 2020 by purchasers of branded Bystolic (nebivolol) against Glenmark Pharmaceuticals Ltd.,Glenmark Pharmaceuticals Inc. and Glenmark Pharmaceuticals S.A. (n/k/a

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

Ichnos Sciences S.A.) (collectively, "Glenmark") in the United States District Court for the Southern District of New York. The Plaintiffs allege that Glenmark and Forest Laboratories, Inc. ("Forest") violated federal and state antitrust laws by entering into a so-called reverse-payment patent settlement agreement in Hatch-Waxman patent litigation in December 2012 related to Forest's Bystolic product. The lawsuits allege that the patent settlement agreement and mPEGS-1 collaboration agreement delayed the entry of generic which caused purchasers to pay higher prices. Glenmark believes that its patent settlement agreement and mPEGS-1 collaboration agreement are lawful and is defending vigorously.

(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 ₹ 1,606.11 (2020 - ₹ 1,661.69)

(iii) Others

Particulars	As at 31 March 2021	As at 31 March 2020
Bank Guarantees	2,370.32	2,240.22

Note 32 - Leases

The Group has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and therefore comparative periods have not been restated. The Group has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has recognised a right-of-use asset on the date of initial application at an amount equal to lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.00% to 10.40% p.a.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

Practical expedient opted by Group:

- For contracts in place at the date of transition, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Group has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

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

Exemptions availed by Group:

The Group has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

Group as lessee

The Group's leased assets primarily consist of leases for office premises and godowns. Leases of office premises and godowns generally have lease term between 2 to 12 years. The Group has applied low value exemption for leases laptops, lease lines, furniture and equipment and accordingly are excluded from Ind AS 116. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable certain to exercise extension option and not to exercise termination option, the Group has opted to include such extended term and ignore termination option in determination of lease term.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	2020-2021	2019-2020
As at April 1	2,954.55	-
Adjustment on transition to Ind AS 116	-	3,288.12
Additions	546.06	428.96
Termination	(5.21)	(7.81)
Translation difference	31.54	60.54
Depreciation expenses	(875.15)	(815.26)
As at March 31	**2,651.79**	**2,954.55**

ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	2020-2021	2019-2020
As at April 1	3,173.40	-
Adjustment on transition to Ind AS 116	-	3,288.12
Additions	546.06	428.96
Termination	(5.21)	(7.81)
Accretion of interest	219.35	235.19
Translation difference	16.06	50.50
Payments	(966.77)	(821.56)
As at 31 March	**2,982.89**	**3,173.40**
Current	742.54	859.97
Non-current	2,240.35	2,313.43

iii) The following are the amounts recognised in profit or loss for the year ended :

Particulars	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets	875.15	815.26
Interest expense on lease liabilities	219.35	235.19
Expense relating to short-term leases and low value assets	378.99	381.24
Total	**1,473.49**	**1,431.69**

The Group had total cash outflows for leases of ₹ 1,345.76 (2020- ₹ 1,202.80).

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

iv) The undiscounted maturity analysis of lease liabilities at 31 March is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
within 1 year	778.53	906.57
1-5 years	2,049.31	2,233.79
5 years and above	522.98	610.22
Total	**3,350.82**	**3,750.58**

Note 33 - Segment Reporting

Business segment:

The Chief Operating Decision Maker ("CODM") reviews the financial performance at pharmaceutical business level, comprising of generics and active pharmaceutical ingredient components, which are interlinked and inter-dependent, therefore, the Group has only one reportable segment, i.e, Pharmaceuticals.

Geographical information:

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

1. India
2. North America
3. Latin America
4. Europe
5. Rest of the World

Information about revenues by geography

Segmental Revenue	Year ended 31 March 2021	Year ended 31 March 2020
India	39,527.67	36,455.82
North America	32,041.47	32,849.31
Latin America	5,661.47	6,405.49
Europe	16,910.96	15,349.74
Rest of the world (ROW)	15,297.72	15,349.33
Total	**109,439.29**	**106,409.69**

Analysis of assets by geography

As at 31 March 2021	India	North America	Latin America	Europe	ROW	Total
Tangible Assets	20,946.92	15,319.53	833.22	1,191.96	812.31	39,103.94
Intangible Assets	1,880.56	1,456.69	183.77	19,153.48	94.88	22,769.38
Total	**22,827.48**	**16,776.22**	**1,016.99**	**20,345.44**	**907.19**	**61,873.32**

As at 31 March 2020	India	North America	Latin America	Europe	ROW	Total
Tangible Assets	20,822.18	14,072.80	933.07	1,161.73	739.11	37,728.89
Intangible Assets	1,978.14	1,887.14	216.58	17,149.96	60.16	21,291.98
Total	**22,800.32**	**15,959.94**	**1,149.65**	**18,311.69**	**799.27**	**59,020.87**

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

Note 34- Fair Value Measurements

Financial instruments by category

Particulars	As at 31 March 2021					As at 31 March 2020				
	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value	FVTPL	FVOCI	Amortised cost	Total carrying value	Total fair value
Financial assets										
Non current financial assets	-	-	641.61	641.61	641.61	-	-	655.79	655.79	655.79
Investments	46.23	150.00	50.02	246.25	246.25	45.89	150.00	50.02	245.91	245.91
Trade receivables	-	-	25,720.55	25,720.55	25,720.55	-	-	24,089.62	24,089.62	24,089.62
Cash and cash equivalents	-	-	11,380.95	11,380.95	11,380.95	-	-	11,102.75	11,102.75	11,102.75
Bank balances other than cash and cash equivalents	-	-	10.62	10.62	10.62	-	-	9.67	9.67	9.67
Others current financial assets	-	-	1,439.84	1,439.84	1,439.84	-	-	1,249.44	1,249.44	1,249.44
Total	**46.23**	**150.00**	**39,243.59**	**39,439.82**	**39,439.82**	**45.89**	**150.00**	**37,157.29**	**37,353.18**	**37,353.18**
Financial Liabilities										
Long term borrowings	65.03	-	38,823.13	38,888.16	38,888.16	1.40	-	40,428.54	40,429.94	40,429.94
Non current financial liabilities	-	-	4,200.27	4,200.27	4,200.27	-	-	4,288.01	4,288.01	4,288.01
Short term borrowings	-	-	5,130.15	5,130.15	5,130.15	-	-	4,425.97	4,425.97	4,425.97
Trade payables	-	-	22,377.68	22,377.68	22,377.68	-	-	21,258.43	21,258.43	21,258.43
Other current financial liabilities	-	-	7,330.33	7,330.33	7,330.33	-	-	8,583.66	8,583.66	8,583.66
Total	**65.03**	**-**	**77,861.56**	**77,926.59**	**77,926.59**	**1.40**	**-**	**78,984.61**	**78,986.01**	**78,986.01**

Trade receivables comprise amounts receivable from the sale of goods and services.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

Cash and cash equivalent and other bank balances comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates to their fair value.

The Bonds are interest bearing instruments with an embedded derivative instrument of conversion option. The instrument's value predominately consist of liability measured at amortised cost; the embedded derivative is measured at FVTPL.

Fair value hierarchy :

Level 2 : All FVTPL and FVOCI financial assets and liabilities are classified under level 2 of fair value hierarchy except investments amounting to ₹ 0.66 which are classified as level 1 inputs.

Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

Note 35 - Note on Expenditure on Corporate Social Responsibility

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2021 :

i Gross amount required to be spent by the Group during the year ₹ 348.59 (2020 - ₹ 404.00)

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

ii Amount spent during the year on: (by way of contribution to the trusts and projects undertaken)

Particulars	Amount paid in cash	Amount carried forward to next year	Total amount
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above:			
Promoting education	143.75	-	143.75
Promoting health care including preventive health care	6.00	-	6.00
Reducing child mortality and improving maternal health	22.56	-	22.56
Training to promote olympic sports	50.00	-	50.00
Disaster Response (including COVID-19)	291.30	(187.12)	104.18
Administrative expenses	22.15	-	22.15
Total	**535.76**	**(187.12)**	**348.64**

Note 36- Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks which results from the Group's operating and investing activities. The Group's risk management is coordinated by its parent company, in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

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

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

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

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

The Group's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

Foreign Currency sensitivity

The overseas entities of the Group operate in different countries. The functional currency of such entities is the currency being used in that particular country. The bulk of contributions to the Group's assets, liabilities, income and expenses in foreign currency are denominated in US Dollar and EURO. Apart from US Dollar, foreign currency transactions are entered into by entities in several other currencies as applicable in the country in which the particular entity operates. However, the size of these entities relative to the total Group and the volume of transactions in such currencies are not material.

Thus, the foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR).

US Dollar conversion rate was INR 74.74 at the beginning of the year and scaled to a high of INR 76.30 and to low of INR 72.29. The closing rate is INR 73.23. 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.

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

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	83.94	6,147.14	100.19	7,487.97
Financial liabilities	(79.51)	(5,822.19)	(72.25)	(5,400.31)
Total	**4.43**	**324.95**	**27.94**	**2,087.66**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	(431.15)	(31,573.19)	(424.33)	(31,714.47)
Total	**(431.15)**	**(31,573.19)**	**(424.33)**	**(31,714.47)**

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	3,124.82	2,962.68
Equity	-	-

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(3,124.82)	(2,962.68)
Equity	-	-

EUR conversion rate was INR 82.21 at the beginning of the year and scaled to a high of INR 90.12 and to low of INR 80.80. The closing rate is INR 85.87. 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	11.63	998.82	10.93	898.76
Financial liabilities	(12.36)	(1,061.49)	(10.96)	(901.05)
Total	**(0.73)**	**(62.67)**	**(0.03)**	**(2.29)**
Long term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	6.27	0.23
Equity	-	-

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

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

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(6.27)	(0.23)
Equity	-	-

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term borrowings. The Group has taken several short term borrowings on fixed rate of interest. Since, there is no interest rate risk associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

The Group has outstanding borrowings of USD 345 million (2020 - USD 173.25 million) which are linked to LIBOR/Benchmark prime lending rate (BPLR). Increases by 25 basis points then such increase shall have the following impact on:

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	(63.16)	(32.37)
Equity	-	-

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact on:

Particulars	31 March 2021 INR	31 March 2020 INR
Net results for the year	63.16	32.37
Equity	-	-

The bank deposits are placed on fixed rate of interest of approximately 0.12% to 3.60%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

Credit risk analysis

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

Particulars	As at 31 March 2021	As at 31 March 2020
Cash & cash equivalents	11,380.95	11,102.75
Bank balances other than cash and cash equivalents	10.62	9.67
Trade receivables	25,720.55	24,089.62
Investments	246.25	245.91
Other current financial assets	1,439.84	1,249.44
Other non-current financial assets	641.61	655.79
Total	**39,439.82**	**37,353.18**

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

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

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for customers.

Given below is ageing of trade receivables spread by period of six months:

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding for more than 6 months	2,862.22	2,687.47
Others	22,858.33	21,402.15
Total	**25,720.55**	**24,089.62**

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

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

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

Liquidity risk analysis

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

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

As at 31 March 2021, the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current Within 1 year	Non-Current 1 to 5 years
Trade payable	22,377.68	-
Financial liabilities	4,474.36	-
Short term borrowings	5,130.15	-
Long-term borrowings	2,855.97	38,888.16
Other non-current financial liabilities	-	4,200.27
Total	**34,838.16**	**43,088.43**

For Long term borrowings refer Note 14 and for Lease obligations refer Note 32 for further details

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

Note 37 - Capital Management Policies and Procedures

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

Net Debt = total borrowings less cash and cash equivalent. Total 'equity' as shown in the the balance sheet including non-controlling interest

Particulars	31 March 2021	31 March 2020
Total debt	46,874.28	48,686.34
Less: Cash & cash equivalents	11,380.95	11,102.75
Net debt (A)	**35,493.33**	**37,583.59**
Total equity (B)	**70,642.73**	**60,701.13**
Net debt to equity ratio (A/B)	**50.24%**	**61.92%**

Dividends	31 March 2021	31 March 2020
(i) Equity shares		
Final dividend paid during the year ended	705.42	680.34

(ii) Dividends not recognised at the end of the reporting period :

In addition to the above dividends, since year end the Board of Directors have recommended the payment of a final dividend of ₹ 2.50 (31 March 2020 - ₹ 2.50) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Note 38 - Additional Information Required by Schedule III

Name of the entity in the Group	Net assets (total assets minus total liablities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Glenmark Pharmaceuticals Limited	209.63%	148,095.06	170.03%	16,494.47	2.87%	24.84	156.32%	16,519.31
Glenmark Pharmaceuticals (Kenya) Limited	0.24%	167.32	0.21%	20.73	-1.16%	(10.02)	0.10%	10.71
Glenmark Pharmaceuticals (Australia) Pty.Ltd.	0.00%	2.04	-0.02%	(1.52)	-0.01%	(0.12)	-0.02%	(1.64)
Glenmark Impex L.L.C	4.12%	2,909.94	2.31%	224.11	5.23%	45.36	2.55%	269.47
Glenmark Pharmaceuticals Malaysia Sdn Bhd	0.32%	224.27	0.50%	48.35	0.34%	2.98	0.49%	51.33
Glenmark Pharmaceuticals (Nigeria) Ltd	-0.24%	(168.30)	-0.19%	(18.88)	0.91%	7.87	-0.10%	(11.01)
Glenmark South Africa (pty) Ltd	0.76%	540.22	0.00%	(0.23)	8.40%	72.84	0.69%	72.61
Glenmark Philippines Inc.	0.47%	333.94	-0.08%	(7.85)	0.80%	6.95	-0.01%	(0.90)
Glenmark Pharmaceuticals FZE	0.53%	374.10	0.59%	57.42	-0.89%	(7.71)	0.47%	49.71
Glenmark Pharmaceuticals Egypt S.A.E.	-0.06%	(40.68)	-0.19%	(18.45)	0.14%	1.22	-0.16%	(17.23)
Glenmark Pharmaceuticals South Africa (pty) Ltd	-0.40%	(285.48)	0.73%	70.38	-7.59%	(65.77)	0.04%	4.61
Glenmark Pharmaceuticals S.R.L	0.00%	-	-0.06%	(5.63)	-3.37%	(29.25)	-0.33%	(34.88)
Viso Farmaceutica S.L.U., SPAIN	0.15%	107.92	0.28%	27.15	-0.41%	(3.59)	0.22%	23.56
Glenmark Therapeutics Inc.	0.13%	91.00	-4.34%	(420.58)	-0.63%	(5.42)	-4.03%	(426.00)

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

Name of the entity in the Group	Net assets (total assets minus total liablities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Glenmark Pharmaceuticals (Europe) R&D Ltd.	0.47%	335.01	0.00%	0.15	3.19%	27.68	0.26%	27.83
Glenmark Uruguay S.A.	1.03%	729.82	-0.01%	(0.88)	-1.74%	(15.05)	-0.15%	(15.93)
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	0.76%	537.22	-0.27%	(26.17)	6.08%	52.72	0.25%	26.55
Glenmark Pharmaceuticals Venezuela, C.A	-2.34%	(1,653.49)	0.00%	-	0.00%	-	0.00%	-
Glenmark Pharmaceuticals Peru SAC	0.14%	100.25	-0.59%	(57.63)	-0.81%	(6.99)	-0.61%	(64.62)
Glenmark Farmaceutica Ltda	2.45%	1,732.70	-7.28%	(706.48)	-25.17%	(218.20)	-8.75%	(924.68)
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)	9.58%	6,764.38	-49.33%	(4,785.68)	-10.20%	(88.44)	-46.12%	(4,874.12)
Glenmark Holding S. A.	30.59%	21,608.79	-25.27%	(2,451.40)	192.84%	1,671.57	-7.38%	(779.83)
Glenmark Pharmaceuticals Nordic AB	0.16%	112.43	0.40%	38.80	-1.68%	(14.55)	0.23%	24.25
Glenmark Pharmaceuticals SP z.o.o.	-0.06%	(39.90)	-0.44%	(42.79)	-0.60%	(5.19)	-0.45%	(47.98)
Glenmark Pharmaceuticals SK, S.R.O.	0.14%	95.66	0.22%	21.05	-0.36%	(3.14)	0.17%	17.91
Glenmark Pharmaceuticals S.R.O.	5.37%	3,792.76	-1.18%	(114.30)	36.51%	316.48	1.91%	202.18
Glenmark Pharmaceuticals Colombia SAS	0.17%	117.55	-0.23%	(22.12)	0.00%	-	-0.21%	(22.12)
Glenmark Pharmaceuticals (Thailand) Co. Ltd	-0.01%	(6.94)	0.01%	0.99	-0.03%	(0.24)	0.01%	0.75
Glenmark Dominicana SRL	0.00%	(0.16)	0.00%	(0.02)	0.00%	0.01	0.00%	(0.01)
Glenmark Pharmaceuticals Inc.	38.00%	26,848.90	1.68%	162.95	-63.69%	(552.04)	-3.68%	(389.09)
Glenmark Pharmaceuticals Europe Ltd.	2.01%	1,417.03	2.62%	254.31	2.11%	18.31	2.58%	272.62
Glenmark Pharmaceuticals B.V.	0.16%	109.65	0.38%	36.79	-0.70%	(6.04)	0.29%	30.75
Glenmark Arzneimittel Gmbh	1.30%	915.57	3.07%	297.85	-0.27%	(2.36)	2.80%	295.49
Glenmark Generics SA	1.76%	1,240.05	-2.13%	(206.69)	3.58%	31.07	-1.66%	(175.62)
Glenmark Pharmaceuticals Distribution S.R.O.	3.17%	2,239.25	1.61%	155.94	17.20%	149.12	2.89%	305.06
Glenmark Specialty SA	2.79%	1,970.03	4.74%	459.38	-4.52%	(39.18)	3.98%	420.20
Glenmark Ukraine LLC	0.33%	235.16	-0.03%	(2.66)	-0.42%	(3.68)	-0.06%	(6.34)
Glenmark Pharmaceuticals Ecuador S.A.	0.10%	70.29	-0.02%	(1.48)	-0.10%	(0.85)	-0.02%	(2.33)
Glenmark Pharmaceuticals Singapore Pte. Ltd.	0.08%	53.44	0.06%	6.27	0.20%	1.70	0.08%	7.97
Glenmark Life science Ltd	10.66%	7,527.48	36.24%	3,515.81	-0.61%	(5.26)	33.22%	3,510.55
Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA).	0.22%	155.38	1.04%	101.35	-9.65%	(83.64)	0.17%	17.71
Ichnos Sciences Inc.	30.74%	21,715.29	-4.02%	(389.64)	-5.68%	(49.25)	-4.15%	(438.89)
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda.	0.00%	-	0.00%	-	1.66%	14.42	0.14%	14.42
Glenmark Pharmaceuticals Canada Inc.	0.16%	112.38	0.28%	27.39	-0.45%	(3.86)	0.22%	23.53
Subtotal		**251,187.33**		**12,740.56**		**1,225.30**		**13,965.86**
Intercompany elimination and consolidation adjustments		(180,541.06)		(3,039.68)		(358.49)		(3,398.17)
Grand total		**70,646.27**		**9,700.88**		**866.81**		**10,567.69**
Minority interest in subsidiary		(3.54)		0.50		-		0.50

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

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

Note 39 - Impact of Covid -19

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

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

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

Note 40

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 consolidated financial statements. These reclassifications had no effect on the reported results of operations. Comparative figures have been adjusted to conform to the current year's presentation.

Note 41 - Exceptional Items

During the year ended 31 March 2021 the Group recognised gain of ₹ 445.45 in consolidated statement of Profit and loss on account of gain from transfer of intimate hygiene brand Vwash, Momat brands in certain geographies, sale of IP assets and reimbursement of onetime costs.

During the year ended 31 March 2020, the Group recognised gain of ₹ 185.54 towards the sale of Gynaecology business and gain of ₹ 143.22 for transfer of certain brands net of expenses related to de-prioritization of certain brands.

Note 42 - Authorisation of Financial Statements

The consolidated financial statements for the year ended 31 March 2021 were approved by the Board of Directors on 28 May 2021.

As per our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Reg. No.: 121750W / W-100010

Vinodkumar Varma
Partner
Membership No. 105545

Place: Mumbai
Date : 28 May 2021

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director
DIN : 00050607

Cherylann Pinto
Executive Director
DIN : 00111844

V S Mani
Executive Director &
Global Chief Financial Officer
DIN : 01082878

Harish Kuber
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 May 2021

Notes

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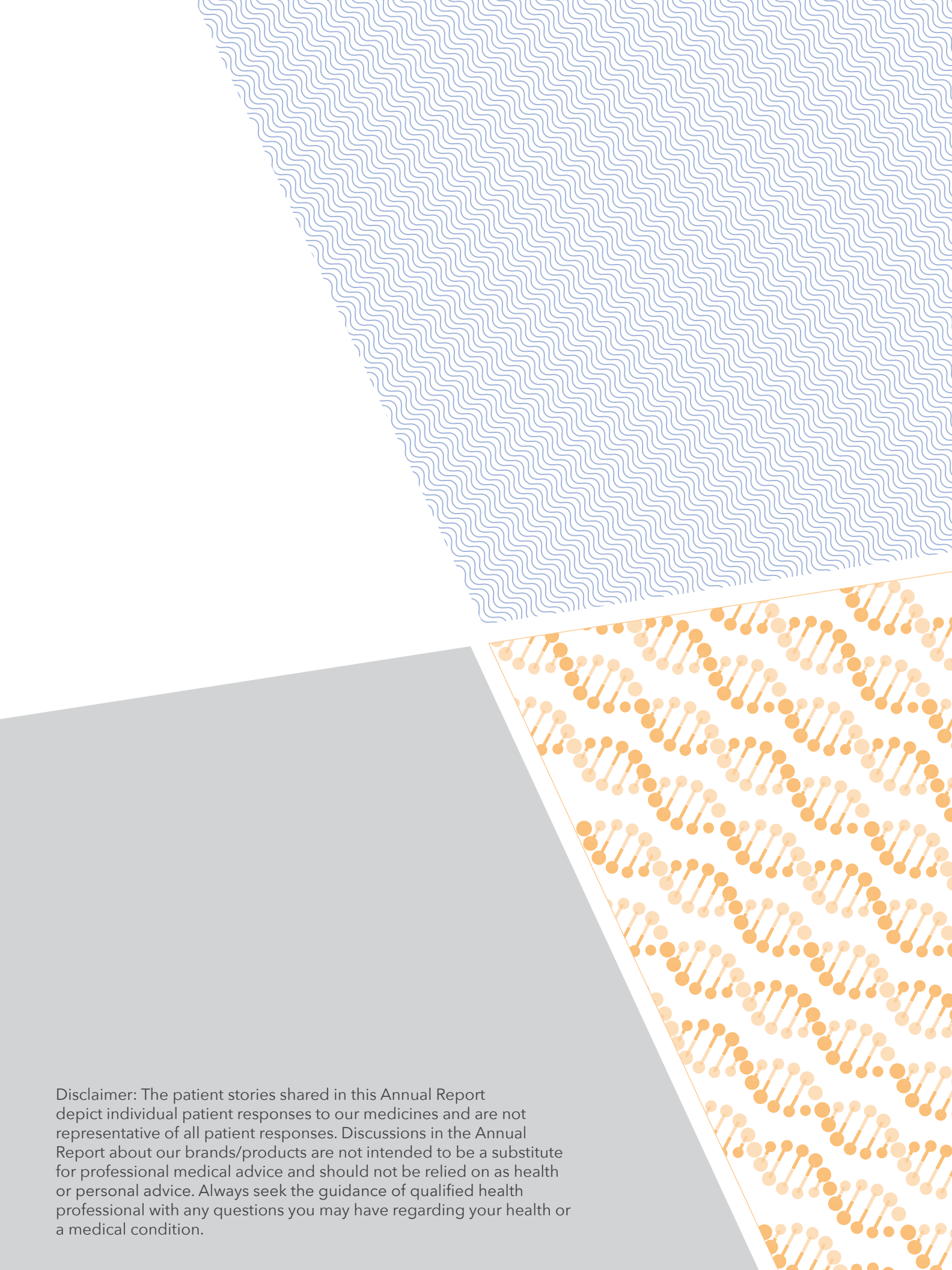

Disclaimer: The patient stories shared in this Annual Report depict individual patient responses to our medicines and are not representative of all patient responses. Discussions in the Annual Report about our brands/products are not intended to be a substitute for professional medical advice and should not be relied on as health or personal advice. Always seek the guidance of qualified health professional with any questions you may have regarding your health or a medical condition.

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https://www.linkedin.com/company/glenmark-pharmaceuticals/

Online Report:
https://www.glenmarkpharma.com/investors/reports-presentation