



Tax Transparency Report

FY 2022-23



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1. About Glenmark



Vision

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

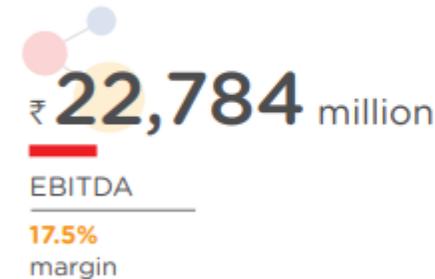
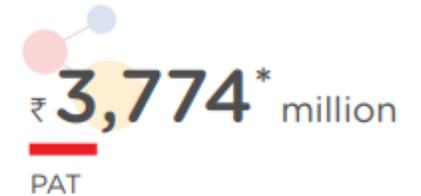
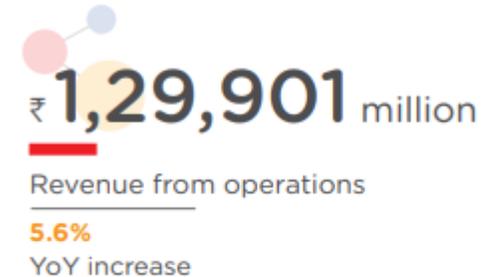
Glenmark was founded with a vision to emerge as a leading integrated research-based, global pharmaceutical company. Our branded generics business has a significant presence in markets across emerging economies including India.

The generics business services the requirements of developed markets like US and Western Europe. Our Active Pharmaceutical Ingredient (API) business sells products in over 65 countries including the US, various countries in the EU, South America and India. Glenmark develops branded generics, generics, specialty and key OTC products with focus on key therapeutic areas of oncology, respiratory and dermatology.

With 14 manufacturing facilities and 4 R&D centers spanning across Glenmark Pharmaceuticals Limited (GPL) and Ichnos Sciences, dedicated to the goal of enriching lives across the globe, we believe that the real force behind our continued success are dedicated employees from across 60 nationalities, committed to creating 'A new way for a new world'.

GLENMARK AT A GLANCE

Highlights for FY 2022-23



**lower due to a one-time exceptional item*

2. Global Presence

Glenmark aims to be a leading integrated, research-led, global pharmaceutical company. Over the past 45 years, Glenmark has built a global branded generics, generics, specialty and over-the-counter (OTC) business. With a strong focus on innovation, Glenmark has developed a robust presence in the therapy areas of dermatology, respiratory and oncology.



Includes GPL, GLS & Ichnos
Map is for representational purposes only. Depiction of boundaries is not authoritative

...Global Presence (Contd.)...

Financial Snapshot of Key Jurisdictions – FYE March 2023

Amount in INR Mn

Particulars	India	USA	Czech Republic	Switzerland	United Kingdom	Russia
Revenue	1,03,818.82	28,428.01	14,639.83	6,850.23	7,298.65	6,022.18
Profit Before Tax*	22,004.83	(1,239.71)	659.22	(4,825.92)	288.06	1,095.61
Income Tax Accrued	5,247.53	(74.41)	86.04	236.78	35.52	225.47
Employees	13,543	246	207	166	83	265

Revenue, Profit Before Tax and Income Tax Accrued have been aggregated for each entity within the jurisdiction, without elimination of inter-company transactions

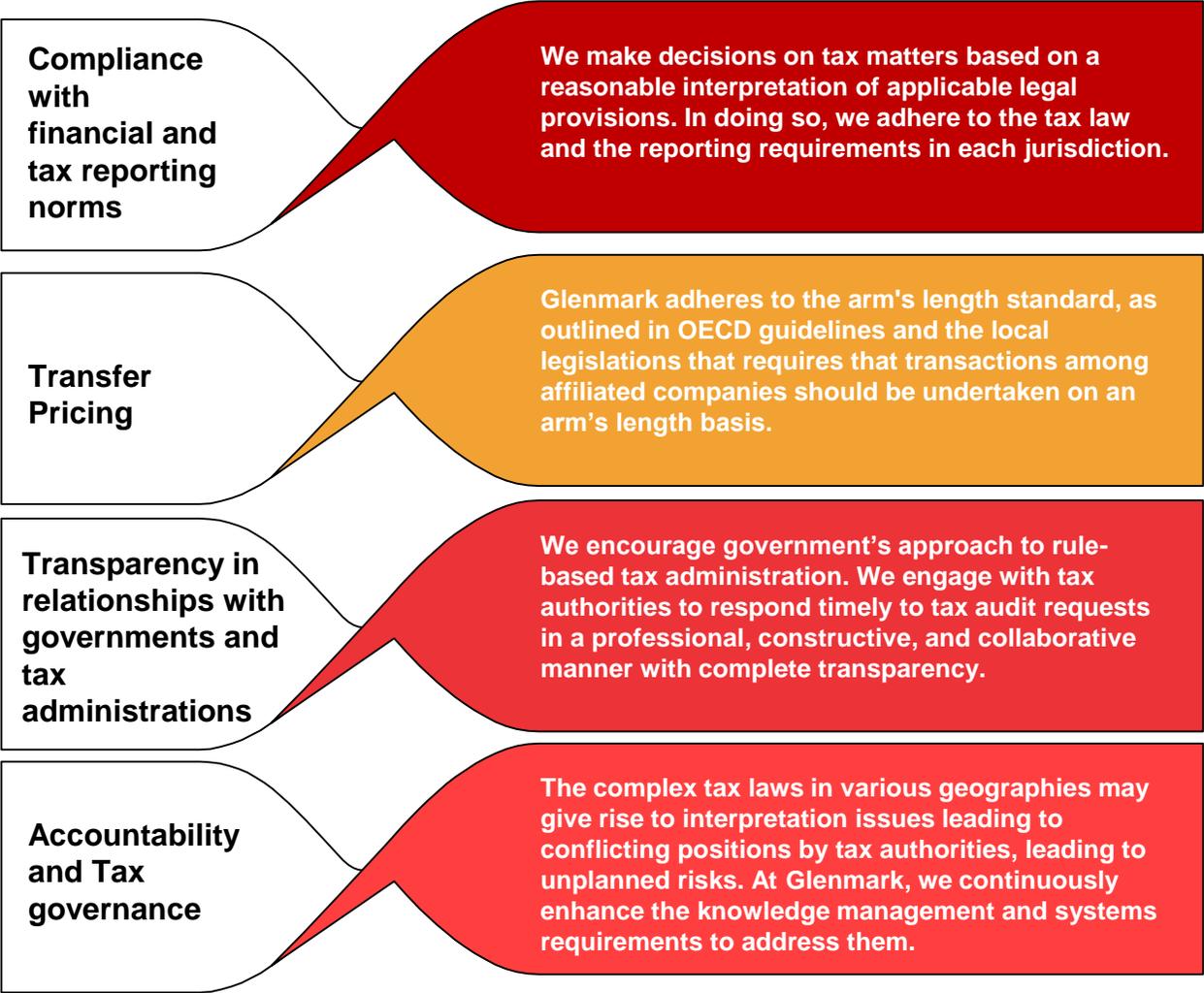
**after exceptional items*

3. Approach to Tax

Glenmark’s approach to tax encompasses its strategies, policies, and practices related to optimally managing its tax obligations and enhancing the efficiency of its tax function. This approach is shaped by Glenmark’s values, legal obligations, and business objectives and is documented in Glenmark’s global tax policy. The global tax policy is approved by the Board of Directors and reviewed periodically. Upon review, amendments to the policy, if any, are incorporated in the policy and published on the company’s website for reference. Important aspects of Glenmark’s tax approach driven by the global tax policy are highlighted hereunder:

Glenmark is transparent, accountable and co-operative with tax authorities across countries where it has a presence. It recognizes that all the taxes paid by the Company and collected on behalf of Governments are an integral element of our corporate responsibility. Since we operate in countries with different tax legislations and interpretations, we seek to monitor, adapt and improve our tax compliance, identify and fix any compliance gaps that could happen, or adjustments that could arise upon tax audits and settlements. Glenmark ensures that appropriate management structures are put in place to meet all the necessary laws and regulations.

Glenmark commits to establish and maintain tax structures in line with the commercial substance. Glenmark’s presence in low-tax jurisdictions is driven by business objectives and commercial substance rather than as an opportunity to avoid tax on business activities conducted in such low-tax jurisdictions. Glenmark does not use any offshore secrecy jurisdictions or tax-havens for tax avoidance.



3.1 Tax Principles

The tax principles of Glenmark serve as the foundational guidelines that shape its approach to taxation. These principles reflect the Company's core values and ethical standards, guiding our behavior and decisions in all matters related to taxes. Glenmark continues to go the extra mile to discover innovative solutions for its business and does so in accordance with the law, highest standards of business conduct and tax principles defined by Glenmark. By adhering to these principles, Glenmark aims to maintain a responsible and transparent approach to taxation by fulfilling its obligations to the government and society. For more than four decades, Glenmark has adhered to these tax principles at every step of its journey and underscore the Company's commitment to fair, ethical, and compliant tax practices.



Integrity – Tax integrity is a fundamental cornerstone of Glenmark's approach to taxation. Glenmark upholds honesty, transparency, and ethical behavior in all its tax-related activities. Our commitment to integrity means that we accurately report our financial information and fully comply with all applicable tax laws and regulations. We do not engage in any form of tax evasion, fraud, or aggressive tax planning. By adhering to the highest standards of integrity, we contribute to a fair and just tax system, build trust with our stakeholders, and uphold our reputation as a responsible corporate citizen.



Knowledge – The tax principle of knowledge underscores Glenmark's dedication to staying informed and well-versed in the complex realm of taxation especially where the tax landscape is evolving at a faster pace. We continuously seek to expand our understanding of evolving tax laws, regulations, and practices by investing in ongoing education and training. We empower our team to make informed decisions in accordance with Glenmark's code of conduct and tax policy. Our commitment to knowledge enables us to navigate the intricacies of taxation effectively, minimize risks, and contribute positively to our financial and ethical responsibilities.



Respect – Glenmark is committed to treating all stakeholders with utmost respect. We uphold respectful communication and cooperation with tax authorities, responding promptly to inquiries and providing accurate information.



Trust – We recognize that trust is essential in all our interactions, particularly with tax authorities and our stakeholders. Our actions are grounded in integrity, and we believe that fostering trust through ethical and responsible tax practices enhances our reputation and contributes to a fair and equitable tax system.

3.2 Tax Automation

Glenmark embraces a strategic and forward-looking approach to tax automation, recognizing its potential to enhance accuracy, efficiency, and assist in compliance across our tax-related processes. Glenmark intends to adopt a holistic approach to tax automation, to enhance the ability to meet tax obligations, optimize our tax position, and allocate resources more efficiently.

Glenmark has adopted integrated digital and automation tools to help assist tax operations across the globe. *The Indian GST e-invoicing / e-way bill software, GST multisource reconciliation tool, GST compliance solution, tool for monitoring and ensuring effective compliance with respect to the tax deduction at source under the Indian regulations, are some of instances of tax automation tools deployed. Similarly, tools have been deployed in some other jurisdictions for meeting the tax collection obligations of the Company.* Glenmark is committed to focus and invest on tax automation for efficient tax governance.

3.3 Tax Planning

Glenmark's tax planning strategy is built with a focus on optimizing our tax position while maintaining full compliance with applicable laws and regulations. Our tax planning efforts involve a thorough analysis of our business operations, financial transactions, and industry dynamics to identify legitimate opportunities for tax savings. We are committed to transparency in our tax practices, ensuring that our planning aligns with our corporate values and ethical standards. By leveraging our deep understanding of tax laws and regulations, we strive to make informed decisions that contribute to the sustainable growth of our business while fulfilling our tax obligations.

At Glenmark, our tax positions are a product of our tax planning strategies and a true reflection of our financial activities. Glenmark ensures that its tax positions consider the commercial substance of the transactions and compliance with laws and regulations in letter as well as in spirit. Glenmark typically refrains from adopting any aggressive tax positions thereby ensuring adherence to the principles of compliance, risk management, and building trust with tax authorities.

3.4 Related Party Transactions

Disclosing related party relationships is of utmost importance in maintaining transparency, fairness, and credibility in business operations.

Glenmark ensures that transactions between related parties are conducted on an arm's length basis, reflect market conditions and ensure that prices, terms, and conditions are comparable to those in transactions between unrelated parties. By adhering to arm's length principles, Glenmark demonstrates its commitment to ethical business conduct, mitigating potential conflicts of interest and upholding the trust of investors, regulators, and other stakeholders.

Glenmark has a policy on “Related party transactions and its materiality” https://glenmark.b-cdn.net/gpl_pdfs/about_us/Policy%20on%20RPT%20and%20its%20Materiality.pdf to comply with the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and in terms of Section 188 of the Companies Act, 2013 read with the relevant rules. Glenmark’s Board of Directors has adopted this policy which assists in proper approval, disclosure and reporting of Related Party Transactions as laid down in the SEBI LODR Regulations and the Companies Act, 2013. The Board reviews and updates this policy at least once in every three years.

Glenmark’s policy on Related Party Transactions provides guidance on three key aspects viz. identification of related party transactions, pricing methodology, review and approval process. As a thumb rule, Glenmark considers it appropriate to enter into related party transactions only if they are in the best interests of the Company and its shareholders. The Related Party transactions are reviewed on a quarterly basis.

Glenmark’s policy mandates that every Related Party Transaction (including Subsequent Material Modification) proposed to be entered into by the Company must be reported to the Audit Committee (or Board of directors, if required by law or required by the board on its own) for review and prior approval in accordance with this Policy and applicable laws. The policy also allows the Audit Committee to grant omnibus or blanket approvals for the proposed Related Party Transactions which are regular/routine/repetitive in nature in the interest of the conduct of affairs of the Company up to a value of Rs. 10 million per transaction or such other amount as may be prescribed under applicable law.

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

4. Tax Governance, Control and Risk Management

➤ Tax Governance:

Glenmark has established framework, policies, and processes vis-à-vis its tax-related activities to ensure responsible and compliant tax practices. Glenmark's robust tax governance structure ensures transparency, ethical behavior, and effective management of tax risks and provides guidance on the following aspects:

Tax Policy: Glenmark has developed a clear and comprehensive tax policy that outlines the company's commitment to compliance, transparency, and ethical tax practices and aligns its tax strategies with the company's overall business goals and risk appetite.

Tax Team: Glenmark's tax team is led by the Global Tax Head and aptly guided by the Global Chief Financial Officer who oversees the tax governance and compliance of Glenmark. Glenmark's tax team is a dynamic group comprised of tax professionals, financials experts, and legal advisors having vast experience in different spheres of taxation like Corporate and International tax, Transfer Pricing, GST, Customs, VAT. The tax team plays a crucial role in managing and optimizing Glenmark's tax related activities and is responsible for all the matters of planning, compliance and disputes under the purview of tax. The tax team collaborates with the finance & accounts team to ensure timely and effective compliance by Glenmark. The team undergoes continuous training, both technical and soft skills, to keep abreast of the tax developments globally, aiding their evaluation and analysis. Glenmark seeks advice from external consultants / counsels, as and when considered necessary.

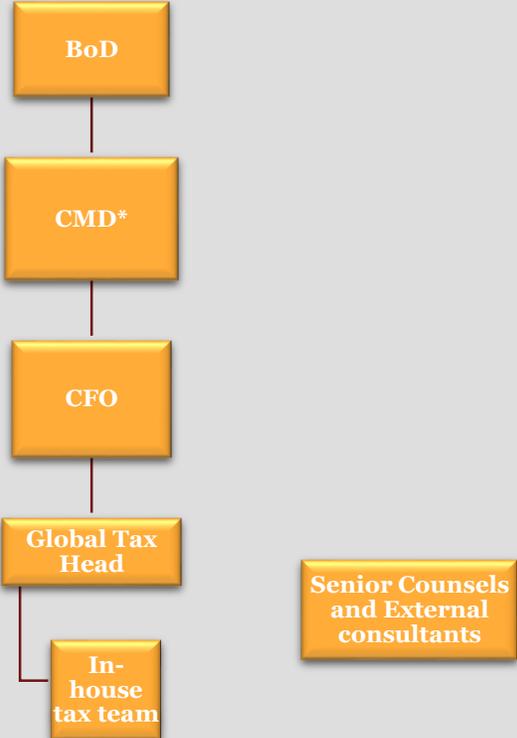
Decision making process: The tax decision-making process and hierarchy within Glenmark typically begins with the identification of a tax-related issue or opportunity by the tax team. The tax team conducts a thorough analysis of the situation, considering legal, financial and operational factors and presents the proposed tax proposition to the tax head of the Group for evaluation and approval.

In case of tax proposals involving complex tax implications, significant tax risk, the tax head discusses the tax proposals with the CFO of the Company who holds the authority to approve the critical tax decisions.

...Tax Governance, Control and Risk Management (Contd.)...

The tax head and CFO may obtain legal consultation or external opinion from external consultants in case of high value transactions or transactions where two views are possible.

The hierarchy of Glenmark's tax function is as follows:



* *Chairman and Managing Director*

...Tax Governance, Control and Risk Management (Contd.)...

Capability building: Glenmark provides and encourages ongoing training to its employees involved in tax-related activities to enhance their understanding of tax regulations and evolving tax issues globally.

Ethical culture: Glenmark embeds ethical considerations into tax governance to ensure that the company's tax practices align with its values and avoid aggressive or questionable tax strategies. It provides clear and transparent reporting of tax positions, strategies, and compliance efforts in financial statements and public disclosures.

On the back of a well-defined and implemented tax governance structure, Glenmark has effectively managed its tax-related activities, mitigated tax risks to the extent possible, and has demonstrated a commitment to responsible tax practices and shall continue to do so.

➤ **Tax Risk Management:**

Undertaking a comprehensive tax risk management is a vital aspect of Glenmark's financial strategy for which it adopts a systematic and proactive approach. At the outset, Glenmark conducts a thorough assessment of the company's tax processes, transactions and potential risks. This involves identifying specific tax risks, such as uncertain tax positions, or non-compliance with evolving tax regulations.

Once these risks are identified, Glenmark develops and implements clear tax policies and procedures that outline guidelines for managing identified risks. These guidelines relate to roles and responsibilities, decision-making processes, and protocols for escalating and addressing potential issues. Regular training and upskilling of the tax team is crucial to implement the company's risk management framework.

Another integral part of Glenmark's tax risk management is establishing effective controls and internal checks. Glenmark implements robust internal controls to monitor transactions, documentation, accounting and reporting processes. *For example, the tax team is actively consulted from time to time for pricing products when dealing with group companies. This is done in adherence to the Group's TP policy and is based on the functional & risk profile of the parties involved.* These internal controls ensure that the business objectives and the tax risks are managed concurrently.

...Tax Governance, Control and Risk Management (Contd.)...

Glenmark also undertakes regular internal reviews to identify gaps or weaknesses in the control environment, allowing for timely adjustments and improvements. *For example, regular reviews are undertaken to ensure that appropriate arm's length margin is earned by its subsidiaries and appropriate adjustments are undertaken, if necessary.*

Similarly, internal business procedures require review of key contracts by the tax team. This ensures that potential tax risks are identified and addressed / mitigated before the agreements are executed and that there is consistency in the approach adopted.

Glenmark also engages external tax consultants to provide expert insights and independent assessments, offering an objective perspective on the effectiveness of the company's risk management measures.

As part of the ongoing process, Glenmark continuously monitors changes in tax laws, regulations, and business operations that may impact its tax risks. Glenmark also conducts regular risk assessments and scenario analyses that help the company stay proactive in identifying emerging risks and adapting its risk management strategies accordingly.

Glenmark has put in place a well-structured tax risk management framework that helps safeguard the company's financial health, reputation, and that ensures compliance. By identifying, addressing, and monitoring tax risks systematically, Glenmark continues to navigate the complex tax environments with confidence and effectively avoid / mitigate major tax controversies. As we operate in countries with very different tax legislations and interpretations, we seek to monitor, adjust and improve our tax compliance, identify and fix any compliance gaps that could happen, or adjustments that could arise upon tax audits and settlements.

...Tax Governance, Control and Risk Management (Contd.)...

➤ Monitoring Governance Framework :

Glenmark operates in an industry that is highly regulated, and therefore the importance of a monitoring governance framework and adherence to all applicable laws cannot be overemphasized. Glenmark believes that monitoring a governance framework ensures that established policies, processes, and controls remain effective and aligned with an organization's goals and values. It serves as a crucial mechanism for maintaining the integrity of operations, adapting to changing circumstances, and upholding the company's reputation and ethical standing in a dynamic business environment.

Bearing this in mind, Glenmark has developed and implemented a robust and exhaustive Code of Conduct. The code of conduct is designed to:

- promote integrity and highest standards of ethical conduct;
- comply with the laws, regulations, and policies that apply to Glenmark;
- address common ethical situations; and
- serves as a connector between people and the resources of Glenmark which provide guidance and support.

Glenmark's code of conduct is global and applies to everyone who works at Glenmark and its Board of Directors, our affiliates, and representatives worldwide. The code of conduct is also publicly available on the Company website for reference. The link is: https://glenmark.b-cdn.net/gpl_pdfs/about_us/GlenmarkPharma_Code_of_Conduct.pdf

As a part of monitoring and safeguarding the governance framework, Glenmark has formed a confidential reporting line named 'EthicsLine' which allows Glenmark's stakeholders to express their concerns. Glenmark independently evaluates concerns raised by its stakeholders and carries out an investigation to assess the implications of such concerns.

Glenmark's regular oversight has allowed early detection of potential weaknesses or deviations in its governance framework thereby enabling timely corrective actions, safeguarded against unethical practices, fostered stakeholder confidence, regulatory compliance and enabled sustainable growth.

5. Engagement with Tax Authorities and Advocacy

➤ Relationship with Tax Authorities :

Glenmark believes that the interaction between the Company and the tax authorities plays a significant role in fulfilling its tax obligations, addressing inquiries and resolving disputes. Glenmark maintains an open and co-operative relationship with tax authorities by engaging in honest, respectful and fair dialogue with respect to its tax positions. The Company encourages government's approach to rule-based tax administration and responds to tax audit requests by the authorities in a timely, professional, constructive and transparent manner.

Wherever necessary, Glenmark engages external tax advisors and counsels for engaging with tax authorities. This approach ensures accurate interpretation of tax regulations, reduces uncertainties, and promotes timely resolution of issues, contributing to building trust and respect with the tax authorities. Glenmark engages in open communication and cooperation with tax authorities, promptly addressing any inquiries and providing necessary documentation to support its tax position.

Glenmark proactively requests clearance from tax authorities by way of advance rulings or advance pricing agreements to obtain certainty on transactions undertaken or proposed to be undertaken. Glenmark's approach aims to preempt potential future disputes by establishing clarity and agreement in advance.

➤ Advocacy:

The tax team of Glenmark continuously monitors the changes in tax regulations and its impact on the business. Where relevant, Glenmark provides inputs to tax policy makers through industry associations. Glenmark is a member of forums and industry organizations such as Bombay Chamber of Commerce and Industry (BCCI), Indian Pharmaceutical Association (IPA), Federation of Indian Chambers of Commerce and Industry (FICCI), Pharmaceuticals Export Promotion Council of India (Pharmexcil), Indian Drug Manufacturers' Association (IDMA) and Federation of Pharma Entrepreneurs (FOPE) through which Glenmark actively participates and contributes its views on tax related matters.

6. Corporate and Effective Tax Rate

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') subsequently enacted as Taxation Laws (Amendment) Act, 2019, Indian companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The corporate statutory tax rate applicable to the Company is 34.94%.

Glenmark made an assessment of the impact and decided to continue with the existing tax structure (i.e., corporate statutory tax rate of 34.94%) in respect of Glenmark Pharmaceuticals Limited until utilization of accumulated minimum alternative tax (MAT) credit and other exemptions. However, Glenmark's Indian subsidiary, Glenmark Life Sciences Limited has opted for the new tax regime prescribed u/s 115BAA of the Income Tax Act 1961.

The Consolidated Effective Tax Rate of Glenmark for FY23 is 56.54% vis-à-vis 31.05% for FY22. The reconciliation between the expected tax expense based on the applicable tax rate of the Group and the tax expense actually recognized is provided in the Annual Report for the FY 2022-23. An extract of the same is as follows:

Particulars	FY23 (INR In Mn)	FY22 (INR in Mn)
Income Tax Expense at applicable statutory corporate tax rates	5,546.71	8,199.27
Less: Tax adjustment for Income Exempt from Tax	(796.62)	(3,245.56)
Less: Tax adjustment for Other allowances / disallowances (net)	(727.80)	(1,866.28)
Less: Tax adjustment for additional deduction for R&D expenditure	-	(3.43)
Add: Tax adjustment for unrecognized tax benefit on losses of subsidiaries (net)	378.33	893.88
Add: Tax adjustment for disallowed expenses	509.89	498.09
Actual tax Expense (Net)	4,910.51	4,475.97

6. Corporate and Effective Tax Rate (Contd.)...

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

- **Tax adjustment for Income Exempt from Tax:** As per the tax laws in different jurisdictions, certain income earned by Glenmark is not chargeable to tax and hence such tax-exempt income has an impact on the ETR of the Group viz. Tax holiday units at Sikkim and Indore SEZ
- **Tax adjustment for Other allowances:** As per the tax laws of jurisdictions in which Glenmark operates, certain allowances / incentives / reduced tax rates are provided to Glenmark for tax purpose viz. lower tax rate on capital gains. Such difference in tax rates on specific type of income impacts ETR of the Group.
- **Tax adjustment for unrecognized tax benefit on losses of subsidiaries (net):** Due to specific tax laws relating to carry forward losses in certain jurisdictions and due to commercial reasons, Glenmark is unable to take set off of losses incurred by the subsidiaries thereby impacting the ETR of Glenmark.
- **Tax adjustment for disallowed expenses:** These relate to specific restrictions in the tax laws of the various tax jurisdictions in which Glenmark conducts business regarding the allowance of specified expense items. Tax impact of such disallowed items are considered under this head. Examples of disallowed expenses include, among others, the disallowance of donations made, expenditure done on CSR activities and disallowances of inflation adjustments.

7. Global Tax and Other Contributions and Collections

Tax Borne

Amount in INR Mn

Jurisdictions	Corporate Tax	Custom Duties	Social Security Contribution	Other (Property Tax etc.)	Total
India	5,699.8	491.1	829.5	38.3	7,058.7
USA	74.9	-	216.9	46.3	338.1
Czech Republic	66.6	-	121.4	331.8	519.7
Switzerland	58.3	-	269.1	312.8	640.3
Russia	172.7	23.1	304.5	46.1	546.5
UK	14.1	-	14.1	112.5	140.7

Tax Collected

Jurisdictions	Indirect Tax	Tax withheld	Payroll Taxes	Social Security Contribution (Employee portion eg. Professional Tax)	Total
India	16,166.8*	1,215.9	1,933.2	599.2	19,915.1
USA	-	25.0	626.2	216.9	868.2
Czech Republic	190	0.8	-	-	190.7
Switzerland	-	-	187.2	233.5	420.6
Russia	-	-	115.2	-	115.2
UK	2,446.2	-	257.9	50.0	2,754.0

Note: Currently, Glenmark has disclosed tax contributions only for entities contributing 90% of total group revenue.

*Indirect tax collected in India is the total output GST liability which is discharged through Input Tax Credit as well as by paying through bank

8. Basis of Preparation

- i. The amounts reported in the Tax Schedule are for the period 1 April 2022 to 31 March 2023.
- ii. In this report, major jurisdictions of operations which constitute more than 90% of the total group revenue have been covered:
 - a. India
 - b. USA
 - c. Czech Republic
 - d. Switzerland
 - e. United Kingdom
 - f. Russia
- iii. In case of multiple entities within a jurisdiction, the numbers have been aggregated for the purpose of this disclosure
- iv. The data is reported in INR and is rounded off to nearest millions. To convert the numbers in respective jurisdictional currency to INR terms, the corresponding exchange rates as disclosed in the AOC-1 for the year ended 31 March 2023 were used
- v. Global Tax & Other Contributions paid have been reported on a cash basis

9.1 Annexure 1 - Glossary

AOC- 01 - Form AOC-01 is prepared by the company pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014. It is a statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures.

Arm's-Length Standard - Transactions between related parties should not be distorted by the special relationship that exists between the two or more associated enterprises / related parties.

Associates - As per Section 2(6) of Indian Companies Act 2013, associate company, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. For the purposes of this clause, significant influence means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

Companies Act - An Act to consolidate and amend the law relating to companies, enacted by the Parliament of India.

Conflict of interest - Conflict of interest occurs when an individual or a corporation (either private or government) is in a position to exploit in its own professional or official capacity in some way for personal or corporate benefit.

Corporate Income Tax - This is a direct tax imposed on companies' profits.

Employee - Employee count reported in this document is sourced from the Country-by-Country report, prepared pursuant to Section 286 of Indian Income Tax Act 1961 and has been filed for the financial year 2021- 22. As per the OECD Guidelines which serve as a basis for the country-by-country report, employees are reported on a full-time equivalent basis as on year end, or on any other basis consistently applied across tax jurisdictions and from year to year.

GRI Standards - GRI Sustainability Reporting Standards. The Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

GST - A goods and services tax (GST) is a value-added tax levied on supply of specific goods and services. GST is paid by consumers, but it is remitted to the Government by the businesses selling such goods and services.

Annual Report - An Annual Report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

...Annexure 1 – Glossary (Contd.)...

OECD TP Guidelines - Organization for Economic Co-operation and Development's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

Related Party Transactions - As per OECD, it is defined as an arrangement for transfer of resources, services or obligations between two parties that have a preexisting business relationship, regardless of whether a price is charged.

Stakeholders - Any individual or group of individuals that have an interest in a company and can either affect or be affected by the business.

Subsidiary - As per Section 2(87) of Indian Companies Act 2013, subsidiary company or — subsidiary, in relation to any other company (that is to say the holding company), means a company in which the holding company—

- i. controls the composition of the Board of Directors; or
- ii. exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation. —For the purposes of this clause,—

- a. company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- b. the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. the expression company includes anybody corporate;
- d. layer in relation to a holding company means its subsidiary or subsidiaries;

...Annexure 1 – Glossary (Contd.)...

Tax - A tax is a compulsory financial charge, or some other type of levy imposed on a taxpayer (an individual or legal entity) by a governmental organization in order to fund government spending and various public expenditures (regional, local, or national), including but not limited to corporate income tax, property taxes, employment taxes, sales taxes, stamp duties and any other required payments,

Tax Deducted at Source ('TDS') - A person (deductor) who is liable to make payment of specified nature to any other person (deductee) shall deduct tax at source and remit the same into the account of the Central Government. The concept of TDS enables the collection of tax at the source of the income itself.

Tax Collected at Source ('TCS') - Governed by section 206C of the Income Tax Act, 1961 in India, TCS refers to the tax payable by a seller which they collect from the buyer at the time of sale.

Transfer pricing - Transfer price is a price of a transaction between associated enterprises for transfer of physical goods and intangible property or provision of services. Transfer pricing should be based on the arm's-length principle. It is used to ensure that profits are allocated to the countries where the relevant economic activity takes place and value is created.

Turnover/ revenue - The turnover reported in this document for subsidiaries is sourced from the Country-by-Country Report of the Company filed for financial year 2021-22 and AOC-1 for 2022-23

Value-added tax ('VAT') - A value-added tax is a tax levied on the price of a product or service at each stage of production, distribution or sale to the end-customer.

Withholding tax - A withholding tax is an income tax withheld or deducted by the payer from the income due to the recipient and paid to the Government. Withholding taxes usually apply to royalties, interest or dividends.

9.2 Annexure 2 – Details of related entities

Sr. No.	Name of the Company	Country	Relation	Holding
1	Glenmark Pharmaceuticals Limited	India	Parent Company	-
2	Glenmark Life Sciences Limited	India	Subsidiary	82.84%
3	Glenmark Holding SA	Switzerland	Subsidiary	100%
4	Ichnos Sciences SA (formerly known as Glenmark Pharmaceuticals S.A.)	Switzerland	Subsidiary	100%
5	Glenmark Specialty S.A.	Switzerland	Subsidiary	100%
6	Ichnos Sciences Biotherapeutics SA (Formerly known as Glenmark Biotherapeutics SA)	Switzerland	Subsidiary	100%
7	Glenmark Farmaceutica Ltda.	Brazil	Subsidiary	100%
8	Glenmark Pharmaceuticals SRO	Czech Republic	Subsidiary	100%
9	Glenmark Pharmaceuticals Distribution SRO	Czech Republic	Subsidiary	100%
10	Glenmark Pharmaceuticals SK SRO	Slovak Republic	Subsidiary	100%
11	Glenmark Pharmaceuticals Europe Ltd.	U.K.	Subsidiary	100%
12	Glenmark Pharmaceuticals Inc.	U.S.	Subsidiary	100%
13	Glenmark Therapeutics Inc.	U.S.	Subsidiary	100%
14	Glenmark Pharmaceuticals S.P. z.o.o.	Poland	Subsidiary	100%
15	Glenmark South Africa (Pty) Ltd.	South Africa	Subsidiary	100%
16	Glenmark Pharmaceuticals South Africa (Pty) Ltd	South Africa	Subsidiary	100%
17	Glenmark Impex L.L.C	Russia	Subsidiary	100%

...Annexure 2 – Details of related entities (Contd.)...

Sr. No.	Name of the Company	Country	Relation	Holding
18	Glenmark Pharmaceuticals (Nigeria) Ltd.	Nigeria	Subsidiary	100%
19	Glenmark Dominicana SRL	Dominican Republic	Subsidiary	100%
20	Glenmark Pharmaceuticals (Australia) Pty Ltd.	Australia	Subsidiary	100%
21	Glenmark Pharmaceuticals (Malaysia) Sdn Bhd	Malaysia	Subsidiary	100%
22	Glenmark Philippines Inc.	Philippines	Subsidiary	100%
23	Glenmark Pharmaceuticals Egypt S.A.E.	Egypt	Subsidiary	100%
24	Glenmark Pharmaceuticals FZE	United Arab Emirates	Subsidiary	100%
25	Glenmark Uruguay SA	Uruguay	Subsidiary	100%
26	Glenmark Pharmaceuticals Mexico, S.A. DE C.V	Mexico	Subsidiary	100%
27	Glenmark Pharmaceuticals Peru SAC	Peru	Subsidiary	100%
28	Glenmark Pharmaceuticals Venezuela, C.A.	Venezuela	Subsidiary	100%
29	Glenmark Pharmaceuticals Colombia SAS	Colombia	Subsidiary	100%
30	Glenmark Generics S.A.	Argentina	Subsidiary	100%
31	Glenmark Pharmaceuticals B.V	Netherlands	Subsidiary	100%
32	Glenmark Arzneimittel GmbH	Germany	Subsidiary	100%
33	Glenmark Pharmaceuticals Canada INC.	Canada	Subsidiary	100%
34	Glenmark Pharmaceuticals Kenya Limited	Kenya	Subsidiary	100%

...Annexure 2 – Details of related entities (Contd.)...

Sr. No.	Name of the Company	Country	Relation	Holding
35	Viso Farmaceutica SLU	Spain	Subsidiary	100%
36	Glenmark Pharmaceuticals (Thailand) Co. Ltd.	Thailand	Subsidiary	49%
37	Glenmark Pharmaceuticals Nordic AB	Sweden	Subsidiary	100%
38	Glenmark Ukraine LLC	Ukraine	Subsidiary	100%
39	Glenmark Pharmaceuticals Ecuador S.A.	Ecuador	Subsidiary	100%
40	Glenmark Pharmaceuticals Singapore Pte . Ltd	Singapore	Subsidiary	100%
41	Ichnos Sciences Inc., USA	U.S.	Subsidiary	100%
42	Glenmark Farmaceutica SPA	Chile	Subsidiary	100%
43	Sintesy Pharma SRL	Italy	Subsidiary	100%

Note 1. Other relevant financial information as per GRI Standard 207-4-b for has been covered in Annexure 3

Note 2. The above information is as per Consolidated Financial Statement disclosed in Glenmark's Annual Report for the FYE March 2023.

9.3 Annexure 3 – Country-by-Country reporting for FY 21-22

Amounts in INR Mn.

Jurisdictions	Revenues – Unrelated Party	Revenues – Related Party	Revenues – Total	Profit (Loss) before Income Tax	Income Tax Paid (on a cash basis)	Income Tax Accrued – Current Year	Number of Employees
India	65,945	41,931	107,875	27,958	5,518	5,487	13,076
USA	28,187	1,632	29,819	299	20	19	343
Czech Republic	3,068	8,743	11,811	512	1	26	191
Switzerland	2,760	7,275	10,035	(9,319)	125	203	208
Russia	4,392	1,101	5,493	402	46	46	325
UK	4,446	1,135	5,581	381	-	9	89
Others	16,675	1,983	18,657	(1,186)	115	179	1,005

Note: 'Others' represent jurisdiction contributing less than 10% of the consolidated revenues of Glenmark during the FY 21-22.

...Annexure 3 – Country-by-Country reporting for FY 21-22 (Contd.)...

Amounts in INR Mn.

Jurisdictions	Stated Capital	Accumulated Earnings	Tangible Assets other than Cash and Cash Equivalents	Business Description
India	527	160,237	37,139	Holding Company, Manufacturing, Research and development, owns investments and IPs, sale of APIs and finished dosage formulations, provision of services.
USA	49	2,909	26,548	Manufacturing and distribution of pharmaceutical products and provision of services.
Czech Republic	171	(2,808)	2,425	Manufacturing and distribution of pharmaceutical products.
Switzerland	88,092	(49,419)	1,262	Owens investments and IPs, R&D, Exploits IPs through contract manufacturing; distribution and support services.
Russia	1,436	3,743	446	Distribution of pharmaceutical products
UK	518	837	1,151	Distribution of pharmaceutical products and provision of services.
Others	24,859	(12,675)	4,929	

Note: 'Others' represent jurisdiction contributing less than 10% of the consolidated revenues of Glenmark during the FY 21-22.