Glenmark
A new way for a new world

FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of Company	Glenmark Pharmaceuticals Limited
2.	Annual financial statements for the year ended	31 March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For **Glenmark Pharmaceuticals Limited**

Glenn Saldanha
Chairman & Managing Director

N. B. Desai
Chairman of Audit Committee

Rajesh V. Desai
Executive Director

Place: Mumbai
Date: 8 May 2014

Walker, Chandiok & Co (formerly Walker, Chandiok & Co)
For Walker Chandiok & Co LLP
Firm Registration No: 001076N
Chartered Accountants

Ashish Gupta
Partner
Membership No.: F-504662

Place: Mumbai
Date: 8 May 2014

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Glenmark

A new way for a new world

GEARED FOR THE NEXT LEVEL OF **GROWTH**.

GLENMARK ANNUAL REPORT | 2013-14

GEARED FOR THE NEXT LEVEL OF **GROWTH**.

Glenmark stands in a position of strength. We are now a US$ 1 billion pharmaceutical company with a global presence. With its fast growing portfolio of products and a significant focus on innovation, Glenmark is poised to make greater strides. To take this big leap, we have made strategic decisions in key areas that will drive faster growth and create better outcomes for all our stakeholders around the world. Some of these key strategies are:

Innovation is one of the main pillars of our business. We take pride in the fact that we are recognized as an organization that is built around innovation. While innovation of new products is an important focus, we also continuously strive to integrate innovation across every function to optimize our resources, our portfolio, our systems and our profitability

Our Research & Development efforts have always focused on innovative and highly effective drugs that fulfill unmet patient needs. This continues to remain central to our strategy and fundamental to our future success

We have a robust pipeline of 3 NCE and 3 NBE molecules in clinical trials or ready to enter clinical trials. This is another validation of the work that we are doing on the innovation front and once again puts us at the fore-front of cutting edge pharmaceutical companies

Our people are our biggest assets and core differentiator. Our people and their potential to contribute to the success of our company will be the key drivers in our high growth agenda

In our pursuit of creating 'A New Way for a New World', we have established presence in over 80 countries from Asia to Latin America

With our topline reaching one billion dollar milestone, our revenue base is now strategically diversified. Our business now not only has the breadth but also has multiple growth drivers where we would leverage our investments in the years ahead

We believe that creating intellectual capital is not enough to succeed. It is equally important to enable it with the right mix of systems and processes to realize its true potential. We are augmenting our processes and systems to support our growing businesses

'Enriching lives' is a key element of Glenmark's philosophy. We believe that we should be the catalyst for change in urban and rural India by supporting the community through targeted initiatives

What sets Glenmark apart is the passion for achievement. Glenmark aims to raise the bar for quality and competence at every possible opportunity

Contents

Chairman's Letter	02
Board of Directors	05
Key Financials	06
Innovation	07
Highlights in R&D	08
Innovation Research Pipeline	10
Global Presence	12
Our Processes	14
Our People	15
Corporate Responsibility	16
Corporate Information	18
Management Discussion & Analysis	19
Profiles of Directors	35
Directors' Report and Relevant Annexures	36
Report on Corporate Governance	42
Standalone Auditor's Report	53
Standalone Balance Sheet	56
Standalone Statement of Profit & Loss	57
Standalone Cash Flow Statement	58
Standalone Notes to Financial Statements	60
Consolidated Auditor's Report	91
Consolidated Statment of Financial Position	92
Consolidated Statement of Comprehensive Income	93
Consolidated Statement of Changes in Shareholders' Equity	95
Consolidated Statement of Cash Flows	96
Notes to Consolidated Financial Statements	97

Chairman's Letter

Glenn Saldanha
Chairman & MD

> We are now poised for greater heights. We have a robust pipeline of products across all markets, a strong innovative engine, a well spread & diversified manufacturing setup, a truly global team and robust systems & processes to help us scale the next peak.

Dear Shareholder,

Your organization has achieved yet another milestone, with revenue crossing ₹ 6,000 crore (INR 60,000 Mn) during the year under review. For the third year in a row, we have grown revenue by over 20% on an ever expanding base business. Further, you will be pleased to know that we now rank among the Top-80 pharmaceutical companies in the world[1]. All this has been possible because of your unstinting support and commitment to the organization.

Glenmark's business has been built keeping long term and sustainable growth in mind. Over the years we have built a strong foundation and with our current size and scale we stand in a position of strength. We have a solid base, and we are geared to handle the next level of growth over the next few years. We are now poised for greater heights. We have a robust pipeline of products across all markets, a strong innovative engine, a well spread & diversified manufacturing setup, a truly global team and robust systems & processes to help us scale the next peak.

However during the year under review, it has not been easy going. In terms of the global regulatory environment, the year under review continued to be fraught with challenges. Ever increasing competition, delayed product approvals across geographies and increasing regulatory scrutiny contributed in making the operating environment extremely gruelling.

1. SCRIP 100 Rankings

Globally, government pressure on pharmaceuticals companies has been increasing and a number of companies are ending up paying huge fines for non-compliance. On the other hand, the USFDA has become increasingly vigilant and stricter in terms of compliance. In addition, regulatory delays have impacted the pharmaceutical industry in Russia and Brazil. We will need to wait and watch how this year pans out in terms of approvals in these markets.

We have also seen a spate of acquisitions being done by pharmaceutical companies based in the US and valuations for businesses are at an all-time high. The generic market in the US is getting more and more competitive because of the channel consolidation. This will put pressure on the generic business in the long run and especially during this year, when they go about completing their acquisition. The number of generic companies in the US is also increasing every year and the opportunities are getting fewer and fewer.

Therefore at this point in time, all the main focus markets continue to be riddled with challenges i.e. India, US, Russia and Brazil. And these markets put together account for nearly 75% of overall company's revenue.

Business overview: A year of strong growth

But despite the odds in the marketplace, during the year under review we have reported yet another year of strong growth fuelled by good performances across our markets like the US, India, Europe, and the API business.

Our revenue base is now strategically diversified and hence our business not only has the breadth but we also have multiple growth drivers where we would leverage our investments in the years ahead. Being a research led pharmaceutical company; we have transitioned from developing only generic medicines to a range of specialty products in niche segments apart from having our own pipeline of several innovative molecules.

"The focus is to build the organization on our unique R&D capabilities rather than build it on the basis of cost differential model. We are clearly among the leading companies in emerging markets in terms of R&D investments and presently 10% of our sales is invested in R&D development."

In the year under review, Glenmark has entered into new niche and high entry barrier segments like Immunosuppressants and Complex Injectables categories in the US. Both are very exciting areas and present fairly large opportunities for the company. Glenmark has also put up manufacturing assets in both these areas by setting up a new Immunosuppressants as well as Complex Injectables facilities in Indore (Central India). Our focus in niche segments including dermatology, hormones, controlled substances and modified release products have helped Glenmark ensure a sustainable market opportunity and continued profitability in the US market.

Similarly, we have built a pretty robust pipeline for our India and other Emerging Markets businesses. During the year under review, the India business grew by 15%, ROW business grew by 16%, Europe region grew by 36% and the Latin America region grew by 17%. We continue to file differentiated products in these markets and the focus is to build these businesses in therapeutic areas viz. Dermatology, Respiratory and Oncology. An example in this regard is the launch of generic Seretide, an inhaler product, in Mexico, Venezuela and Philippines. The R&D in vitro equivalence for generic Seretide; as well as the chemistry, manufacturing and control (CMC) development were extremely challenging and hence it's a great testimony of our cutting edge R&D capabilities in these focus therapeutic areas.

During the year under review, we have seen robust growth from the European business and we feel this will continue during this year also. Further with the regulatory changes now implemented in Russia, this business should also bounce back as we have received new product approvals which can drive growth for this subsidiary. In the Latam region, we are hopeful of a good showing of the Mexico and the Venezuela unit due to new product introductions while the Brazil subsidiary continues to be impacted due to approval delays. The India business will continue to record good growth despite the slowdown in the industry while in the US, your organization is dependent on new product approvals for growth and that at the moment is getting significantly delayed.

On the manufacturing side, in an era of increasing scrutiny, Glenmark's manufacturing facilities have successfully cleared several audits from authorities like the US-FDA, MHRA-UK and others. As an organization, we will continue to take steps to improve our quality systems and processes to ensure compliance at all times. We have now a well spread manufacturing base with facilities in India, Brazil, Argentina and the Czech Republic. We are looking to expand our manufacturing footprint to the US also which will happen anytime during this year. With this new facility, we have spread our manufacturing base and made it truly global in every sense.

We are also looking at a host of other measures which will support our next level of growth. One such initiative is our Project Disha (Direction) – which aims to ramp up our IT infrastructure to support a growing global organization like ours and ensure better control. As we build a robust, scalable and secure IT infrastructure; Quality and Regulatory compliance will be given foremost priority in the process. We are also looking at strengthening our clinical development capabilities globally.

Your organization continues to invest in the community and we now run 8 large

projects impacting over 600,000 people. The focus area for the organization remains in the area of child health and we will keep on increasing our investments in the area of corporate social responsibility.

R&D – A key driver for the future

Glenmark has always believed that innovation is the only way to transform into a truly global pharmaceutical company. We have aggressively invested in innovation R&D for the past 14 years and have created a promising pipeline of first-in-class molecules addressing unmet medical needs in areas of pain and inflammation. These molecules have the potential to alter treatment pathways in the targeted therapeutic areas and transform the lives of millions of patients worldwide. Our innovation pipeline now is unique and unparalleled for any company across any emerging market.

Today, apart from the small molecule (NCE) innovation work, we are especially excited with the novel biologics program as we have several first-in-class monoclonal antibodies in clinical development. We recently inaugurated a new Antibody Manufacturing Facility in La Chaux-de-Fonds, Switzerland which gives us end-to-end capabilities for the development of novel, state-of-the-art monoclonal antibodies including bi-specific antibodies.

In its short existence of just about 10 years, Glenmark's Swiss biologics research centre has filed several patents on novel biologic entities. GBR 900 is the first anti-TrkA monoclonal antibody to enter clinical development. We also have GBR 830, an OX-40 antagonist, a first-in-class molecule globally which has shown great promise to emerge as a valuable therapeutic option to treat patients suffering from autoimmune diseases.

Besides, our mPGES-1 discovery program has also moved forward to human trials, which reaffirms our position globally in the development of novel pain therapies. Our out-licensed program, GBR 500 has also progressed ahead. Our partner Sanofi has now announced a phase II study in multiple sclerosis which will be conducted during this financial year. Your organization will continue to remain committed to this business and out-licensing our first-in-class molecules to big pharma will continue to be a core element of our strategy.

"We have realized early on, that the only way for sustained profitable growth in the US is focus on complex and niche generics where R&D investment is high and also very challenging. These products are not only tough to develop but the filing for these products are also expensive as compared to general immediate release products."

Our commitment to research and development is evident from our high investments in R&D over the years. You would know by now, that R&D is the backbone of your organization. And the focus is to build the organization on our unique R&D capabilities rather than build it on the basis of cost differential model. We are clearly among the leading companies in emerging markets in terms of R&D investments and presently 10% of our sales is invested in R&D development. A bulk of our R&D spends - apart from innovation research - will go towards developing products for the US market which has become very competitive because of the increasing number of players; especially from India. We have realized early on, that the only way for sustained profitable growth in the US is focus on complex and niche generics where R&D investment is high and also very challenging. These products are not only tough to develop but the filing for these products are also expensive as compared to general immediate release products.

Summing up, I would say that each of our businesses have enough horsepower to grow over the next several years. The US remains a critical growth driver for the organization along with the India and the ROW markets. We continue to invest significant amount of resources in the US in terms of R&D. The India business will also be our mainstay and we will have an India-specific strategy focusing on core therapy areas to help us grow in this market. The ROW markets which are profitable will see increased investments and we will focus to keep the profitability high in these markets. Over the next few years, we feel that the Latam and the Europe business will continue to improve with each year going by. The Europe business now has the right scale and will improve its profitability year on year. The API business which is focused on the regulated markets and is a profitable business for us will see sustained growth and also investments in the next few years. We have put in place all the key facilitators to catalyze the organization's growth over the next few years. The next billion dollar milestone is not too far in the future.

On this note, I would like to thank you for your support and your commitment towards our organization. We continue to power ahead and your support will remain invaluable to us as we take Glenmark to becoming a truly global and innovative pharmaceutical organization.

Yours sincerely,

Glenn Saldanha
Chairman & MD

Board of Directors

Mr. D. R. Mehta
Non-Executive Director

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

Mr. Sridhar Gorthi
Non-Executive Director

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

Mr. J. F. Ribeiro
Non-Executive Director

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

Dr. Brian W. Tempest
Non-Executive Director

He has worked in the Pharmaceutical Industry for the last 40 years and managed healthcare businesses across numerous regions. He is a Fellow of the Royal Society of Chemistry and a Fellow of the Royal Society of Medicine.

Mr. N. B. Desai
Non-Executive Director

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

Mr. Bernard Munos
Non-Executive Director

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

Mr. Hocine Sidi Said
Non-Executive Director

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

Mrs. B. E. Saldanha
Non-Executive Director

During her 23 year tenure with Glenmark, she was responsible for developing and growing the company's export business.

Mrs. Cherylann Pinto
Director - Corporate Affairs

Mr. Rajesh Desai
Executive Director

Mr. Glenn Saldanha
Chairman & Managing Director

Key Financials

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

Consolidated Financial Highlights	2013-14	2012-13	2011-12	2010-11	2009-10
Total Revenue	60,100.37	50,188.27	40,299.04	30,895.88	25,496.10
Earning before Depreciation, Finance cost, and Tax expenses [EBDIT]	10,956.21	10,217.63	7,236.24	7,327.89	6,685.29
Depreciation and Amortisation	2,167.95	1,270.09	978.78	946.78	1,206.10
Profit for the year	5,456.03	6,282.90	4,643.07	4,578.33	3,310.32
Equity dividend	200%	200%	200%	40%	40%
Equity Share Capital	271.22	270.85	270.53	270.27	269.84
Reserve and Surplus	29,561.58	27,359.40	23,745.77	20,102.10	23,282.49
Net Worth	29,832.80	27,630.25	24,016.30	20,372.37	23,552.33
Total Debt	32,669.72	27,648.69	22,445.01	21,084.62	18,693.91
Gross Fixed Assets	37,786.47	32,968.40	28,384.24	24,685.23	27,763.12
Net Fixed Assets	30,356.89	27,682.09	24,247.59	21,517.50	23,880.78
Total Assets	86,336.03	71,710.03	58,834.27	50,977.77	43,651.32
Market Capitalisation	153,485.47	125,283.36	83,230.25	76,649.15	71,844.25
Number of Equity shares	271,223,653	270,853,653	270,535,503	270,272,053	269,837,553
Closing market price as on 31 March	565.90	462.55	307.65	283.60	266.25
Key Indicators					
Earning Per Share (₹)	20.01	22.91	17.03	16.78	12.40
Debt : Equity ratio	1.10	1.00	0.93	1.03	0.79
Return on Capital Employed [PAT/Net Worth]	18.29%	22.74%	19.33%	22.47%	14.06%

Note: It must be noted that the financial information for FY 2011 onwards has been prepared under International Financial Reporting Standards (IFRS), where as prior years' financial information have been prepared under Indian Generally Accepted Accounting Principles (I-GAAP); accordingly FY 2011-14 information is not strictly comparable with prior years' information.

Innovation

For us at Glenmark, innovation is not just a term referring to scientific research and discovery; it's a way of life; it's a means of creating a healthy, happy and ailment-free world. All our actions are guided by innovative thinking and a strong set of values. We practice innovation by finding new ways of doing things – big or small; thereby enabling us enrich lives of people across the globe.

In its pursuit of enriching lives, Glenmark has evolved into a global organization and a leading player in the discovery of new molecules within a short period of time.

"3 Novel Biological Entities and 3 Novel Chemical Entities, most are first-in-class globally"

Today Glenmark's global R&D footprint spans through India, UK and Switzerland, which houses its NCE R&D centre, Biopharmaceutical R&D centre, Clinical R&D centre and 3 Generic R&D centres.

"R&D team of around 800 members across 6 facilities"

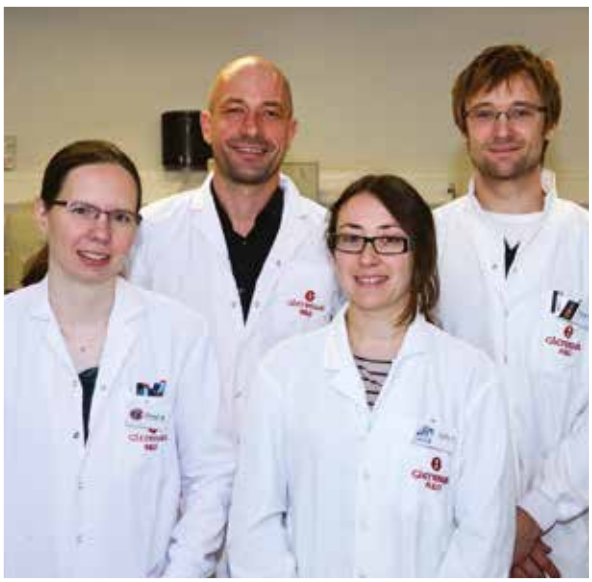
"Our vision: To emerge as a leading integrated research-based global pharmaceutical company"

THREE OF GLENMARK'S NOVEL MOLECULES HAVE ENTERED PHASE I OF CLINICAL DEVELOPMENT

mPGES-1 Inhibitors

- **GRC 27864** is a potent, selective, orally bioavailable inhibitor of mPGES-1 - a key enzyme in the pathway responsible for inflammation
- Successfully completed pre-clinical and Phase I enabling studies. Phase I trial (first-in-human) is currently ongoing in UK
- With this announcement, Glenmark has reaffirmed its position globally in the development of novel pain therapies
- Glenmark has entered into an agreement with Forest Laboratories Inc., an international health care leader, on collaboration for the development of novel mPGES-1 inhibitors to treat chronic inflammatory conditions, including pain. The total amount received by Glenmark from Forest Laboratories Inc., towards its novel mPEGS-1 inhibitors program is US $ 15 million

> **Glenmark's drug discovery effort is focussed in the therapeutic areas of Inflammation, Pain and Oncology**



GBR 900

- **GBR 900** is a first-in-class monoclonal antibody for the treatment of chronic pain targeting TrkA, the receptor of nerve growth factor
- In 2010, Glenmark gained an exclusive worldwide license from Lay Line Genomics S.p.A. (Italy) for anti-TrkA antibodies and their entire intellectual property portfolio in the TrkA field. GBR 900 is the optimized anti-TrkA antibody emerging from this exclusive worldwide license
- Successfully completed the Phase I enabling preclinical development programme and a Phase I clinical trial application has been filed with the MHRA, UK

> **Followed strategy of developing and out-licensing its own molecules to large multinationals**

GBR 830

- The first anti-OX40 monoclonal antibody - **GBR 830** - was discovered at the Glenmark Biologics Research Centre located in Switzerland
- GBR 830 shows great promise to emerge as a valuable therapeutic option to treat patients suffering from autoimmune diseases. Phase I enabling toxicity studies for GBR 830 have been completed and Glenmark plans to file for a Phase I study in FY 2015

- Glenmark has a pipeline of **3 NCE and 3 NBE** molecules in clinical trials or ready to enter clinical trials soon, including the in-licensed molecule 'Crofelemer'
- **Crofelemer** - a first-in-class anti-diarrheal drug - is approved in the US for symptomatic relief of non-infectious diarrhea in patients with HIV/AIDS on anti-retro viral therapy. Glenmark has exclusive marketing rights to Crofelemer in 140 countries

Crofelemer will be the first New Chemical Entity launch by an Indian company across multiple geographies

- Glenmark announces the initiation of Phase II study for **Vatelizumab (GBR 500)** – a first-in-class monoclonal antibody, for multiple sclerosis
- Having completed Phase I study in Netherlands for **GRC 17536**, Glenmark is currently recruiting patients for a Phase II proof-of-concept study in pain indication in Europe and India and Phase II a study in patients with chronic cough

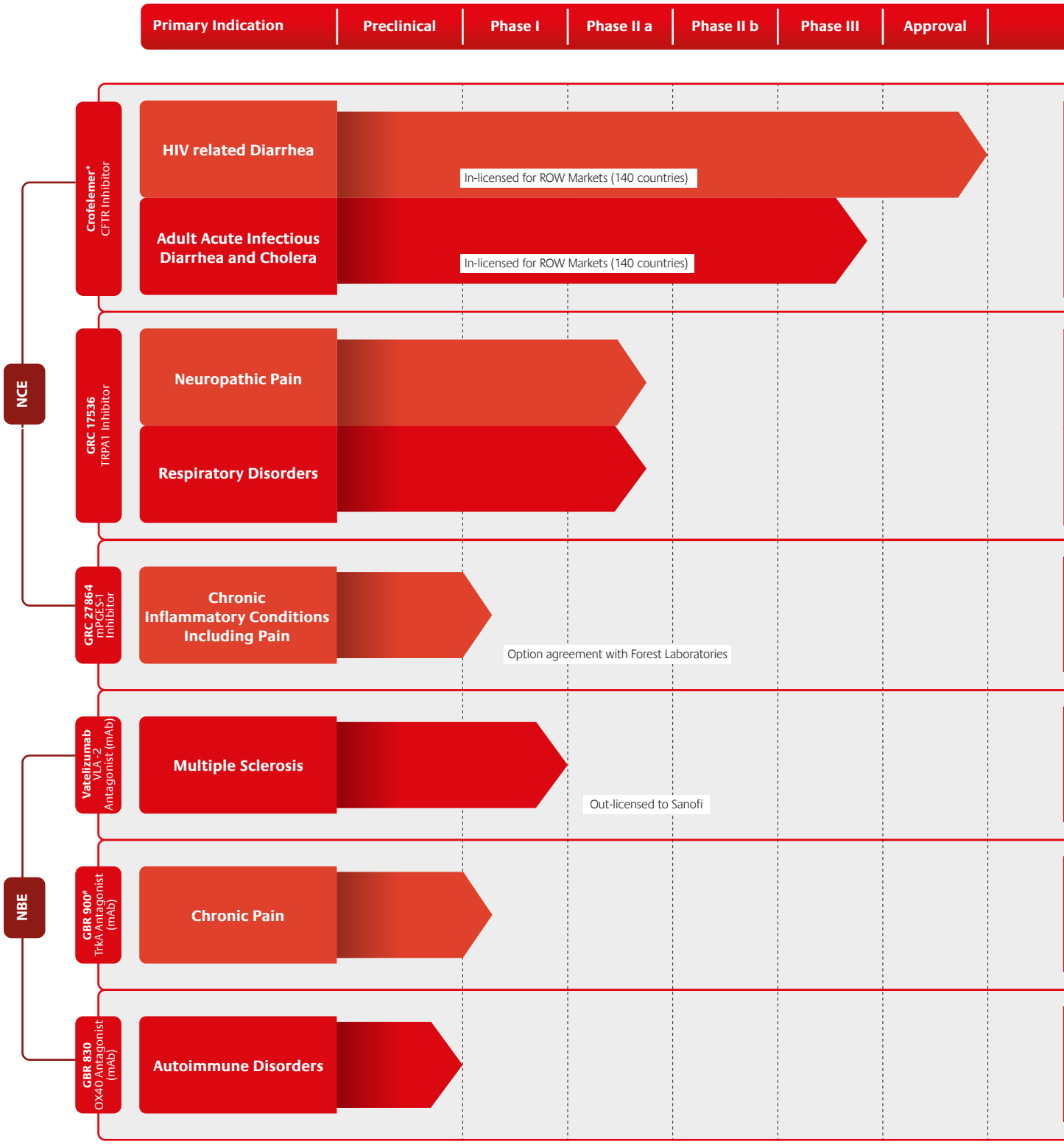
Robust innovation pipeline

Best minds in the business

Landmark licensing deals with Big Pharma

Global infrastructure

Innovation Research Pipeline



* In-licensed from Napo Pharmaceuticals
\# In-licensed from Lay Line Genomics, Italy

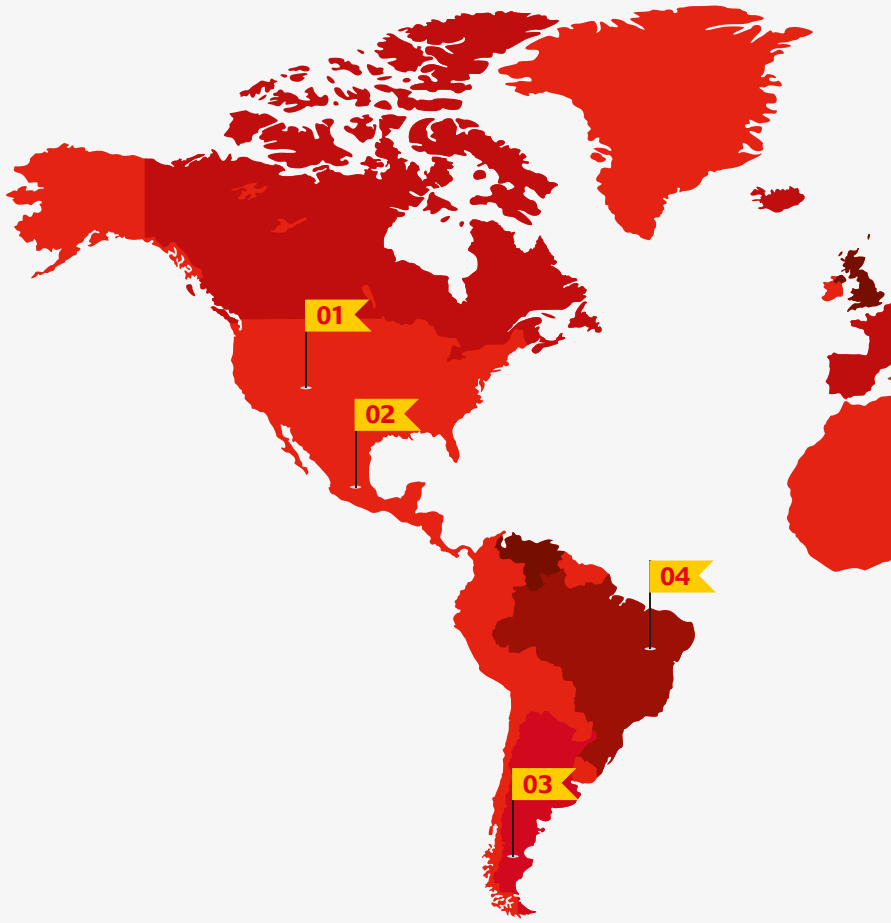
Highlights of Program	Disease Incidence / Market
• First-in-class molecule for symptomatic relief of non-infectious diarrhea in patients with HIV/AIDS on anti-retro viral therapy • Salix obtained USFDA approval for marketing authorization in the US on 31st Dec 2011 • Filed in some of the key markets within the 140 countries	10 Mn patients globally
• Completed pivotal C- Forward trial • Results of trial expected in FY 2015 • Submitted the protocol of a proof-of-concept Paediatric clinical trial for acute watery diarrhea	Diarrheal disease incidence in emerging markets is estimated at 3870.20 Mn episodes
• Has shown good safety in the Phase I enabling GLP safety pharmacology and toxicology studies performed • Completed Phase I study in Netherlands • Multi-country Phase II proof-of-concept study is ongoing in Europe and India	> 40 Mn patients worldwide Market: USD 2 Bn
• Shows promising effect in animal models of asthma, cough and COPD • No safety concerns in Phase I enabling toxicity studies via inhalation route • Completed Phase I/ II a for respiratory indications in the UK • Recruiting patients for a Phase II proof-of-concept study in cough indication in UK	300 Mn patients globally Market: USD 15 Bn
• Identified potential clinical candidates and currently undergoing clinical study • Glenmark has entered into an collaboration agreement with Forest Laboratories Inc. for the development of novel mPGES-1 inhibitors to treat chronic inflammatory conditions including pain • Phase I study to be completed by Jan 2015	---
• Novel mechanism with broad anti-inflammatory potential • First-in-class opportunity: No other monoclonal antibody against the same target • Phase I studies completed in the US	> 1.5 Mn patients globally with about 750,000 in the US alone Market: USD 3 Bn
• First-in-class opportunity with a novel pain receptor system for treatment of chronic pain • Phase I enabling toxicity studies completed • Phase I clinical trial application has been filed in UK	> 100 Mn chronic pain patients globally Pain Market: > USD 3 Bn
• First anti-OX40 monoclonal antibody • Phase I enabling toxicity studies completed • Plans to file for a Phase I study in FY 2015	---

Global Presence

PRESENCE IN 80+ COUNTRIES

14 MANUFACTURING FACILITIES IN INDIA, ARGENTINA, CZECH & BRAZIL

6 STATE-OF-THE-ART GLOBAL R&D CENTRES SPREAD ACROSS INDIA, UK & SWITZERLAND



01

- 90 generic products authorized for distribution in the **US** market
- Granted 7 final and 1 tentative ANDA approval
- Currently 65 applications pending with the US FDA, of which 32 are Paragraph IV applications
- Successfully launched 7 products consisting of a mix of semi-solid preparations, delayed release, and immediate release items
- Filed 3 dermatology products, 4 Oncology injectables; 4 oral contraceptives; 4 complex OSD (Oral Solid Dosage) and 2 immunosuppressants which is a new therapeutic area for the organization

02

- Launched Generic Seretide in **Mexico**, the first generic approved in that market

03

- Oncology business based out of **Argentina** filed 12 product dossiers

04

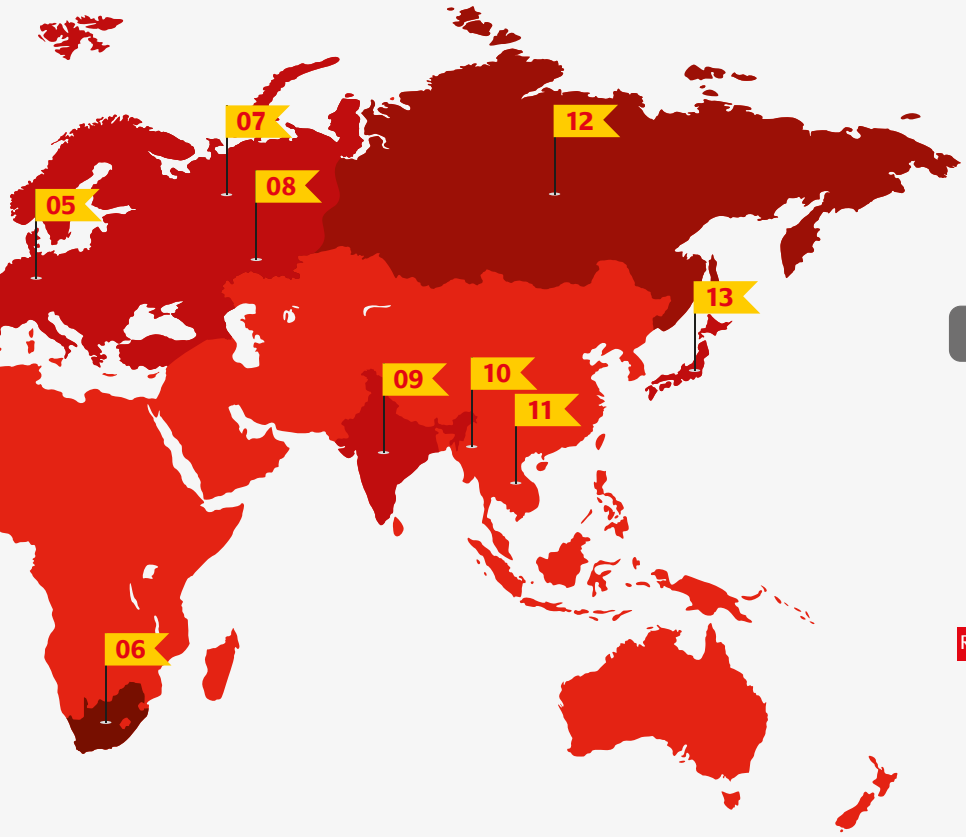
- Launched two new products in the dermatology range in **Brazil**

05

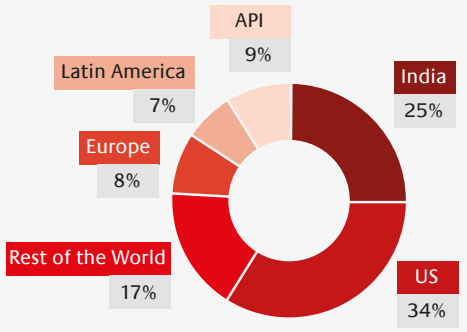
- Out-licensing business successfully signed one new deal for 2 products in **Western Europe**
- Tibolone, Lercanidipine & Nebivolol 10mg launched in **UK**
- Atovaquone/Proguanil, Telmisartan, Trospium & Rizatriptan launched in **Germany**

06

- Glenmark continues to remain among the Top - 50 companies in **South Africa**



GEOGRAPHICAL DISTRIBUTION OF REVENUE



07

- Within Top - 40 players of overall pharma market in core countries & Top - 10 players in 'Glenmark Therapeutic Areas' market, in **Central Eastern Europe**
- Successfully launched Revitasens, Diorex +, Telmisartan+HCTZ, Ederix, Capecitabine, Temozolomide & Zoledronic acid
- In-licensed around 15 products for various operating markets

08

- Glenmark's Baddi plant certified by the Regulators in **Ukraine**

09

- Glenmark ranked 19th* in **India**
- It exhibited value growth of 17.65% vis-a-vis IPM growth of 10.07%
- Glenmark's Ankleshwar plant completed successful inspection from EU authorities & COFEPRIS Mexico

* As per IMS MAT Mar 2014

10

- First to launch Flexilor (Lornoxicam) tablets in **Myanmar**

11

- Launched Imiquad (Imiquimod) in **Vietnam** and the symposium was attended by more than 170 Doctors across the country

12

- Continued to secure its position in the Top - 15 derma companies & in the list of Top - 50 companies in the retail segment in **Russia**#

#As per IMS-MAT Mar 2014

13

- 2 new products filed and 3 new USDMF's filed targeting FTF molecules in **Japan**

Our Processes

Over the past decade, Glenmark has witnessed phenomenal growth. As we keep attaining size and scale, our IT infrastructure, systems and processes must also be augmented and aligned with industry best practices to support our growing businesses and constantly increasing workforce across geographies.

With this intent in mind, Glenmark has embarked on a transformational mission called 'Program Disha', which will encompass all our businesses and functions across geographies. 'Disha' is a Sanskrit word which means 'Direction'. True to its name, 'Program Disha' aims to provide a meaningful direction or course for our Business and IT to collaborate. It seeks to harmonize and integrate various entities across the Glenmark Group under one Information Technology platform. The entire Disha program has been envisioned to make our IT systems ready to support a 3 billion dollar enterprise.

Launched in November 2012, Program Disha will follow a 3 year course with scheduled closure in June 2015; with several milestones chalked out on its way. In the initial phase, the focus will be on Standardization of IT Policies & Procedures across entities, SAP Systems consolidation and strengthening our Regulatory, Quality and Clinical research IT systems and applications. Special thrust will be also given on enhancing our US business systems and processes.

An integrated SAP process across Glenmark touching functions like Procurement, Finance, Sales & Marketing, Manufacturing, an end-to-end Master Validation Plan for delivering improved Quality Management, Plant Maintenance and Product Lifecycle Management to manage products related information across the

"The entire Disha program has been envisioned to make our IT systems ready to support a 3 billion dollar enterprise."

enterprise. Enterprise Platform for R&D and a host of other tools will also ensure greater regulatory compliance and efficiencies while reducing development costs. We have started the implementation of a new Infra platform based on Microsoft technologies duly supported by an end-to-end security suite from McAfee in a phased manner.

As a major business enabler function, IT is at work 24 x 7 to enhance productivity, establishing a customer centric IT system governance structure supported by Tools, Service desk and PMO. From managing Workflows and Payroll systems to maintaining Networks and Computer systems; the Program Disha will play a crucial role in ensuring that we are not only able to execute our tasks but perform them at the desired speed to give us a competitive advantage.

With an objective to collaborate and engage with the business at all levels, IT will play a key role in enhancing productivity of different functions. This program will help building a robust, scalable and secure IT Infrastructure while maintaining highest standards of Quality and adherence to every Regulatory compliance requirement in the process.

Members of IT team

Our People

11,000+ EMPLOYEES
50+ NATIONALITIES
SPEAK ONE LANGUAGE -
TEAM WORK

At Glenmark, we believe that our exemplary success is due to the commitment and passion of our most valuable asset – Our People. Our team is an amalgam of the brightest people in the field that complement each other's talents and work synergistically towards a unified goal of research excellence. The diverse cultures, backgrounds, skills and experience of our global team bring great creative strength and energy to our business and have a critical role to play in achieving our strategic objectives.

Glenmark's unwavering focus on building a culture of constant innovation has managed to attract the best talent across the spectrum of R&D functions, globally. The empowerment and stretch that most of our roles provide is the single biggest differentiator for Glenmark in the global talent marketplace.

Our commitment to Learning and Talent Management enables our people enhance their domain expertise, focus on constant benchmarking with best-in-class, thereby enabling them to bring well-informed and valuable perspectives to the table and contribute to the organization's success.

After all, it is the combination of knowledge, talent, skills and passion of our employees that has made Glenmark one of the leading global innovations led pharmaceutical organization.

Glenmark Russia Team

Corporate Responsibility

Social Responsibilty

Glenmark Foundation, the CSR arm of Glenmark Pharmaceuticals, is committed towards its vision of enriching lives to create a healthier and happier world. This is achieved through various interventions in Child Health and Sustainable Livelihoods. Presently we have undertaken projects in Madhya Pradesh, Rajasthan, Maharashtra, Himachal Pradesh and Odisha in India and Nairobi in Kenya.

Our Impact so far

- Positively impacted over **500,000** lives with our various Child Health projects
- Made a difference to over **65,000** lives with our Sustainable Livelihood initiatives
- Over **3200** Glenmarkians across the globe have volunteered more than **12,800** hrs in various community endeavors
- Provided access to healthcare to the needy through medicine donation

Child Health

The flagship programme of Glenmark Foundation is aimed at improving child health. The programme is committed to the Millennium Development Goal - 4 'Reducing Child Mortality' with focus on reducing malnutrition & under nutrition, increasing immunization & sanitation. Through our various interventions, we aim at encouraging a positive health seeking behaviour among pregnant mothers, mothers with infants and caregivers towards right nutrition including – good hygiene practices and ensuring complete immunization for children between the ages 0 - 5.

With the focus on creating a healthier community through our various interventions, we have provided ambulatory care to remote forest based villages to attend children with Severe Acute Malnourishment (SAM). We have created role model anganwadis by making them child friendly and ensuring supplementary nutrition and regular immunization of the children. In order to track immunization customised calendars are distributed to the local panchayat members, anganwadi workers and helpers. Health camps are organized periodically with local health care departments to provide access to the rural poor. We have initiated setting up Health Libraries in our supported communities to encourage reading on appropriate health related practices. Behaviour change communication like wall comic posters, focus group discussions, role plays and street plays are also employed to create awareness on issues of child health. To ensure sustainability of the projects peer educators from within the community are identified and trained to conduct focussed health education sessions for women. We believe in working closely with various government machineries to optimize the impact of our work.

Through our child health project, we have been able to positively impact 100 ethnic Tribal villages in rural Khandwa, Madhya Pradesh; 150 rural villages of Sanganer, Rajasthan; 2000 households in the slums of Mumbai, Maharashtra; 1,50,000 rural lives in Solan, Himachal Pradesh and 10,700 households of Kibera in the slums of Nairobi, Kenya.

Successfully recovered over 5000 Severely Acute Malnourished (SAM) children to healthy status

Beneficiaries from our livelihood project (Tribal) in Rayagada, Orissa

Glenmark's NGO partner conducting community screening on malnutrition in Kenya

Impacting Lives Through Innovation

Free Mobile Voice Messaging for reaching out to the less privileged pregnant women and new mothers

In FY 2013-14, Glenmark Foundation partnered with Lokmanya Tilak Municipal General Hospital (Sion Hospital) and NGO ARMMAN to launch mMitra, a free mobile based Health Advisory Voice Messaging Service for pregnant women and mothers. This is a first of its kind public-private-partnership among an NGO, a Corporate and a Government Institution, coming together for a social cause.

Targeted at the less privileged pregnant women and mothers, the mMitra service provides comprehensive information on preventive care with an objective of reducing maternal and infant mortality and morbidity. These medically verified voice messages are sent in relevant regional languages and have been researched and developed to create the desired impact on even uneducated women.

Sustainable Livelihood

Enriching lives by creating livelihood opportunities for the less privileged is also a key focus area for Glenmark Foundation. Our Sustainable Livelihood programmes in the urban/ rural and tribal areas are focused on helping marginalized and vulnerable sections of our population earn a secure means of income and livelihood. Our project in Rayagada, Orissa is aimed at providing sustainable livelihoods for around 2000 tribal families. It is aimed at improving land and water resources based on Integrated Natural Resource Management (INRM). At Nashik we have undertaken a project to provide skill development courses to school and college drop outs. This year we have trained over 1000 youths in various vocational courses such as, computer basics, auto repair, mobile repairing and assistant nursing. We have also been associated with Jaipur foot, and have been able to rehabilitate over 2000 differently abled individuals this year.

Employee Volunteering

Our CSR efforts are supplemented further through the cooperation of our employees. This year more than 700 Glenmakians from 16 locations in India collectively contributed over 3000 hours of community service thus impacting over several thousand people from the less privileged sections of the society.

Launch of mMitra - A Free Mobile Voice Messaging Reaching out to the poorest of the poor

Glenmark's Philippines team celebrating the Joy of Giving week with the less privileged children

Environment Responsibilty

Environment, Health and Safety (EHS) is an important component of our corporate responsibility. This commitment is reflected in the Environmental, Health & Safety Policy. This policy places huge importance on meeting (and if possible, exceeding) all applicable EHS standards and ensures that the applicable statutory requirements are adhered to at all times.

Glenmark has special focus on conserving natural resources while manufacturing quality pharmaceutical products. Glenmark this year has achieved zero liquid discharge projects at Goa, Nashik, Ankleshwar, Dahej and Aurangabad plants. Specific water consumption has been reduced in this year as compared to previous year. It ensures that the treated effluent is fully recovered and recycled back for use in the plant's utilities and horticulture activities. Indian operations have reduced specific effluent quantities in 2013-14 as compared to 2012-13. Ankleshwar plant has installed online monitoring system for determining treated effluent quality round the clock to ensure compliance at all times. Ankleshwar, Dahej and Aurangabad plants have installed state-of-the-art effluent treatment plants which comprises of Reverse Osmosis (RO), Multi Effect Evaporators (MEE) and Agitated Thin Film Drier (ATFD) to ensure zero discharge of liquid effluents and environmental protection.

Glenmark has adopted ISO 14001:2004 standard at its manufacturing facilities. Now four manufacturing facilities - Goa Main Plant, Goa Hormone Plant, Nashik Plant and Indore Plant have established, implemented and achieved ISO 14001:2004 certification. Goa plants have been recertified this year for environment management system, whereas Nashik and Indore plants have achieved this feet for the first time.

Glenmark's Goa plants have been awarded '14th Annual GreenTech Environment Award – 2013' in the Silver Category for the Pharmaceuticals sector by GreenTech Foundation for consistent environmental performance in the last three years.

Glenmark Goa Plant received the GreenTech Environment Award – 2013. The award is presented to companies demonstrating the highest level of commitment to Environment Management across different sectors

Corporate Information

REGISTERED OFFICE

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

CORPORATE OFFICE

Glenmark House, HDO – Corporate Building, Wing A, B D Sawant Marg, Chakala, Off Western Express Highway, Andheri (East), Mumbai – 400099, India
Tel. : +91 22 40189999,
Site: www.glenmarkpharma.com
Email: complianceofficer@glenmarkpharma.com
CIN No: L24299MH1977PLC019982

AUDITORS

- Walker, Chandiok & Co. LLP (formerly Walker, Chandiok & Co.) Chartered Accountants, Mumbai

COST AUDITORS

- Sevekari, Khare and Associates, Cost Accountants, Mumbai

SOLICITOR

- Kanga and Co. Mumbai
- Trilegal, Mumbai

REGISTRAR AND TRANSFER AGENTS

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

BANKER

- Bank of India

COMPANY SECRETARY

- Mr. Sanjay Kumar Chowdhary

MANUFACTURING FACILITIES

Formulations

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

API

- 3109 – C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch – 393002, Gujarat
- Plot No 163- 165/170 – 172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur – 413213, Maharashtra
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune – 413802, Maharashtra
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra

R&D CENTRES

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

CLINICAL RESEARCH CENTRES

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

Management Discussion & Analysis

Global Environment

During the year under review, the world economy continued to experience subdued growth. Underperformance in the global economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2013 on both international and domestic fronts.

On the positive side, Europe witnessed greater financial stability and there were signs of revival in a number of its constituent nations, led by Germany and UK. The US too saw better employment numbers and an improvement in its growth prospects which prompted its leaders to consider withdrawing the easy money policies that bolstered the economy. Worldwide recession risk declined to its lowest level in three years, and the upturn in global trade and manufacturing has reinforced the upswing.

But a rough start to the year 2014 - financial market turmoil and the Ukraine issue points out that the crisis for the world economy is far from over. The World Bank outlook for developing countries is for flat growth in 2014. This marks the third year in a row of sub-five percent growth and reflects a more challenging post-crisis global economic environment.

Global Pharma Scenario

The world pharmaceutical market is estimated to have grown by around 2.5% in 2013. While average revenue growth in developed markets was only 0.36%; in emerging markets the growth was about 10.7%.

The outlook for the global pharmaceutical market is marked by greater cost pressures and a higher bar for product innovation that reflects an increased demand for value from both regulators and consumers. Weak growth in developed markets, the continued rise of emerging markets and a shift to specialty medicines are predicted to be significant outcomes over the next five years.

The Global Pharma scenario remains dynamic and challenging. We are witnessing various new developments that make one believe that the ensuing years for pharma companies will be challenging.

The pharmaceutical industry is facing the 'Innovation Challenge' characterized by the drastic decrease in productivity in its R&D and marketing of new molecules. The decrease in innovation capacity of Big Pharmaceutical companies threatens their short and long term economic performance.

Another important trend that is being witnessed is the regulatory environment in developed and developing countries. While developed countries are constantly raising the bar, the developing countries are rapidly changing guidelines to bring them on par with the developed countries' regulatory framework. The increased scrutiny from regulators will continue to enforce renewed commitment to quality from the industry.

M&A activity is also expected to ramp up in the pharmaceutical space in 2014 and beyond. Faced with slowing sales and fewer drug approvals, Big Pharma will look at buying the companies that have solid pipelines and will deliver growth.

Some of the other movements that are being witnessed are the continuous shift of share of healthcare spends from treatment of disease to prevention and diagnosis. Further, the disease burden shift towards chronic diseases is rapidly happening. The patients are becoming increasingly empowered and going ahead, will be responsible for an increased portion of healthcare costs due to ever increasing pressure on governments. The value of patent expiries will increase, but the composition of value will shift from small molecule to biologics.

Glenmark sets benchmarks in Environmental Management. Nasik and Indore facilities receive ISO 14001:2004 certification

Financial Summary

Material Consumed and Purchase of Traded Goods:

Cost of Material consumed including Finished goods purchased were at ₹ 18,730.22 Mn as against ₹ 16,536.02 Mn in the previous year and as a percentage to sales was at 31.19% as against 33% of previous year.

Employee Cost:

Employee Cost was at ₹ 10,261.46 Mn as against ₹ 7,829.48 Mn an increase of 31.06% mainly attributed to increase in head count due to expansion of business and inflationary trends prevailing in the markets in which the Company operates.

Other Expenses:

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

The Expenditure increased to ₹ 17,977.12 Mn (excluding provision made for product litigation/compensation claim of ₹ 2,175.36 Mn) as against ₹ 15,605.14 Mn an increase of 15.20%.The increase in expenditure was mainly attributable to increase in travelling, consumables & other operating expenses to support growth, R&D expenditure to provide strong Product Portfolio.

Depreciation and Amortisation:

Depreciation and amortisation increased to ₹ 2,167.95 Mn as against ₹ 1,270.09 Mn during the year.

Finance Costs:

Interest Expenses showed an increase of 17.86% at ₹ 1,885.94 Mn as against ₹ 1,600.11 Mn on account of depreciation in Indian Rupees as against USD.

Profit After Tax:

Profit after tax for the year was ₹ 5,456.03 Mn as against ₹ 6,282.90 Mn in the previous year mainly influenced due to provision of ₹ 2,175.36 Mn towards provision made for product litigation/compensation claim.

Dividend:

The Board of Directors have recommended a final dividend of 200% (₹ 2 per equity share of ₹ 1 each) on the equity share capital as at 31 March 2014 subject to the approval of shareholders.

Equity Capital:

The equity capital has increased from ₹ 270.85 Mn in FY 2012-13 to ₹ 271.22 Mn in FY 2013-14 due to allotment of equity shares on conversion of 3,70,000 stock options.

Accounts Payable:

Accounts Payable increased to ₹ 13,625.84 Mn (PY ₹ 10,369.42 Mn) on account of the increase in the consumption of materials, purchase of Finished Goods and expenditure.

Current Tax Liabilities:

Current Tax Liabilities increased to ₹ 969.14 Mn (PY ₹ 678.58 Mn).

Short Term Borrowings:

Short Term Borrowings decreased to ₹ 3,533.16 Mn (PY ₹ 3,678.21 Mn).

Current Portion of Long Term Liabilities:

Long term debts due for payments during next year has been considered under current portion of long term liabilities resulting in increase from ₹ 4,767.52 Mn to ₹ 4,849.95 Mn.

Other Current Liabilities:

Other Current Liabilities includes other liabilities of ₹ 1,105.27 Mn (PY ₹ 569.71 Mn) and short term financial liabilities of ₹ 2,808.77 Mn (PY ₹ 1,618.27 Mn).

Provisions:

Provisions increased to ₹ 2,599.53 Mn (PY ₹ 332.20 Mn) mainly on account of provision made for product litigation/compensation claim of ₹ 2,175.36 Mn.

Long Term Liability (excluding Current portion of borrowings):

Long Term Liability includes Notes payable of ₹ 4.48 Mn (PY ₹ 2.62 Mn) and term loan from Banks of ₹ 24,282.13 Mn (PY ₹ 19,200.34 Mn) mainly on account of depreciation in Indian Rupees as against USD.

Other Non-Current Liabilities:

Other Non-Current Liabilities includes Income received in advance of ₹ 462.32 Mn (PY ₹ 817.26 Mn).

Cash and Bank Balance:

Cash and bank balance including restricted cash and short term financial assets increased to ₹ 8,175.12 Mn (PY ₹ 6,215.02 Mn).

Account Receivables (Net):

Accounts Receivables increased to ₹ 21,563.40 Mn (PY ₹ 16,400.49 Mn) was mainly attributable to the increased revenue in the various overseas markets during the second half of the financial year.

Inventory:

Inventory increased to ₹ 9,328.79 Mn (PY ₹ 8,435.32 Mn) mainly to support the increase in sale of formulation and API business.

Other Current Assets:

Other Current Assets increased from ₹ 8,559.63 Mn against ₹ 6,217.25 Mn in the previous year.

Property, Plant & Equipment:

The gross block increased to ₹ 22,374.44 Mn (PY ₹ 19,315.98 Mn) on account of addition to the tune of ₹ 3,056.13 Mn and translation adjustment of ₹ 2.33 Mn.

Intangible Assets:

The value of Intangible Assets increased to ₹ 15,412.03 Mn (PY ₹ 13,652.42 Mn) on account of addition to tune of ₹ 815.43 Mn & translation adjustment of ₹ 944.18 Mn.

Business Review

India Formulations

The India formulations business performed well during the year under review registering revenue of ₹ 15,104.89 Mn (USD 249.96 Mn) as compared to ₹ 13,095.79 Mn (USD 240.07 Mn) in the previous corresponding year, recording growth of 15.34% in ₹ term. As per IMS MAT Mar 2014, Glenmark gained 1 rank from 20th to 19th compared to MAT Mar 2013 with increase in market share to 0.13% exhibiting value growth of 17.65% vis-à-vis Indian Pharmaceutical Market (IPM) growth of 10.07%.

The growth has been driven by strong performance of leading brands resulting in market share improvement across therapeutic areas.

Progress in Operating Therapeutic Areas

The India business strengthened itself in the following therapeutic segments with significant growth in market share from IMS MAT Mar 2013 to MAT Mar 2014 respectively.

The Cardiac segment market share went up from 3.28% to 3.62%; the respiratory segment market share improved from 3.33% to 3.48%; Anti-infective segment market share went up from 1.51% to 1.69%; Gynaecology segment market share rose from 1.37% to 1.52%. The Dermatology segment market share was 8.05% and the Anti-diabetic segment market share was 1.27% as per MAT Mar 2014.

Brands in IPM TOP-300

- Telma (Telmisartan) has now entered the Top-50 Brands in IPM. Recording a value growth of 19.5% over last year; Telma climbed 13 positions over last year's rankings to be placed in 49th position
- Telma – H (Telmisartan Hydrochloride) gained 15 positions and is now ranked 74th in IPM. The brand clocked a value growth of 16.1% over last year
- Ascoril + (MAT Rank: 108), Candid –B (MAT Rank: 132), Candid (MAT Rank: 195), Alex Plus Cough Syrup (MAT Rank: 223) and Telma – AM (MAT Rank: 289) are some of the other Glenmark Brands in IPM Top-300

Members of Glenmark India Formulations Cardiology division

New Product Launch Highlights

- Glenmark offered an innovative solution to the problem of antibiotic resistance by launching Zinox (Garenoxacin) in India. The molecule has a unique Pharmacokinetic profile that promises to cover a wide spectrum of organisms commonly encountered in community acquired infections
- In the respiratory segment, the company introduced Ascovent SR (Acebrophylline) which is an airway mucus regulator with anti-inflammatory action
- Respicare brand Alex added Alex Sugar Free SKU keeping in mind the increasing diabetic population in India. Besides, Alex Lozenges, introduced in the year under review, is among the first Rx lozenges to be launched in India

Glenmark Baddi team

Product launches which have attained market leadership in their segment

D'ACNE

Alex SF

Ascovent SR

Zinox

- Glenmark's orthopaedics division launched Oxuba, while the company's gynaecology division launched Dubagest SR
- Glenmark launched D'ACNE, a comprehensive solution in the management of acne. The product is available in different SKUs like face-wash and soap
- The company's Oncology Division launched 3 new brands in 2013-14–Abirapro, Evermil and Aprecap IV
- Dermax, the new dermatology division formed by the company launched Candid Total and Getlite
- Gracewell Specialty business launched Tacroz Forte Lotion, Cosmocare division introduced Bontress and Critica division launched Colymonas 3MIU

Marketing Initiatives

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

Doctor Education Programs

Numerous programs were organized for Doctors in order to broaden their learning horizon. Respiratory division conducted high-end scientific symposia 'Respiratory-connect' on the critical respiratory disorders - ILD and Sarcoidoisis. They also organized 'Thoracoscopy workshop', a high-end scientific seminar for chest physicians across major cities in India like Mumbai, Delhi, Kolkata and Chennai.

Project Sankalp, an initiative to educate doctors, especially in rural areas on hypertension, diabetes and first-hand knowledge on treatment was rolled out in the year under review. Gracewell Division conducted a summit involving top Dermatologists in the country to build knowledge on the Anti-acne therapy.

Oncology and Gynaecology divisions of the company organized 'Project Jagruti', an initiative to create awareness related to cancer so that the critical disease can be detected early and thus treatment could be faster.

Glenmark's Critica division launched 'Pehal', a program aimed at rationalizing the use of anti-infective and mitigating drug resistance in the management of critically ill patients. It was developed to educate physicians about the core concepts in critical care and is being taken forward by a group of 55 faculty members in their respective zones across India.

Patient Education Programs

Several patient education and detection camps were conducted for disorders impacting larger population and gaining epidemic proportion. To increase patient awareness, 4100 Bone Mineral Density camps were conducted to reach 2,00,000 patients across India. Gynaecology division conducted 'Iron mom' campaign to raise awareness about iron deficiency in pregnant mothers. Cosmocare division organized 13 Dermatology camps and screened hundreds of patients for dry skin and hair related disorders. Zoltan Care Division conducted over 700 Lipid and ABI camps which screened several patients with cardiovascular disorders.

Glenmark has been conferred with 2 Gold awards by Pharmaceuticals Export Promotion Council of India (Pharmexcil); Patent Award and Outstanding Exports Performance Award

Nalagarh team embarks on a Total Productive Maintenance (TPM) journey

Glenmark introduces a series of Anti-Cancer Drugs for the Indian market

USA Formulations

Glenmark Generics Inc., USA registered revenue from sale of finished dosage formulations was ₹ 20,270.24 Mn (USD 335.43 Mn) for FY 2014 as against revenue of ₹ 16,887.40 Mn (USD 309.58 Mn) for the previous corresponding year, recording an increase of 20.03%.

In the fiscal year 2014, Glenmark was granted approval of 8 Abbreviated New Drug Applications (ANDA), comprised of 7 final approvals and 1 tentative approval.

Glenmark completed the successful launches of 7 products during fiscal year 2014, consisting of a mix of semi-solid preparations, delayed release, and immediate release items. The total number of ANDAs filed during FY 2014 was 20. During the year, Glenmark filed 3 dermatology products, 4 Oncology Injectables; 4 oral contraceptives and 4 complex OSDs (Oral Solid Dosage). Besides, the company also filed 2 Immunosuppressants and one complex injectable product, which are new therapeutic areas for the organization. In this year, the company has also filed 2 immediate release (OSD).

In May 2013, the company received final approval and successfully launched Zolmitriptan Tablets and Zolmitriptan ODT, Glenmark's generic versions of Zomig® and Zomig ZMT® by AstraZeneca. Zolmitriptan is indicated for the acute treatment of migraine headaches in adults.

In June 2013, Glenmark was granted final approval and successfully launched Acamprosate Calcium Delayed Release Tablets and Riluzole Tablets. Acamprosate, Glenmark's generic version of Forest Laboratories' Campral®, is indicated for the maintenance of abstinence from alcohol in patients with alcohol dependence. Riluzole, Glenmark's generic version of Covis Pharma's Rilutek®, is indicated for the treatment of amyotrophic lateral sclerosis.

In July 2013, Glenmark Generics Inc., USA, the United States subsidiary of Glenmark Generics Limited, announced that the United States Food and Drug Administration (US FDA) has granted final approval for Rizatriptan Benzoate Orally Disintegrating Tablets, its generic version of Merck's Maxalt MLT® Tablets. Rizatriptan is indicated for the acute treatment of migraine with or without aura in adults and in paediatric patients 6 to 17 years old.

In September 2013, the company received final approval and successfully launched Desoximetasone Ointment, Glenmark's generic version of Taro Pharmaceuticals' Topicort®. Desoximetasone is indicated for the relief of the inflammatory and pruritic manifestations of corticosteroid-responsive dermatoses.

As of March 31, 2014, our portfolio consists of 90 generic products authorized for distribution in the US market. The company currently has 65 applications pending in various stages of the approval process with the US FDA, of which 32 are Paragraph IV applications.

Glenmark's Para IV Filings with Sole Exclusivity

Product	Brand Name	Plaintiff	Sales* (MAT Dec 2013)	Likely Launch Date
Ezetimibe	Zetia	Schering Plough	USD 1.7 Bn	Dec 2016
Azelaic Acig Gel 15%	Finacea	Intendis/ Bayer	USD 103 Mn	
Hydrocotisone Butyrate Cream	Locoid Lipocream	Triax and Astellas	USD 45 Mn	Launched Dec 2013

*All above mentioned Para IV litigations settled except Azelaic Acid Gel

Members of our global HR team with Mrs. Cherylann Pinto, Director – Corporate Affairs

Niche Area Focus in ANDA Filings

Niche/ Focus Area	Pending Approval	Authorized to Distribute	Total Filings	Market Size ($Mn)
Immediate Release	29	46	75	20,135
Hormones	13	11	24	2,203
Modified Release	5	8	13	1,028
Dermatology	8	22	30	1,361
Complex Injectables	1	0	1	200
Immunosuppressants	2	0	2	1,011
Controlled Substances	0	4	4	916.2
Oncology – Injectables	6	0	6	2,884
Total	**64**	**91**	**155**	**29,738**
Para IV filings	**29**	**0**	**29**	**15,988**

Source: IMS

Pipeline as on April 2014

Rest of the World (ROW)

Glenmark's revenue from Africa, Asia and CIS region for the fiscal year 2014 was ₹ 9,869.01 Mn (USD 163.31 Mn) as against ₹ 8,493.00 Mn (USD 155.69 Mn), recording an increase of 16.20% over the previous year.

Russia/ CIS

According to IMS Health, Glenmark Russia ranked 50th as per IMS MAT Mar 2014, as compared to 52nd rank in Mar 2013, which sustains Glenmark's position in the list of Top-50 companies in the retail segment of the Russian pharmaceutical market. In the dermatology segment, the company continues to secure its position in the Top-15 derma companies, with MAT Mar 2014 rank being 14. Glenmark Russia growth in this segment was 48.3% in value (MAT Mar 2014) vis-à-vis 19.1% market growth. Registered growth in units was 8.5% in comparison to dermatology market de-growth of -1.1% (MAT Mar 2014).

In the other CIS markets, Ukraine continued to show positive trends in secondary sales, driven primarily by the key brands. Glenmark Ukraine secondary sales grew by 79% in FY 2014 in comparison to the previous financial year. Glenmark Ukraine's market rank has gone up from 100 (MAT Mar 2013) to 73 (MAT Mar 2014). The Ukraine subsidiary launched Glencet tablets, Elovera cream and Elovera lotion in the dermatology segment in the year under review. Ukrainian GMP certificate has also been granted to the Baddi plant by Ukrainian authorities in February 2014.

Glenmark Kazakhstan's secondary sales increased by 27%, while Glenmark Uzbekistan recorded a secondary sales growth of 44% in Mar 2014 v/s the same period last year. A new IT CRM project was introduced for the Kazakhstan and Uzbekistan subsidiaries to optimize and increase the efficiency of the field force. The use of viewpads for the sales-force was initiated to further enhance their productivity.

Glenmark Russia team

Africa & Middle East

The Africa and Middle East region posted good secondary sales growth in the year under review. Glenmark South Africa's secondary sales recorded growth of 45% as compared to last year. The South African unit is the largest subsidiary of Glenmark in the Africa region. Glenmark South Africa now ranks among the Top-50 companies in the country. Its growth in FY 2014 was propelled by brands like Naseptin, Supiroban and Synalar.

During the year under review, the South African subsidiary launched Clotrimazole V1 and V6 in the market; while Demelan was re-launched with a fresh marketing focus. Marketing efforts at pharmacy level were intensified by Glenmark South Africa with Supiroban Community Superhero campaign.

Besides other subsidiaries in the region – Sudan, Nigeria and Kenya also recorded robust growth in secondary sales in the year under review. The Sudan team launched Tacroz Forte ointment, the first Tacrolimus to be introduced in the country. The Nigeria team launched Mumfer Syrup and Tablets with a campaign titled 'Nurture the Future'. Power brands like Ascoril, Relcer and Candid B continued to do well in Kenya. A host of marketing initiatives especially at the pharmacy level were taken in the region which is expected to pay good dividends in FY 2015.

Glenmark South Africa team

Asia

The Asia region achieved good secondary sales growth of 25% in FY 2014 driven by strong performances from Malaysia, Cambodia, Vietnam and Philippines subsidiaries. The Philippines subsidiary received approval for Generic Seretide in the third quarter of the year under review. This was a significant approval as it marked Glenmark's foray into the respiratory inhaler space in emerging markets. Glenmark launched Imiquad (Imiquimod) in Vietnam and became the first company to launch Flexilor (Lornoxicam) tablets in Myanmar.

Glenmark Vietnam crosses USD 5 million sales mark

Participants of I-LEAD 6th Edition (International League of Experts for Advancement of Dermatology) conference organized by Glenmark Asia at Dubai, UAE

During the year under review, the Asia region completed the first phase of its Medico marketing initiative 'Derma Dream Clinic' across all its subsidiaries in the region. Glenmark Asia conducted the 6th edition of iLEAD – International League of Experts for Advancement of Dermatology in Dubai, UAE. iLEAD is an interactive knowledge platform bringing key opinion leaders in dermatology from the Asia – Pacific region under one roof to share their expertise and learn about new data and techniques to further enhance clinical practice. The Asia region also conducted close to 20 CMEs on Acne Management. E-detailing program was launched in Myanmar - a step towards using technology to maximize productivity.

Glenmark MENA team at the EDGE CME in Dubai

Europe Formulations

Glenmark Europe's operations revenue for the FY 2013-14 was at ₹ 5060.70 Mn (USD 83.74 Mn) as against ₹ 3723.68 Mn (USD 68.26 Mn) recording growth of 35.91% over the previous corresponding year.

Central Eastern Europe

The Central Eastern Europe (CEE) region continued its strong sales growth in the year under review. The region significantly outpaced the market with over 25% growth in secondary sales in a stagnating market. Glenmark is among the Top-40 players in the overall pharma market in core countries and within Top-10 players in 'Glenmark Therapeutic Areas'.

Glenmark Poland recorded secondary sales growth of over 40% (MAT FY 2014 v/s MAT 2013); whereas the company's Czech, Slovakia and Romanian subsidiaries performed well under challenging circumstances.

Poland team with the CMD Mr. Glenn Saldanha

Key Launches by Glenmark CEE Region in FY 2013-14

Country	New Products Launched
Czech Republic & Slovak Republic	Atraven, Despra, Gletor, Ikametin, Temozolomide, Capecitabine, Portora, Apstar, Leflunomide, Ataralgin, Diorex + C, Bicacel, Tienaptin, Zolendronic RFU, Temisartan + HCTZ, Alcovit, Topimark, Revitanerv and Trimetazidine
Romania	Imatinib, Cetizal, Platrox, IbandronicAcid, Omega 3 Max (food supplement), Platrox, Capecitabine, Telmark Plus, Revitasens, Hemoroeasy gel and Clar
Poland	Fayton, 4Akne cream, Revitasens (food supplement), Temozolomide, Telux, Eztom, Revitanerw Junior (food supplement), Radioxar cream and liquid soap, Ederix cream, Dilizolen

The good growth in the year was a combination of new launches with highly effective sales and marketing activities coupled with disciplined P&L and cash management. During the year, the region in-licensed around 15 products across the different operating markets.

Glenmark included in London Stock Exchange's 'Companies to Inspire Britain' Report

Western Europe

Glenmark's Western Europe Formulations business continued expanding through product sales and licensing income and by enhancing its presence through distribution Partners in the European Countries.

In the year under review, Glenmark's UK business grew by 37%, whereas the overall market grew by just 0.2%. The highlight of the performance for the UK subsidiary was the successful launch of Tibolone – achieving over 50% market share in the first month of its launch. The EU business successfully revoked the patent for Atovaquone/ Proguanil in the Netherlands and launched our generic in the market.

In FY 2013-14, the Western European business launched 8 products in the UK comprising of 4 in-licensed and 4 in–house products; while in Germany, the business launched 5 in-house and 2 in-licenced products. The German business won over 20 tenders for around 20 different products in the year under review. In FY 2013-14; the region in-licensed 8 products for these markets. The Out Licensing business signed 6 new deals in the year under review. The Netherlands and German entity continued supplying products through existing and new health insurance contracts.

The out-licensing business successfully signed new deals for products in FY 2013-14.

Latin America

During the year under review, Glenmark's revenue from its Latin American and Caribbean operations was at ₹ 4,045.54 Mn (USD 66.95 Mn) as against ₹ 3,467.91 Mn (USD 63.57 Mn).

The Mexico, Venezuela and the Caribbean subsidiary performed well recording good growth during the year under review; while the performance of the Brazil subsidiary was moderate. The unit continued to do well in the Oncology segment, which is now a major contributor to its total revenue.

Glenmark Venezuela team

The Mexico subsidiary launched Generic Seretide in the fourth quarter, which was the first generic to be approved in the market. Besides, the unit launched Metactiv, Mandikoz, Aytugre and Lasfligen in FY 2014. The Mexico subsidiary has created a new respiratory franchise and has put in place a dedicated sales force for this category.

The Venezuela subsidiary registered over 30% growth in sales vis-à-vis last year due to good marketing and sales promotional activities and performance of key brands like Candiderm and Gletop. The Caribbean region performed well clocking a secondary sales growth of 31% in FY 2014 as compared to the previous year. The Caribbean subsidiary launched respiratory products - Airtec, Combiwave and Ibicar in Jamaica; while Demelan, Fisioativ (Cream and Lotion) and Ureativ were launched in Trinidad.

Glenmark Brazil team

Active Pharmaceutical Ingredients (API)

Revenue from sale of API to regulated and semi-regulated markets globally was ₹ 5353.46 Mn (USD 88.59 Mn), for the year as against ₹ 3,976.41 Mn (USD 72.89 Mn) for the previous corresponding quarter, recording an increase of 34.63%. The API plant in Anklesh-war completed the successful inspection from EU authorities. In Japan, 2 new product filings were undertaken and 3 new USDMF's were filed targeting FTF molecules.

The business continued its leadership position for Amiodarone, Lercanidipine, Adapalene, Perindopril, combined with launches of new products during the year viz. Atovaquone in Canada through partner and Levocetirizine in Europe through partner.

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

Outlook

Glenmark's short-term and long-term outlook is encouraging for several reasons. On the discovery front, the pipeline is progressing well with 6 molecules in clinics. The company will also continue with its approach of out-licensing its molecules. On the generics front, with high value patented drugs going off patent in the coming years, there is huge potential for the generics business. Glenmark is actively increasing its base in major generics markets of US and Western Europe. At same time, the specialty business will continue to build differentiated pipelines in rest of the world markets, notably the 'Pharmerging' markets. Focus will be on building size and scale organically. The company has also put multiple systems and processes in place to manage its complex operations and instil efficiencies across the value chain. Glenmark will also continue to build capabilities and nurture a talent pool with diverse skills sets to deliver continuous results.

Internal Control Systems

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

Glenmark's Goa facility is a dedicated hormone facility

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 economic and human resources, may fail to reach the market or may have only limited commercial success. This could be, for example, as a result of efficacy or safety concerns, an inability to obtain necessary regulatory approvals, difficulty in manufacturing or excessive manufacturing costs, erosion of patent coverage as a result of a lengthy development period, infringement of patents or other intellectual property rights of others or an inability to differentiate the product adequately from those with which it competes.

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

Mitigating activities include

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

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

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

Ensuring product quality

Risk description: Risk to the patient or consumer as a result of the failure by the Company, its contractors or suppliers to comply with good manufacturing practice regulations in commercial manufacturing or through inadequate governance of quality through product development

Patients, consumers and healthcare professionals trust the quality of our products at the point of use. A failure to ensure product quality is an enterprise risk which is applicable across all of the Company's global operations.

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

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

The internal and external environment continues to evolve as new products, new markets and new legislation are introduced. Particular attention is currently being focused on global supply. In the EU, the new Falsified Medicines Directive is focused on security of supply.

In the USA, the passage of the Food Drug and Administration Safety and Innovation Act (FDASIA) will focus attention on reducing current levels of drug shortages in the marketplace, and new cGMP legislation is being introduced in many emerging markets including China and Brazil. On the inspection front, pharmaceutical inspectors are increasingly looking for global application of corrective actions beyond the original site of inspection.

Mitigating activities include

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

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

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

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

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

Maintaining product supply

Risk description: Risk of interruption of product supply

The manufacture of pharmaceutical products and their constituent materials requires compliance with good manufacturing practice regulations. The Company's manufacturing sites are subject to review and approval by the FDA and other regulatory agencies.

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

Materials and services provided by third-party suppliers are necessary for the commercial production of our products, including specialty chemicals, commodities and components necessary for the manufacture and packaging of many of the Company's pharmaceutical products. Some of the third-party services procured, for example, services provided by clinical research organisations to support development of key products, are very important to the operation of the Company's businesses. Although the Company undertakes business continuity planning, single sourcing for certain components, bulk active materials, finished products, and services creates a risk of failure of supply in the event of regulatory non-compliance or physical disruption at the manufacturing sites.

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

Mitigating activities include

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

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

Where practical, dependencies on single sources of critical items are removed. The Company while filing for product approvals with various regulatory authorities registers multiple manufacturing sites.

Securing adequate pricing

Risk description: Risk that the Company may fail to secure adequate pricing for its products or existing regimes of pricing laws and regulations become more unfavourable

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

formularies. Difficult economic conditions, particularly in the major markets in Europe, could increase the pricing pressures on the Company's pharmaceutical products. The Company cannot accurately predict whether existing controls, pressures or restrictions will increase or whether new controls, pressures or restrictions will be introduced. Such measures may materially and adversely affect the Company's ability to introduce new products profitably and its financial results

Mitigating activities include

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

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 companywide standards, making regulatory services more efficient and agile, and further aligning regulatory capabilities with business needs at global and local levels.

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

Changing global political and economic conditions

Risk description: Risk of exposure to various external political and economic conditions, as well as natural disaster that may impact the Company's performance and ability to achieve its objectives

Many of the world's largest economies, including the major markets in which the Company operates, and financial institutions have recently faced extreme financial difficulty, including a decline in asset prices, liquidity problems and limited availability of credit. In addition, the Company operates across a wide range of markets and these markets have the potential to encounter natural disasters that could impact business operations.

The economic uncertainty of 2011 continued into 2012, particularly in Europe. It is uncertain how long these effects will last, or whether economic and financial trends will worsen or improve. The austerity measures in certain countries in Europe have increased pressures on the payers in those countries to force healthcare companies such as the Company to decrease the price of its products. The debt crisis has given rise to concerns that some countries may not be able to pay for our products. Current economic conditions may also adversely affect the ability of our distributors, customers, suppliers and service providers to pay for our products, or otherwise to buy necessary inventory or raw materials, and to perform their obligations under agreements with the Company, which could disrupt our operations and negatively impact our business and cash flow. Some of our distributors, customers, suppliers and service providers may be unable to pay their bills in a timely manner, or may even become insolvent, which could also negatively impact our business and results of operations. These risks may be elevated with respect to our interactions with third parties with substantial operations in countries where current economic conditions are the most severe, particularly where such third parties are themselves exposed to risk from business interactions directly with fiscally-challenged government payers.

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

and may cause the value of the Company's investments in its pension plans to decrease, requiring the Company to increase its funding of those pension plans.

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

Mitigating activities include

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

Compliance with tax law

Risk description: Risk that as the Company's business models and tax law and practice change over time, the Company's existing tax policies and operating models are no longer appropriate

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

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

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

Mitigating activities include

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

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

Compliance with anti-bribery and corruption legislation

Risk description: Risk of failing to create a corporate environment opposed to corruption or failing to instill business practices that prevent corruption and comply with anti-corruption legislation

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

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

Mitigating activities include

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

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

Potential Litigation

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

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

Product liability litigation

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

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

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

Sales and marketing litigation

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

Mitigating activities include

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

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

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

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

Managing environmental, health, safety and sustainability compliance

Risk description: Risk of ineffectively managing environment, health, safety, and sustainability ('EHSS') objectives and requirements

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

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

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

Mitigating activities include

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

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

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

Information technology

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

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

Mitigating Activities include

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

Profiles of Directors

Mr. Glenn Saldanha (Chairman & Managing Director)

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

Mrs. Cherylann Pinto (Director - Corporate Affairs)

Mrs. Cherylann Pinto is a graduate in Pharmacy from the University of Bombay. She has over 25 years of experience in the pharmaceuticals business.

Mr. Rajesh Desai (Executive Director)

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

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

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

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

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

Mr. Bernard Munos (Non-Executive Independent Director)

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

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

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

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

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

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

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

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

Mr. Sridhar Gorthi (Non-Executive Independent Director)

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

Mr. Hocine Sidi Said (Non-Executive Independent Director)

Mr. Hocine Sidi Said has graduated in B.A. (International Marketing). He is the Founder & Director of Bio-nAbler, an investment company that partners with Sovereign Wealth Funds and Private Equity Firms across Asia and the MENA region to identify and execute product and company acquisitions. He has over 23 years of experience in the pharmaceuticals industry and has worked with companies like Pfizer and UCB. During his stint at UCB, he was incharge of the entire Emerging Markets Region and designated as Senior Vice President. Prior to joining UCB, he spent close to 17 years with Pfizer in various senior management and developmental roles in the Middle East, Central and Eastern Europe and Asia.

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

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

Directors' Report

Your Directors have pleasure in presenting their 36th Annual Report and Audited Accounts of the Company for the year ended 31 March 2014.

Financial Results

₹ In Million

2013-2014	2012-2013	Particulars	2013-2014	2012-2013
Standalone			Consolidated	
Indian GAAP	Indian GAAP		IFRS	IFRS
5,631.02	4,486.89	Profit before Finance Costs, Depreciation & Taxes	10,956.21	10,217.63
309.78	436.94	Less: Finance Costs (Net)	1,819.50	1,557.49
302.00	250.41	Less: Depreciation	2,167.95	1,270.09
681.00	(61.53)	Less: Tax (Current Year & Deferred Tax)	1,512.73	1,107.15
4,338.24	3,861.07	Profit after Tax	5,456.03	6,282.90

DIVIDEND

Your Directors recommend a Dividend of 200% (₹ 2 per equity share of ₹ 1 each) to be appropriated from the profits of the year 2013 - 2014 subject to the approval of the shareholders at the ensuing Annual General Meeting. The dividend will be paid in compliance with applicable regulations. The dividend, if approved, will result in an outflow of ₹ 634.64 million (including dividend tax).

CONSOLIDATED ACCOUNTS

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries for the year ended 31 March 2014 prepared in accordance with International Financial Reporting Standards as permitted by SEBI forms a part of the Annual Report.

RESULTS OF OPERATIONS

On Standalone basis the Company achieved a revenue of ₹ 23,009.04 million and the Standalone operating profit before finance costs, depreciation & tax was ₹ 5,631.02 million as compared to ₹ 4,486.89 million in the previous year.

On Consolidated basis the Company achieved a revenue of ₹ 60,051.97 million and the Consolidated operating profit before finance costs, depreciation & tax was ₹ 10,956.21 million as compared to ₹ 10,217.63 million in the previous year.

CHANGES IN CAPITAL STRUCTURE

Issue of shares on exercise of Employees' Stock Options

During the year, we allotted 3,70,000 Equity Shares of ₹ 1 each (on pari-passu basis) on the exercise of stock options by the eligible employees of the Company and its subsidiaries under the 2003 Employee Stock Option Scheme. As a result of this, the outstanding issued, subscribed and paid-up equity shares increased from 270,853,653 to 271,223,653 shares as at 31 March 2014.

Employee Stock Option Scheme

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

No employee was issued Stock Option during the year. As on 31 March 2014 there are 2,82,100 options 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.

LISTING AT STOCK EXCHANGES

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

SUBSIDIARY COMPANIES

During the year the name of the subsidiary, Glenmark Pharmaceuticals Colombia Ltda. was changed to Glenmark Pharmaceuticals Colombia SAS.

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

DIRECTORS

Director's Re-appointment

Mrs. B. E. Saldanha retires by rotation and being eligible offers herself for re-appointment at this Annual General Meeting. The Board of Directors have recommended her re-appointment for consideration of the Shareholders.

In terms of the provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. N. B. Desai, Mr. J. F. Ribeiro, Mr. Sridhar Gorthi, Mr. D. R. Mehta, Mr. Hocine Sidi Said, Mr. Bernard Munos and Dr. Brian W. Tempest as Independent Directors for a term of five (5) consecutive years upto 31 March 2019. Details of the proposal for appointment of Mr. Desai, Mr. Ribeiro, Mr. Gorthi, Mr. Mehta, Mr. Sidi Said, Mr. Munos and Dr. Tempest are enumerated in the Explanatory Statement of the notice convening the 36th Annual General Meeting of the Company.

COST AUDITORS

M/s. Sevekari, Khare & Associates (Registration No. 000084) are the Cost Auditors of the Company. They have been re-appointed as cost auditors for the Financial Year 2014-2015.

Due date for filing of Cost Audit Report for the Financial Year 2013-2014 is 30 September 2014.

CORPORATE GOVERNANCE

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

AMALGAMATION OF GLENMARK GENERICS LIMITED AND GLENMARK ACCESS LIMITED WITH THE COMPANY

The Board of Directors of the Company at their meeting held on 31 January 2014 had approved the amalgamation of its subsidiaries Glenmark Generics Limited and Glenmark Access Limited ("Transferor Companies") with the Company in accordance with the provisions of Sections 391 to 394 of the Companies Act, 1956 with effect from 1 April 2014, subject to the sanction of the Hon'ble High Court of Judicature at Bombay, Mumbai and other appropriate regulatory authorities.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS

The Auditors, Walker, Chandiok & Co LLP (formerly Walker, Chandiok & Co), Chartered Accountants (Firm Registration No. 001076N), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors confirm that –

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

(ii) appropriate accounting policies have been selected and applied consistently and have made 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 2014 and of the profit of the Company for the year ended 31 March 2014;

(iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

GREEN INITIATIVE

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

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

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

APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Place: Mumbai
Date: 8 May 2014

Annexures to the Directors' Report

ANNEXURE-A

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

A. CONSERVATION OF ENERGY

Energy Generation Measures Taken

I	Power and Fuel Consumption	2013-2014	2012-2013
1	Electricity		
	i. Purchased		
	Unit (in '000 Kwhrs)	15,310.79	12,317.47
	Total Amount (₹ in '000's)	107,664.14	78,462.93
	Rate/Unit (₹)	6.82	5.13
	ii. Own Generation		
	a. Through Diesel Generator		
	Unit (in '000 Kwhrs)	1,008.63	651.47
	Units per Ltr. of Diesel Oil	3.33	2.74
	Cost/Unit (₹)	16.40	11.50
	b. Through Steam Turbine/Generator	NIL	NIL
2	Coal	NIL	NIL
	Qty.		
	Total Cost		
	Avg. Rate		
3	Furnace Oil/Light Diesel Oil		
	Qty. (K. Ltr.)	687.89	525.75
	Total Amount (₹ in '000's)	36,630.24	23,615.25
	Avg. Rate (₹ /K. Ltr.)	53.81	37.29
4	i. Internal generation		
	Light Diesel Oil		
	Qty. (In Ltr. '000's)	25.21	NIL
	Total Cost (₹ in '000's)	1,257.77	NIL
	Rate/Unit (₹)	49.90	NIL
	ii. Natural Gas		
	Qty. (M^3 '000's)	NIL	NIL
	Total Cost (₹ in '000's)	NIL	NIL
	Rate/Unit (₹)	NIL	NIL

II. Consumption:

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

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

Specific areas in which R&D is carried out by the Company & its subsidiaries and benefits derived as a result of new platform technologies and products to create competitive advantage, better safety, efficacy and sustained performance during life cycle of products.

1. Specific areas in which R&D is carried out by the Company

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.

Analytical Method Development

Development of new analytical test procedures for various dosage forms to establish the quality and setting up specification for the release, stability testing of dosage forms and Active Pharmaceutical Ingredient. These methods are validated as per International Regulatory Standards.

The responsibilities of this department also include the evaluation of the stability of the products developed at R&D under various Climatic Conditions as per ICH Guidelines of Stability. This data is used as a basis to predict the shelf life of the products and also to prepare the stability study protocols for the commercial products manufactured as drug products/ drug substance.

Analytical Research Activities for NCE Research

New analytical test procedures are developed to establish the structure and evaluate the quality of NCE prior to initial biological screening. During pre-clinical studies, we generate analytical data for establishing the quality and setting up specification for the release testing of drug substances. The methods used to release the drug substances which are used in clinical trials, are validated as per International Regulatory Standards.

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

Process Development and Synthesis

Chemistry department supports the pre-clinical and early 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. Competence in process research enables development of economically efficient and scale-up friendly processes that can lead to speedy development of drug candidates.

Key attributes of Process Chemistry are Process development, Process optimization & validation, Process improvement, Scale-up, Complete process package including impurity profiling & working standards; Technology development and transfer services along with the process dossier; Supply of NCE for clinical studies from cGMP pilot plant; Synthesis of new salts & polymorphs; Synthesis of Metabolites, Asymmetric synthesis, chiral separation, carbohydrate chemistry.

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.

R&D has developed new synthetic routes for novel molecules. The chronological pathway followed is process development, validation, technology transfer and manufacture of the NCE at GMP production sites.

Compounds worked upon were GRC 17536 Potassium and its different pro-drugs, Revamilast (GRC 4039), GRC 27864 and GRC 29731.

Department has filed 4 provisional process patents for the innovations made during the year.

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

Glenmark has always made continuous investment in R&D. Because of these investments in R&D, the organization was able to receive a number of product approvals across many countries. During the year under review, Glenmark received from the USFDA approvals for the products, Zolmitriptan OD Tablets, Zolmitriptan Tablets, Riluzole Tablets, Alclometasone Dipropionate Ointment, Rizatriptan OD Tablets, Acamprosate Calcium DR Tablets and Desoximetasone Ointment.

In India, Glenmark was able to launch key products like Zinox (Garenoxacin), Ascovent SR (Acebrophylline), Alex Sugar Free SKU, Alex Lozenges, Oxuba, Dubagest SR, D'ACNE, Abirapro, Evermil, Aprecap IV, Candid Total, Getlite, Tacroz Forte Lotion, Bontress and Colymonas 3MIU.

Various products were launched in Africa including Demelan in South Africa and Mumfer in Nigeria. Glenmark launched Imiquad (Imiquimod) in Vietnam and became the first company to launch Flexilor (Lornoxicam) tablets in Myanmar.

There were several new successful launches in the Central Eastern Europe markets. Key launches include Revitasens, Diorex +, Telmisartan+HCTZ, Ederix, Capecitabine, Temozolomide and Zoledronic acid. Poland launched Revitasens, Revitanerw junior, 4Akne tabs, 4Akne cream, Ederix, Eztom (mometasone) and Dilizolen.

Germany launched Atovaquone/Proguanil, Telmisartan, Trospium 20mg and Rizatriptan IR/ODT.

3. Future Plan of Action

Commercialisation of new products for which the products are under trials at development stage. R&D is working on various new molecules identified after a thorough study of the market. These include Antifungals, Antibacterials, Antiasthmatic molecules, Antidiabetic products, Antiaging, Antiinflammatory, Antihyperlipidemic, Antiosteoporosis and Antiemetic products, Antihypertensive molecules, Nutraceuticals, Sunscreens Products, Skin Care Products, development of formulations for various markets, specialized NDDS products and Technology – such as micro spheres & aerosols foam Mousse.

4. Expenditure on R&D

(Standalone) (₹ in Million)

Sr. No	Particulars	2013-2014	2012-2013
1.	Capital Expenditure	61.97	56.38
2.	Revenue Expenditure	1213.55	929.44
3.	Total	1275.52	985.82
4.	R&D Expenditure as a percentage of total turnover	5.4%	4.8%

5. Technology Absorption, Adoption and Innovation

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

Our efforts in the area of technology absorption, adoption and innovation are based on our own efforts in R&D. They include improvement in yield and quality, efficacy, improvement of processes and development of new processes with validation studies.

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: The Management Discussion and Analysis Report forming a part of the Directors' Report deals with the same.
2. Total foreign exchange earned was ₹ 8,528.44 million and outflow was ₹ 3,061.52 million.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Place: Mumbai
Date: 8 May 2014

ANNEXURE-B

Disclosure in the Directors' Report as per SEBI Guidelines for the year 2013-2014

Sr. No.	Particulars		
a	Options granted	10,411,900	
b	Pricing Formula	Exercise Price shall be the latest available closing market price of the equity shares of the Company, prior to the date of grant.	
c	Options Vested**	8,602,200	
d	Options Exercised**	3,638,300	
e	Total no. of shares arising as result of exercise of Options	3,638,300	
f	Options lapsed *	6,491,500	
g	Variation in terms of Options	None	
h	Money realised by exercise of Options (₹ in million)	372.05	
i	Total number of options in force**	282,100	
	* Lapsed Options includes options cancelled/lapsed		
	** The number of options have been reported as on 31.03.2014		
j	Employee wise details of options granted to:		
		Name of the employee	No. of options granted
	- Senior Management	NIL	NIL
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None	
	- employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	None	
k	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share'		

Sr. No.	Particulars	
l	Pro Forma Adjusted Net Income and Earning Per Share	
	Particulars	**₹ in Million**
	Net Income (As Reported)	4,338.24
	Add: Intrinsic Value Compensation Cost	NIL
	Less: Fair Value Compensation Cost	6.50
	Adjusted Pro Forma Net Income	4,331.74
	Earning Per Share: Basic	
	As Reported	16.01
	Adjusted Pro Forma	15.98
	Earning Per Share: Diluted	
	As Reported	16.00
	Adjusted Pro Forma	15.98
m	Weighted average exercise price of Options granted during the year whose	
i.	Exercise price equals market price	NA
ii.	Exercise price is greater than market price	NA
iii.	Exercise price is less than market price	NA
	Weighted average fair value of options granted during the year whose	
i.	Exercise price equals market price	NA
ii.	Exercise price is greater than market price	NA
iii.	Exercise price is less than market price	NA
n	Description of method and significant assumptions used to estimate the fair value of options	The fair value of the options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same has been detailed below:
	Variables	Weighted average values for options granted during the year
	Stock Price	NA
	Volatility	NA
	Risk-free Rate	NA
	Exercise Price	NA
	Time to Maturity	NA
	Dividend yield	NA

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

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

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

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

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

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

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

Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below.

1. The Company's philosophy on Code of Governance:

The Company's philosophy on Code of Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders. The Company has adopted a codified Corporate Governance Charter, inter-alia, to fulfill its corporate responsibilities and achieve its financial objectives.

The Company believes in and has consistently practiced good Corporate Governance. The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

2. Board of Directors:

- **Composition:**

The Board comprises of Eleven Directors, of whom, three are executive, and eight are Non-Executive Directors. The Chairman of the Board is an Executive Director.

The Non-Executive Directors are professionals with experience in management, pharmaceutical industry, legal, finance, marketing and general administration who bring in a wide range of skills and experience to the Board.

a) Details of the Board of Directors:

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

Includes Directorship(s) in Indian Companies. The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

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

b) Details of Board Meetings and Attendance:

During the Financial Year ended 31 March 2014; five board meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	7 May 2013	11	10
2	1 August 2013	11	9
3	31 October 2013	11	9
4	24 January 2014	11	8
5	31 January 2014	11	7

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

B. Mr. Glenn Saldanha, Mrs. Cherylann Pinto, Mr. Rajesh Desai, Mr. J. F. Ribeiro, Mr. N. B. Desai, Mr. Sridhar Gorthi and Dr. Brian W. Tempest attended the last Annual General Meeting of the Company held on 2 August 2013.

C. Information flow to the Board Members

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

The Company has adopted the Glenmark Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Managing Director as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Glenmark Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding compliance of the Code for the year under review.

D. Post-meeting follow-up system

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

3. Board Committees:

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

1. Audit Committee:

- The Company has a qualified and independent Audit Committee which has been formed in pursuance of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The primary objective of the committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors and notes the processes and the safeguards employed by each. The committee has the ultimate authority and responsibility to select, evaluate and where appropriate, replace the independent auditor in accordance with the law. All possible measures have been taken by the committee to ensure the objectivity and independence of the independent auditor.

- Terms of Reference:

a) Approving and implementing the audit procedures and techniques.

b) Reviewing audit reports of both statutory and internal auditors with auditors and management.

c) Reviewing financial reporting systems, internal control systems and control procedures.

d) Ensuring compliance with regulatory guidelines.

e) Reviewing the quarterly, half-yearly and annual financial results of the Company before submission to the Board.

- Details of the composition and attendance of Members of the Audit Committee during the fiscal year 2014 are as follows:

  Five Audit Committee Meetings were held during the year – 6 May 2013, 31 July 2013, 30 October 2013, 23 January 2014 and 31 January 2014.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. N. B. Desai	5	5	Chairman	Independent Director
Mr. J. F. Ribeiro	5	5	Member	Independent Director
Mr. Sridhar Gorthi	5	2	Member	Independent Director
Mr. Hocine Sidi Said	5	2	Member	Independent Director

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

2. Shareholders'/Investors' Grievances Committee:

- The committee has the mandate to review and redress shareholder grievances. The Committee reviews shareholders' complaints and resolution thereof. The committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.

- Details of Composition and Attendance of the Members of the Shareholders'/Investors' Grievances Committee during the fiscal year 2014:

  Five Shareholders'/Investors' Grievances Committee meetings were held during the year – 6 May 2013, 31 July 2013, 30 October 2013, 17 December 2013 and 23 January 2014.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	5	5	Chairman	Independent Director
Mr. Glenn Saldanha	5	5	Member	Executive Director
Mr. N. B. Desai	5	4	Member	Independent Director
Mrs. Cherylann Pinto	5	5	Member	Executive Director

- The Details of complaints received and resolved during the year ended 31 March 2014 are as follows:

No. of complaints	2013-2014	2012-2013
Received	58	36
Resolved	58	36
Pending	NIL	NIL

- Name and Designation of Compliance Officer:

  Mr. Sanjay Kumar Chowdhary, Company Secretary & Compliance Officer.

- The Company's Registrars, Karvy Computershare Private Ltd. had received letters/complaints during the Financial Year, all of which were replied/resolved to the satisfaction of the shareholders.

3. Nomination And Remuneration Committee:

Compensation Committee has been renamed as Nomination and Remuneration Committee with effect from 7 May 2013.

- The purpose of the committee of the Board of Directors ('the Board') shall be 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.

- Broad terms of reference of the Nomination and Remuneration Committee:

  i. To recommend and review remuneration package of Executive/Non-Executive Directors.

  ii. To approve issue/cancellation of stock options to the employees.

- Details of Composition and Attendance of the Members of Nomination and Remuneration Committee during the fiscal year 2014:

  Three Nomination and Remuneration Committee meetings were held during the year – 22 April 2013, 17 July 2013 and 23 January 2014.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	3	3	Chairman	Independent Director
Mr. Glenn Saldanha	3	3	Member	Executive Director
Mr. N. B. Desai	3	2	Member	Independent Director
Mr. Sridhar Gorthi	3	2	Member	Independent Director

- Compensation Policy:

  The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company has formulated an Employee Stock Option Scheme for rewarding & retaining performers.

4. Remuneration of Directors:

- The Nomination and Remuneration 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 of Directors on the terms and conditions as per the recommendation by the Nomination and Remuneration Committee.

- Given below are the details of remuneration/ fees/commission paid to Directors during the financial year ended 31 March 2014:

Sr. No.	Name of Director	Salaries	Retirement benefits/other reimbursements	Commission	Sitting Fees	Total
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
1	Mr. Glenn Saldanha	57,104,506	11,496,243	4,125,000	-	72,725,749
2	Mrs. Cherylann Pinto	18,329,049	2,498,446	1,892,550	-	22,720,045
3	Mr. Rajesh Desai	16,259,169	15,573,872*	1,538,625	-	33,371,666
4	Mrs. B. E. Saldanha	-	-	-	80,000	80,000
5	Mr. D. R. Mehta	-	-	-	80,000	80,000
6	Mr. Bernard Munos	-	-	-	80,000	80,000
7	Mr. J. F. Ribeiro	-	-	-	200,000	200,000
8	Dr. Brian W. Tempest	-	-	-	80,000	80,000
9	Mr. Sridhar Gorthi	-	-	-	60,000	60,000
10	Mr. Hocine Sidi Said	-	-	-	80,000	80,000
11	Mr. N. B. Desai	-	-	-	200,000	200,000
	TOTAL	**91,692,724**	**29,568,561**	**7,556,175**	**860,000**	**129,677,460**

Note:

Sitting fees of ₹ 60,000 of Mr. Sridhar Gorthi was paid to Trilegal on his behalf.

*Includes ESOP Perquisites of ₹ 14,065,000.

Shareholding of the Non-Executive/Independent Directors in the Company as on 31 March 2014:

Name of the Director	Equity Shares (Nos.)
Mrs. B. E. Saldanha	836,999
Mr. D. R. Mehta	NIL
Mr. Bernard Munos	NIL
Mr. J. F. Ribeiro	45,800
Dr. Brian W. Tempest	NIL
Mr. Sridhar Gorthi	559
Mr. Hocine Sidi Said	NIL
Mr. N. B. Desai	30,000

5. Disclosures by Management:

a. No material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the Company at large.

b. There are no transactions with the Director or Management, their associates or their relatives etc. that may have potential conflict with the interest of the Company at large.

c. There was no non-compliance during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

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

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

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	Venue	Special Resolution Passed
31 March 2011	11 August 2011 at 11 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	None
31 March 2012	3 August 2012 at 11 a.m.	Mayfair Banquets, South Hall, 254 - C, Dr. Annie Besant Road, Worli, Mumbai - 400 030.	None
31 March 2013	2 August 2013 at 11 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	None

- All resolutions moved at the last Annual General Meeting were passed by a show of hands by requisite majority of members who attended the meeting.
- No special resolutions were passed last year through Postal Ballot.
- There are no special resolutions proposed for the ensuing Annual General Meeting which need to be passed by Postal Ballot.

7. Shareholders Information:

- **Share Transfer Process:**

  The shares are sent/received for physical transfer at R & T's office and all valid transfer requests are processed and returned within a period of 15 days from the date of receipt.

- **Dematerialisation of shares and Liquidity:**

  As of 31 March 2014, 99.15% of shares have been dematerialised and held in electronic form through NSDL and CDSL. The shares of your Company are permitted to be traded only in dematerialised form.

- **Share Holding Pattern as at 31 March 2014:**

Description	No. of Shareholders	Shares held	% to Equity
Company Promoters	18	130,955,617	48.28
Foreign Institutional Investor	289	90,133,485	33.23
Resident Individuals	52,398	22,232,869	8.20
Indian Financial Institutions	16	15,528,688	5.73
Bodies Corporates	873	3,786,704	1.40
Mutual Funds	63	5,413,838	2.00
Non-Resident Indians	1,448	1,229,032	0.45
H U F	1,015	380,023	0.14
Employees	72	492,511	0.18
Banks	12	214,669	0.08
Directors	8	269,026	0.10
Clearing Members	159	514,275	0.19
Foreign Nationals	15	61,450	0.02
Trusts	8	10,004	0.00
Foreign Bodies	1	1,462	0.00
TOTAL	**56,395**	**271,223,653**	**100.00**

- **Distribution Schedule as on 31 March 2014**

Sr. No.	Category From - To	No. of Shareholders	% of Shares	No. of Shares	% of Total Equity
1	1 - 5000	55,627	98.64	11,365,757	4.19
2	5001 - 10000	247	0.44	1,806,977	0.67
3	10001 - 20000	129	0.23	1,853,627	0.68
4	20001 - 30000	65	0.11	1,664,292	0.61
5	30001 - 40000	22	0.04	781,660	0.29
6	40001 - 50000	26	0.05	1,179,707	0.44
7	50001 - 100000	88	0.15	6,356,587	2.34
8	100001 and Above	191	0.34	246,215,046	90.78
	TOTAL	**56,395**	**100.00**	**271,223,653**	**100.00**

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

  Annual General Meeting shall be held on Friday, 25 July 2014 at 11.00 a.m. at Sunville Banquet & Conference Hall, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

- **Record Date/Book Closure:**

  Our Register of Members and Share Transfer Books will remain closed from Monday, 14 July 2014 to Friday, 25 July 2014 (both days inclusive).

- **Date of declaration of dividend:**

  A dividend of ₹ 2/- per share has been recommended by the Board of Directors on 8 May 2014 subject to the approval of the shareholders at the ensuing Annual General Meeting.

- **Financial Calendar (Tentative and Subject to change):**

Quarter ending	Release of Results
Financial reporting for the first quarter ending 30 June 2014.	July 2014
Financial reporting for the second quarter ending 30 September 2014.	October 2014
Financial reporting for the third quarter ending 31 December 2014.	January 2015
Financial results for the year ending 31 March 2015.	May 2015

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.

Members may kindly note that consequent to split in the face value of equity shares of the Company from ₹ 10 to ₹ 2 and subsequently from ₹ 2 to ₹ 1, the share certificates in the face value of ₹10 or ₹ 2 have ceased to be valid for any purpose whatsoever. Members who are holding share certificates of the face value of ₹ 10 or ₹ 2 each are requested to kindly send their respective share certificates to the R&T Agents for receiving ten or two equity shares of face value of ₹ 1 each in exchange of one equity share of face value of ₹ 10 or ₹ 2 each.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31 March 2000 and thereafter, which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year Ended	Date of declaration of Dividend	Date of transfer to unpaid/unclaimed dividend account	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2008	31.10.2007	30.11.2007	29.11.2014	29.12.2014
31.03.2009	25.09.2009	25.10.2009	24.10.2016	23.11.2016
31.03.2010	27.09.2010	27.10.2010	26.10.2017	25.11.2017
31.03.2011	11.08.2011	11.09.2011	10.09.2018	09.10.2018
31.03.2012	03.08.2012	03.09.2012	02.09.2019	01.10.2019
31.03.2013	02.08.2013	02.09.2013	01.09.2020	30.09.2020

Shareholders who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. immediately.

- **Reconciliation of Share Capital Audit Report:**

  A qualified practicing Company Secretary has carried out Audit every Quarter to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL.

- **Subsidiary Monitoring Framework:**

  All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage these Companies in the best interest of their stakeholders. The Company nominates its representatives on the Board of Subsidiary Companies and monitors performance of such Companies and the minutes of the meetings of the Subsidiary Companies are placed before the Company's Board regularly.

8. Means of Communication:

- **Quarterly/Half-yearly/Annual Results:**

The Quarterly/Half-yearly/Annual results of the Company are published in the newspapers and posted on the website of the Company.

As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose E-mail ids are registered with the Depositories/Registrar and Share Transfer Agents of the Company. Quarterly/Half-yearly and Annual Financial Results of the Company are published in Financial Express and Lok Satta newspapers.

- **Management Discussion & Analysis Report:**

The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

- **Company's Corporate Website:**

  Company has its own website and all the vital information relating to the Company and its products is displayed on its website: www.glenmarkpharma.com

- **Presentation to Institutional Investors or to analysts:**

  Official news releases and presentations made to Institutional Investors and analysts are posted on the Company's website.

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

9. Company's Scrip Information:

- **Listing on stock exchanges:**

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

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

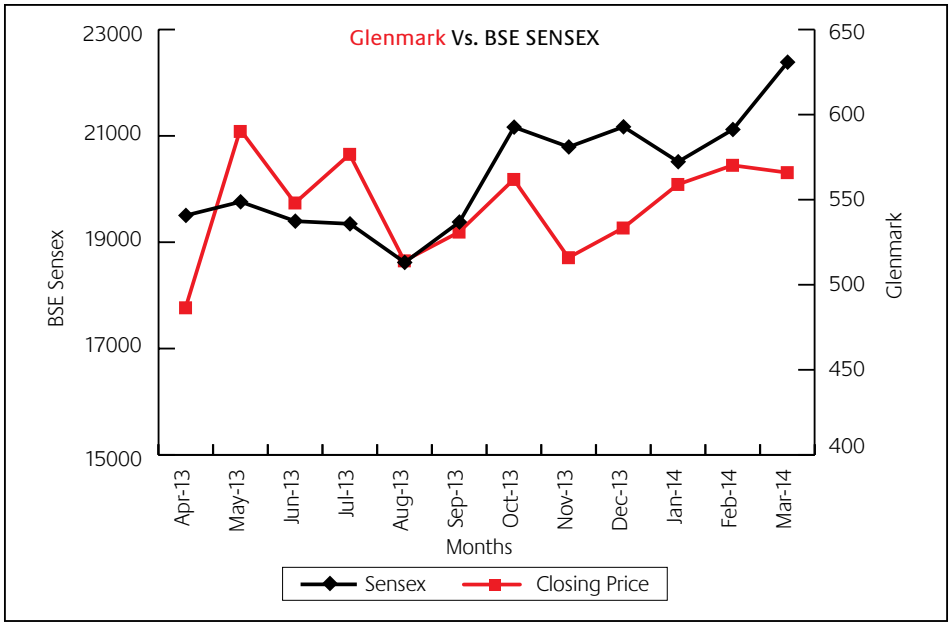
- Listing fees for the year – 2014-2015 have been paid to the Stock Exchanges.

- Market Information:

  Market Price Data: High, low (based on closing price) and volume during each month in last financial year.

Month	Bombay Stock Exchange			National Stock Exchange		
	High Price (₹)	Low Price (₹)	Volume (No. of Shares)	High Price (₹)	Low Price (₹)	Volume (No. of Shares)
Apr- 13	519.00	463.75	1,592,939	519.30	460.00	7,524,894
May- 13	607.70	485.80	2,511,939	609.00	485.50	17,595,802
Jun- 13	609.70	510.15	890,619	610.00	511.55	10,838,503
Jul- 13	612.00	549.00	512,978	613.35	546.00	5,061,934
Aug- 13	596.05	497.75	1,046,013	597.95	497.70	11,722,012
Sep- 13	549.00	490.00	1,118,497	548.40	488.25	9,120,622
Oct- 13	601.45	526.65	832,678	602.70	526.00	11,783,144
Nov- 13	554.00	489.10	847,306	555.00	487.60	13,064,327
Dec- 13	548.70	510.10	3,755,715	548.80	512.00	13,355,922
Jan- 14	564.00	496.20	1,334,613	564.00	496.10	17,659,593
Feb- 14	574.50	518.00	705,139	574.90	518.00	6,618,911
Mar- 14	589.15	534.55	665,514	590.00	533.00	10,309,713

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



10. Corporate Identity Number (CIN):

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

11. Plant Locations:

The Company's plants are located at:

i. E-37, MIDC Industrial Area, D Road, Satpur, Nasik-422 007, Maharashtra.

ii. Unit I - Village: Kishanpura, Baddi Nalagarh Road, Tehsil: Nalagarh, Dist. Solan-174 101, Himachal Pradesh.

iii. Unit II – Village: Bhattanwala, P.O. Rajpura, Nalagarh Dist. Solan-174 101, Himachal Pradesh.

iv. Unit III - Village: Kishanpura, Baddi Nalagarh Road, Tehsil Baddi, Dist. Solan 174 101, Himachal Pradesh.

v. Growth Centre, Samlik-Marchak, Dist. East Sikkim, Sikkim

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

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

- During the Financial Year 2013-2014, 101,700 options were cancelled, 370,000 options were exercised and no new options were issued under Employees Stock Options scheme viz. ESOS' 2003. As of 31 March 2014, 282,100 options were outstanding and are due for exercise on the following dates:

ESOS' 03	
Date	**Number of Options**
9 July 2014	28,600
14 July 2014	56,700
24 September 2014	21,600
9 October 2014	54,600
4 February 2015	8,700
12 March 2015	2,500

ESOS' 03	
Date	**Number of Options**
30 March 2015	43,300
24 September 2015	14,400
12 March 2016	5,000
30 March 2016	29,200
12 March 2017	7,500
12 March 2018	10,000

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

13. National ECS facility (NECS):

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

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

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

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

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

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

a. There are no clearing charges in the hands of the investor/recipient, the same are borne by the Company;

b. Risk as to fraudulent encashment of the dividend warrants, loss/interception of dividend warrants in transit, are eliminated;

c. The facility ensures instant credit of the dividend amount in the desired account which to the recipient, means effortless and speedier transaction and hassles as to revalidation, etc. are done away with;

d. Once the payment is made through NECS, Company issues intimation letters to the investors as to credit/payment of dividend, providing therein the details of the account and amount. Investors may download the NECS Mandate Form from the Company's website and send the same duly filled in to registrars for updating of records.

14. Code for prevention of Insider Trading:

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

15. Investor Helpdesk: For clarifications/assistance, if any, please contact:

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

Declaration regarding affirmation of Code of Conduct:

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2014.

Place: Mumbai
Date: 8 May 2014

Glenn Saldanha
Chairman & Managing Director

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

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

(a) We have reviewed financial statements and cash flow statement for the year and that to the best of our knowledge and belief:

  i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

  i) significant changes in internal control over financial reporting during the year;

  ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

  iii) during the year there were no instances of fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system.

Glenn Saldanha
Chairman & Managing Director

Rajesh Desai
Executive Director

Place: Mumbai
Date: 8 May 2014

Certificate on Corporate Governance

To the Members of
Glenmark Pharmaceuticals Limited

We have reviewed the implementation of Corporate Governance procedures by Glenmark Pharmaceuticals Limited for the year ended 31st March, 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

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

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

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

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

Place: Mumbai
Date: 8 May 2014

Independent Auditors' Report

To,

The Members of Glenmark Pharmaceuticals Limited

We have audited the accompanying financial statements of Glenmark Pharmaceuticals Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;

ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and

e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: Mumbai
Date: 8 May 2014

Annexure to the Independent Auditors' Report of even date to the members of Glenmark Pharmaceuticals Limited, on the financial statements for the year ended 31 March 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(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. No material discrepancies were noticed on such verification.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

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

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

(iii) (a) The Company has granted unsecured loans to five parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 12,643.51 million and the year-end balance is ₹ 4,242.47 million.

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

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

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

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

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

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

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

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

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/ services 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.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (₹) in million	Amount paid under protest (₹) in million	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	87.87	87.87	A.Y 2009-10	Income Tax Appellate Tribunal
Income tax Act, 1961	Income Tax	9.04	-	A.Y 2010-11	Commissioner of Income Tax (Appeal)
Income tax Act, 1961	Income Tax	0.82	-	A.Y 2006-07	Commissioner of Income Tax (Appeal)
The Central Excise Act, 1944	Excise Duty	10.00	-	April 2003 to September 2007	The Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	9.70	-	FY 2004-05 and FY 2005-06	The Central Excise and Service Tax Appellate Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	0.20	-	F.Y 2004-05	Deputy Commissioner (CT) Appeals

Name of the statute	Nature of dues	Amount (₹) in million	Amount paid under protest (₹) in million	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	1.86	-	FY 2004-05	Deputy Commissioner (CT) Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	1.58	-	FY 2006-07	Deputy Commissioner (CT) Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	2.89	-	FY 2007-08	Deputy Commissioner (CT) Appeals
Income tax Act, 1961*	Income Tax	49.23	-	A.Y 2005-06	Mumbai High Court
Income tax Act, 1961*	Income Tax	0.99	-	F.Y. 2009-10	Jt. Secretary, Department of Revenue, MOF, GOI
Income tax Act, 1961*	Income Tax	16.08	-	F.Y. 2010-11	Jt. Secretary, Department of Revenue, MOF, GOI

*These cases have been decided in favour of the Company by Appellate authorities. The concerned revenue department has gone for further appeal against the decision.

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

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

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

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

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

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

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

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

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

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

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

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

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: Mumbai
Date: 8 May 2014

Balance Sheet

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

	Note No.	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	271.22	270.85
(b) Reserve and surplus	2	28,789.00	24,960.93
		29,060.22	25,231.78
Non-current liabilities			
(a) Deferred tax liabilities (net)	3	364.17	285.82
(b) Other long term liabilities	4	518.79	849.45
		882.96	1,135.27
Current liabilities			
(a) Short-term borrowings	5	3,533.16	3,088.49
(b) Trade payables	6	5,626.82	4,262.03
(c) Other current liabilities	7	2,236.34	4,427.05
(d) Short-term provisions	8	956.42	710.76
		12,352.74	12,488.33
	TOTAL	42,295.92	38,855.38
ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		4,391.70	2,671.19
(ii) Intangible assets		93.49	85.39
(iii) Capital work-in-progress		797.81	1,688.96
(iv) Intangible assets under development		35.24	35.24
		5,318.24	4,480.78
(b) Non-current investments	10	14,092.42	12,943.32
(c) Long-term loans and advances	11	6,705.23	10,324.07
(d) Other non-current assets	12	83.90	148.76
		26,199.79	27,896.93
Current assets			
(a) Inventories	13	2,104.26	1,901.51
(b) Trade receivables	14	11,360.44	5,567.31
(c) Cash and bank balance	15	1,084.55	1,677.86
(d) Short term loans and advances	16	1,514.29	1,751.81
(e) Other current assets	17	32.59	59.96
		16,096.13	10,958.45
	TOTAL	42,295.92	38,855.38

Notes referred to above form an integral part of the financial statements.

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Statement of Profit and Loss

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

	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
INCOME			
Revenue from operations	18	23,457.54	19,717.95
Less: Excise duty		448.50	224.91
Revenue from operations (net)		23,009.04	19,493.04
Other income	19	671.34	1,162.45
Total Revenue		23,680.38	20,655.49
EXPENDITURE			
Cost of materials consumed	20	4,678.86	4,157.50
Purchases of stock-in-trade	21	1,599.71	1,410.88
Changes in inventories of finished goods, work-in-process and stock-in-trade	22	(52.30)	(36.67)
Employee benefit expenses	23	3,953.53	3,030.17
Finance costs	24	309.78	436.94
Depreciation and amortisation expenses	25	302.00	250.41
Other expenses	26	7,869.56	7,606.72
Total expenses		18,661.14	16,855.95
Profit before tax		5,019.24	3,799.54
Tax expense :			
(1) Current year tax		1,080.21	656.97
(2) Earlier year tax - MAT		-	(109.34)
(3) Minimum Alternate Tax Credit (Entitlement)/ Utilisation		(477.56)	(656.97)
(4) Deferred tax		78.35	47.81
		681.00	(61.53)
Profit for the period		4,338.24	3,861.07
Earnings per equity share of ₹ 1 each:	29		
(1) Basic		16.01	14.26
(2) Diluted		16.00	14.25
Notes referred to above form an integral part of the financial statements			

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Cash Flow Statement

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

		Year ended 31 March 2014	Year ended 31 March 2013
A.	**Cash flow from operating activities**		
	Net profit before tax	5,019.24	3,799.54
	Adjustments for:		
	Depreciation/Amortisation	302.00	250.41
	Interest expense	309.78	436.94
	Interest income	(364.91)	(455.42)
	Income from investments - dividends	(0.14)	(509.95)
	Loss/(Profit) on sale of fixed assets	2.20	(0.52)
	Provision for bad and doubtful debts	12.00	-
	Provision for gratuity and leave encashment	34.26	43.43
	Unrealised foreign exchange (gain)/loss	1,105.89	491.15
	Operating profit before working capital changes	6,420.32	4,055.58
	Adjustments for changes in working capital :		
	- (Increase)/Decrease in trade receivables	(5,797.05)	(1,752.02)
	- (Increase)/Decrease in other receivables	230.60	(336.47)
	- (Increase)/Decrease in inventories	(202.75)	(142.24)
	- Increase/(Decrease) in trade and other payables	1,262.75	1,380.86
	Cash generated from operations	1,913.87	3,205.71
	- Taxes paid (net of tax deducted at source)	(771.50)	(675.50)
	Net cash from operating activities	1,142.37	2,530.21
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including Capital work-in-progress)	(1,113.60)	(1,715.24)
	Proceeds from sale of fixed assets	-	23.17
	Investments in subsidiaries	(1,002.99)	(585.47)
	Loans and advances to subsidiaries	4,037.32	372.79
	(Increase)/Decrease in restricted cash	(3.45)	(3.24)
	Share application money paid	(81.25)	(148.76)
	Interest received	329.30	414.24
	Dividend received	0.14	509.95
	Net cash from/(used) in investing activities	2,165.47	(1,132.56)

Cash Flow Statement

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

		Year ended 31 March 2014	Year ended 31 March 2013
C.	**Cash flow from financing activities**		
	Proceeds from fresh issue of Share capital including securities premium	125.01	64.86
	Proceeds/(repayment) of long term borrowings	(3,024.25)	(111.87)
	Proceeds/(repayment) of short term borrowings	17.53	1,968.26
	Proceeds from working capital facilities	14.69	(1,013.62)
	Interest paid	(347.74)	(500.56)
	Dividend paid (including dividend distribution tax)	(631.88)	(544.78)
	Net cash used financing activities	(3,846.64)	(137.71)
	Net increase/(decrease) in cash and cash equivalents	(538.80)	1,259.94
	Opening balance of cash and cash equivalents	1,654.38	454.90
	Exchange fluctuation on cash and cash equivalent	(57.96)	(60.46)
	Closing balance of cash and cash equivalents	1,057.62	1,654.38
	Cash and cash equivalents comprise of :		
	Cash on hand	3.72	3.04
	Deposits with banks	-	650.00
	Balances with banks in current accounts and EEFC accounts	1,053.90	1,001.34
		1,057.62	1,654.38

Note :

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

2 Figures in bracket indicate Cash outgo.

This is the cash flow statement referred to in our report of even date.

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Notes to the Financial Statements

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

	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	Amount	No. of Shares	Amount
1. SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 1 each	350,000,000	350.00	350,000,000	350.00
Cumulative redeemable non convertible preference shares of ₹ 100 each	4,000,000	400.00	4,000,000	400.00
Issued, subscribed and fully paid-up equity shares of ₹ 1 each				
At the beginning of the year	270,853,653	270.85	270,535,503	270.53
Add: Issued during the year				
- Under the Employee Stock Option Scheme, 2003 (ESOS)	370,000	0.37	318,150	0.32
At the end of the year	271,223,653	271.22	270,853,653	270.85

	As at 31 March 2014		As at 31 March 2013	
List of shareholders holding more than 5% shares	% of Holding	No. of Shares	% of Holding	No. of Shares
Saldanha Family Trust	47.28	128,241,936	47.35	128,241,936
HSBC Global Investment Funds Mauritius Limited	-	-	5.24	14,197,660

As at 31 March 2014, 282,100 options were outstanding under Employee Stock Option Scheme 2003. On exercise of the options so granted under Employee Stock Option Scheme, 2003, the paid up Equity Share Capital of the Company will increase by equivalent number of shares.

Right, Preference and restriction on shares

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

In the period of five years immediately preceeding 31 March 2014, 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.

Employee Stock Option Scheme, 2003 (ESOS)

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

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

	2014		2013	
	Number*	weighted average Price*(₹)	Number*	weighted average Price*(₹)
Outstanding at 1 April	753,800	317.39	1,419,300	270.23
Granted	-	-	25,000	480.40
Forfeited/cancelled	(101,700)	286.86	(372,350)	245.56
Exercised	(370,000)	337.88	(318,150)	203.86
Outstanding as at 31 March	282,100	301.53	753,800	317.39

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

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

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

	31 March 2014	31 March 2013
Share price (₹)*	120.85 – 480.40	120.85 – 480.40
Exercise price (₹)*	120.85 – 480.40	120.85 – 480.40
Weighted average volatility rate	40% - 60%	40% - 60%
Dividend payout	200%	200%
Risk free rate	7.75% - 9.00%	7.75% - 9.00%
Average remaining life	1- 60 months	1- 60 months

*All figures have been accordingly adjusted for:

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

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into the measurement of fair value.

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

	31 March 2014	31 March 2013
Profit after taxation	4,338.24	3,861.07
Less: Additional employee compensation based on fair value	6.50	19.50
Proforma Profit after taxation	4,331.74	3,841.57
Basic Earning per Share (EPS)		
Number of shares (in million)	271.03	270.69
Basic EPS as reported (in ₹)	16.01	14.26
Proforma Basic EPS as reported (in ₹)	15.98	14.19
Diluted Earning per Share (EPS)		
Number of shares (in million)	271.15	270.88
Diluted EPS as reported (in ₹)	16.00	14.25
Proforma Diluted EPS as reported (in ₹)	15.98	14.18

Notes to the Financial Statements

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

		Note	As at 31 March 2014	As at 31 March 2013
2.	**RESERVES AND SURPLUS**			
	Capital reserve			
	At the beginning of the year		1.00	1.00
	At the end of the year		1.00	1.00
	Capital redemption reserve			
	At the beginning of the year		200.00	200.00
	At the end of the year		200.00	200.00
	Securities premium account			
	At the beginning of the year		7,361.96	7,297.42
	Add: Premium on issue of shares pursuant to conversion of ESOS		124.64	64.54
	At the end of the year		7,486.60	7,361.96
	General reserve			
	At the beginning of the year		2,421.68	2,035.18
	Add: Transferred from Statement of Profit and Loss		477.21	386.50
	At the end of the year		2,898.89	2,421.68
	Surplus in statement of profit and loss			
	At the beginning of the year		14,976.29	12,052.95
	Add: Profit for the year		4,338.24	3,861.07
	Net profit available for appropriation		19,314.53	15,914.02
	Add: Credit for dividend distribution tax		-	82.73
	Less: Allocations and appropriations			
	- Proposed dividend on equity shares		542.45	541.71
	- Tax on proposed dividend on equity shares		92.19	92.06
	- Residual dividend and dividend tax		0.17	0.19
	- Transfer to general reserve		477.21	386.50
	At the end of the year		18,202.51	14,976.29
	Balance carried to Balance Sheet		28,789.00	24,960.93
3.	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred tax liability relating to			
	Depreciation on tangible and intangible assets		466.74	392.83
			466.74	392.83
	Deferred tax assets relating to			
	Provision for doubtful debts and advances		78.72	73.11
	Expenses deductible in future years		23.85	28.70
	Others		-	5.20
			102.57	107.01
	Deferred tax liabilities (net)		364.17	285.82
4.	**OTHER LONG-TERM LIABILITIES**			
	Security deposits		56.47	32.18
	Income received in advance	(i)	462.32	817.27
	TOTAL		518.79	849.45

(i) Income received in advance represents advance received from customers for future supplies of materials. The Company has recognised an income of ₹ 213.45 in current year on commencement of production and will recognise the balance amount in the coming periods. Refer note no. 7 for amount recognisable in one year.

Notes to the Financial Statements

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

	Note	As at 31 March 2014	As at 31 March 2013
5. SHORT-TERM BORROWINGS			
Secured loans			
Loan repayable on demand from banks	(i)	14.69	-
Unsecured loans			
Term loans			
From banks		3,518.47	3,088.49
TOTAL		3,533.16	3,088.49

Note:

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

(ii) The Company has not defaulted on repayment of loan and interest during the year.

(iii) The Company has taken working capital facility from banks/ term loans from banks in foreign currency as well as Indian Rupee. The interest rates range between 2.58% - 10.50% which are repayable within twelve months.

	Note	As at 31 March 2014	As at 31 March 2013
6. TRADE PAYABLES			
Acceptances		2,609.18	1,854.92
Sundry creditors			
- Total outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006	(i)	-	-
- Total outstanding dues to creditors other than Micro, small and medium enterprises		2,084.11	2,086.78
Payable to subsidiaries		933.53	320.33
TOTAL		5,626.82	4,262.03

Note :

(i) Refer note 32 on 'Outstanding dues to Micro, small and medium business enterprises'.

	Note	As at 31 March 2014	As at 31 March 2013
7. OTHER CURRENT LIABILITIES			
Current maturities of long-term borrowings			
- Unsecured loan from banks		-	2,718.00
Sundry creditors for capital goods		103.92	82.48
Interest accrued but not due on borrowings		1.15	1.15
Unclaimed dividend	(i)	7.27	5.21
Income received in advance	(ii)	221.92	-
Advance from customers		9.40	42.81
Payable to Subsidiaries		1,441.98	1,304.48
Other payables			
- Statutory dues		144.67	89.12
- Liability for expenses		306.03	183.80
TOTAL		2,236.34	4,427.05

Note:

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

(ii) Income received in advance refers to the income recognisable within one year. [Refer note 4(i)]

	Note	As at 31 March 2014	As at 31 March 2013
8. SHORT-TERM PROVISIONS			
Proposed dividend		542.45	541.71
Tax payable on proposed dividend		92.19	92.06
Provision for wealth tax		0.50	0.40
Provision for income tax (net of advance tax of ₹ 819.14)		250.07	-
Provision for gratuity and compensated absences	(i)		
- Gratuity		17.66	17.75
- Compensated absences		53.55	58.84
TOTAL		956.42	710.76

Note:

(i) Refer note 35 on 'Employee benefits'.

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

9. FIXED ASSETS

(i) Tangible assets

	Freehold land	Leasehold land	Factory building	Other building	Plant & equipment	Furniture and fixture	Office equipment	Vehicles	Total
Cost									
Balance at 1 April 2012	51.46	84.59	567.79	207.22	1,806.39	365.64	146.86	36.32	3,266.27
- Additions	-	20.60	282.73	3.58	350.60	50.90	8.62	3.76	720.79
- Disposals/Transfers	-	-	-	-	(3.38)	(1.01)	(16.16)	(6.54)	(27.09)
Balance at 1 April 2013	51.46	105.19	850.52	210.80	2,153.61	415.53	139.32	33.54	3,959.97
- Additions	-	0.58	724.76	0.60	1,191.97	47.84	12.23	17.65	1,995.63
- Disposals/Transfers	-	-	-	-	(17.60)	(1.53)	(3.94)	(7.01)	(30.08)
Balance as at 31 March 2014	51.46	105.77	1,575.28	211.40	3,327.98	461.84	147.61	44.18	5,925.52
Accumulated depreciation									
Balance at 1 April 2012	-	3.77	108.74	34.34	577.54	225.00	133.36	20.84	1,103.59
- Additions	-	0.99	27.23	3.40	129.34	37.87	5.17	4.95	208.95
- Disposals/Transfers	-	-	-	-	(2.83)	(1.00)	(14.90)	(5.03)	(23.76)
Balance at 1 April 2013	-	4.76	135.97	37.74	704.05	261.87	123.63	20.76	1,288.78
- Depreciation charge for the year	-	1.09	39.28	3.44	161.78	45.10	7.28	5.28	263.25
- Disposals/Transfers	-	-	-	-	(7.42)	(1.19)	(3.91)	(5.69)	(18.21)
Balance as at 31 March 2014	-	5.85	175.25	41.18	858.41	305.78	127.00	20.35	1,533.82
Carrying value									
At 1 April 2013	51.46	100.43	714.55	173.06	1,449.56	153.66	15.69	12.78	2,671.19
At 31 March 2014	51.46	99.92	1,400.03	170.22	2,469.57	156.06	20.61	23.83	4,391.70

(ii) Intangible assets

	Computer software	Brands	Product marketing rights	Total
Cost				
Balance at 1 April 2012	123.23	350.07	82.65	555.95
- Additions	71.27	-	-	71.27
- Disposals/Transfers	(19.32)	-	-	(19.32)
Balance at 1 April 2013	175.18	350.07	82.65	607.90
- Additions	49.64	-	-	49.64
- Disposals/Transfers	(2.86)	-	-	(2.86)
Balance as at 31 March 2014	221.96	350.07	82.65	654.68
Accumulated amortisation				
Balance at 1 April 2012	73.27	350.07	57.71	481.05
- Additions	24.93	-	16.53	41.46
- Disposals/Transfers	-	-	-	-
Balance at 1 April 2013	98.20	350.07	74.24	522.51
- Amortisation charge for the year	30.34	-	8.41	38.75
- Disposals/Transfers	(0.07)	-	-	(0.07)
Balance as at 31 March 2014	128.47	350.07	82.65	561.19
Carrying value				
At 1 April 2013	76.98	-	8.41	85.39
At 31 March 2014	93.49	-	-	93.49

Borrowing costs capitalised during the year ₹ 37.96 (2013 - ₹ 63.12)

Addition to fixed assets includes capital expenditure of ₹ 61.97 (2013 - ₹ 56.38) incurred at approved R&D centres.

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

		As at 31 March 2014	As at 31 March 2013
(iii)	**Capital work-in-progress**		
	Capital work-in -progress includes :		
	Building, plant and machinery	797.81	1,688.96
(iv)	**Intangible assets under development**		
	Marketing rights and software	35.24	35.24
10.	**NON-CURRENT INVESTMENT**		
	Long-Term Investments - At Cost - (Fully Paid up except otherwise stated)		
	Trade Investments		
	Unquoted		
(i)	**Equity shares**		
(a)	**Investments in subsidiary companies**		
a)	Glenmark Access Limited, India (formerly known as Glenmark Exports Ltd) [1,850,020 (2013 - 1,850,020) Equity Shares of ₹ 10 each]	18.50	18.50
b)	Glenmark Impex LLC, Russia [577,767,277 (2013 - 577,767,277) shares of RUR 1 each]	901.95	901.95
c)	Glenmark Philippines Inc., Philippines [640,490 (2013- 640,490) shares of Pesos 200 each]	116.70	116.70
d)	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria [605,114,304 (2013-557,774,304) shares of Naira 1 each]	193.71	177.46
e)	Glenmark Pharmaceuticals Malaysia Sdn.Bhd.,Malaysia [5,686,618 (2013 -2,110,342) shares of RM 1 each]	97.72	28.32
f)	Glenmark Generics Ltd, India [148,259,412 (2013 -146,790,921) shares of ₹ 10 each]	9,494.28	8,912.89
g)	Glenmark Holding S. A., Switzerland [22,520,000 (2013 - 22,520,000) shares of CHF 1 each]	797.11	797.11
h)	Glenmark Pharmaceuticals (Australia) Pty. Ltd., Australia [2,079,002 (2013-2,049,002) shares of AUD 1 each]	70.44	68.77
i)	Glenmark Pharmaceuticals Egypt S.A.E., Egypt [29,448,501 (2013 - 22,815,112) shares of EGP 1 each]	247.78	191.50
j)	Glenmark Pharmaceuticals FZE (U.A.E) [1 (2013 -1) share of AED 1,000,000 each]	12.92	12.92
k)	Glenmark Dominicana, SRL, Dominican Republic [153 (2013 -120) share of RD 1000 each]	0.19	0.15
l)	Glenmark Pharmaceuticals (Kenya) Limited, Kenya [1,560,400 (2013 - 1000) shares of KSH 100 each]	97.18	0.07
m)	Glenmark Pharmaceuticals Venezuela, CA, Venezuela [50,136,685 (2013 -46,534,837) shares of Bolivar 1 each]	514.58	483.62
n)	Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia) [33,059 (2013 - 33,059) shares of COP 1,000 each]	20.80	20.80
o)	Glenmark Pharmaceuticals Peru SAC., Peru [17,625,738 (2013 -15,172,574) shares of PEN 1 each]	352.67	299.96
p)	Glenmark Pharmaceuticals Mexico, SA DE CV., Mexico [223,282,054 (2013 -170,754,514) shares of Mexican peso 1 each]	965.27	721.98
q)	Glenmark Therapeutics AG, Switzerland [100,000 (2013 -100,000) shares of CHF 1 each]	5.73	5.73

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

		As at 31 March 2014	As at 31 March 2013
(b)	**Investment in Joint Venture**		
	26,215 Ordinary shares [2013 - 26,215 Ordinary shares of THB 100 each] of Glenmark Pharmaceuticals (Thailand) Co. Ltd. of THB 100 each.	3.72	3.72
(c)	**Other Investments**		
	213,032 (2013 - 213,032) Equity Shares of Bharuch Eco-Aqua Infrastructure Limited of ₹ 10 each.	2.13	2.13
(ii)	**Preference shares**		
(a)	**Investment in Joint Venture**		
	2 (2013 - 2) Preference shares of THB 100 each of Glenmark Pharmaceuticals (Thailand) Co. Ltd.*	-	-
(b)	**Other Investments**		
	1,176,471 (2013 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc. of USD 0.85 each.	43.56	43.56
	TOTAL	13,956.94	12,807.84
	Non Trade Investments		
	Quoted		
(i)	**Equity shares**		
	9,000 (2013 - 9,000) Bank of India of ₹ 10 each	0.41	0.41
	1,209 (2013 - 1,209) IDBI Bank Limited of ₹ 10 each	0.03	0.03
		0.44	0.44
	Unquoted		
(i)	**Equity shares**		
	1 (2013 - 1) Time Share of Dalmia Resorts Limited	0.02	0.02
(ii)	**Preference shares**		
	1,350,000 (2013 - 1,350,000) 7% cumulative preference shares of ₹ 100 each fully paid up of Marksans Pharma Ltd.	135.00	135.00
(iii)	**Investment in Government Securities**		
	National Savings Certificate -Sixth Issue	0.02	0.02
		135.48	135.48
	TOTAL	14,092.42	12,943.32
	* amount denotes less than a million.		
	Aggregate book value of investments		
	- Quoted	0.44	0.44
	- Unquoted	14,091.98	12,942.88
	Aggregate market value of quoted investments	2.14	2.82

		Note	As at 31 March 2014	As at 31 March 2013
11.	**LONG-TERM LOANS AND ADVANCES**			
	Unsecured, considered good			
	Capital advances		81.88	63.01
	Security deposits		146.92	140.42
	Prepaid expenses		2.14	1.71
	Advance tax [net of provision ₹ 2,721.17 (2013 - ₹ 2,710.18)]		93.47	151.99
	Minimum Alternate Tax credit entitlement		2,136.25	1,658.69
	Loans and advances to related parties	(i)	4,244.57	8,308.25
	TOTAL		6,705.23	10,324.07

Note:

(i) Refer note 31 on 'Related party disclosure'.

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

	Note	As at 31 March 2014	As at 31 March 2013
12. OTHER NON-CURRENT ASSETS			
Unsecured considered good			
Share application money	(i)	83.90	148.76
TOTAL		83.90	148.76

Note:

(i) Refer note 31 on 'Related party disclosure'.

	Note	As at 31 March 2014	As at 31 March 2013
13. INVENTORIES			
Raw materials		707.23	649.54
Goods in transit - Raw material		-	4.41
Packing materials		459.10	359.76
Goods in transit - Packing material		-	3.84
Work-in-process		123.75	62.77
Finished goods	(i)	621.45	532.55
Stock-in-trade (in respect of goods acquired for trading)	(i)	141.62	239.20
Stores and spares		51.11	49.44
TOTAL		2,104.26	1,901.51

Note:

(i) Refer note 36 'Production, Sales and Stock'.

	Note	As at 31 March 2014	As at 31 March 2013
14. TRADE RECEIVABLES			
Unsecured, considered good			
Outstanding for more than six months from the due date		3,168.45	1,852.79
Others		8,191.99	3,714.52
		11,360.44	5,567.31
Unsecured, considered doubtful			
Outstanding for more than six months from the due date		203.10	191.10
Others		-	-
		203.10	191.10
Less: Provision for doubtful receivables		(203.10)	(191.10)
TOTAL		11,360.44	5,567.31

	Note	As at 31 March 2014	As at 31 March 2013
15. CASH AND BANK BALANCES			
(i) Cash and cash equivalents			
Balance with banks			
- Current accounts		464.99	342.61
- EEFC accounts		588.91	658.73
- Deposits (less than 3 months)		-	650.00
Cash on hand		3.72	3.04
(ii) Other bank balance			
- Unpaid dividend		7.27	5.21
Balance with banks			
- Margin money account	(i)	19.66	18.27
TOTAL		1,084.55	1,677.86

Note:

(i) The balance in margin money accounts are given as security against guarantees issued by banks on behalf of the Company.

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

	As at 31 March 2014	As at 31 March 2013
16. SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received (Unsecured)		
- considered good	260.01	537.91
- considered doubtful	29.10	29.10
	289.11	567.01
Less: Provision for doubtful advances	(29.10)	(29.10)
	260.01	537.91
Balances with Excise authorities	429.42	462.00
Prepaid expenses	94.05	82.55
Unsecured considered good		
Advance to vendors	696.56	641.53
Security deposits	34.25	27.82
TOTAL	1,514.29	1,751.81

	As at 31 March 2014	As at 31 March 2013
17. OTHER CURRENT ASSETS		
Foreign currency receivable on account of forward contracts	32.59	59.96
TOTAL	32.59	59.96

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

	Note	Year ended 31 March 2014	Year ended 31 March 2013
18. REVENUE FROM OPERATIONS			
Sale of products	(i)	23,263.13	19,568.11
Less: Sales tax		929.52	760.74
		22,333.61	18,807.37
Sale of services		850.46	770.42
Other operating revenues	(ii)	273.47	140.16
TOTAL		23,457.54	19,717.95

Note:

(i) Refer note 36 (a) for information on sale of products.

(ii) Other operating revenue primarily comprise of contractual income [refer note 4 (i)] of ₹ 213.45 (2013 - Nil) and export benefit of ₹ 42.65 (2013 - ₹ 126.36)

	Year ended 31 March 2014	Year ended 31 March 2013
19. OTHER INCOME		
Dividend received from Subsidiaries	-	509.88
Dividend received from others	0.14	0.07
Interest income	364.91	455.42
Guarantee commission	295.87	181.75
Profit on sale of fixed assets	-	0.52
Miscellaneous income	10.42	14.81
TOTAL	671.34	1,162.45

	Year ended 31 March 2014	Year ended 31 March 2013
20. COST OF MATERIAL CONSUMED		
Consumption of raw material	3,376.53	3,075.17
Consumption of packing material	1,177.34	963.25
Consumables	124.99	119.08
TOTAL	4,678.86	4,157.50

	Year ended 31 March 2014	Year ended 31 March 2013
21. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	1,599.71	1,410.88
TOTAL	1,599.71	1,410.88

	Year ended 31 March 2014	Year ended 31 March 2013
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
(Increase)/Decrease in inventories of finished work-in-process and stock-in-trade	(52.30)	(36.67)
TOTAL	(52.30)	(36.67)
(Increase)/Decrease in stocks		
At year end		
Stock of finished goods	621.45	532.55
Stock-in-trade	141.62	239.20
Work-in-process	123.75	62.77
	886.82	834.52
At the beginning of the year		
Stock of finished goods	532.55	589.62
Stock-in-trade	239.20	130.68
Work-in-process	62.77	77.55
	834.52	797.85
TOTAL	(52.30)	(36.67)

Notes to the Financial Statements

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

		Year ended 31 March 2014	Year ended 31 March 2013
23.	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and wages	3,717.44	2,828.96
	Contribution to provident and other funds	131.82	120.59
	Staff welfare expenses	104.27	80.62
	TOTAL	3,953.53	3,030.17

		Year ended 31 March 2014	Year ended 31 March 2013
24.	**FINANCE COST**		
	Interest expenses on		
	- Term loan	221.97	387.60
	- Others	125.77	112.46
	Less: Interest capitalised	(37.96)	(63.12)
	TOTAL	309.78	436.94

		Year ended 31 March 2014	Year ended 31 March 2013
25.	**DEPRECIATION AND AMORTISATION EXPENSES**		
	Depreciation on tangible assets	263.25	208.95
	Amortisation on intangible assets	38.75	41.46
	TOTAL	302.00	250.41

		Year ended 31 March 2014	Year ended 31 March 2013
26.	**OTHER EXPENSES**		
	Labour charges	254.87	206.63
	Power, fuel and water charges	141.86	112.57
	Lab chemicals and reagents	225.55	195.73
	Repairs and maintenance - plant and machinery	36.63	30.51
	Repairs and maintenance - building	10.00	16.50
	Repairs and maintenance - others	209.94	213.03
	Rent	241.40	195.32
	Other manufacturing expenses	137.97	125.59
	Incentive and commission	470.98	306.09
	Investment written off	-	0.05
	Directors meeting fees	0.86	0.92
	Selling and marketing expenses	1,165.15	1,806.43
	Sales promotion expenses	1,010.28	1,098.58
	Export commission	90.11	62.17
	Commission on sales	91.22	72.27
	Travelling expenses	1,115.29	889.66
	Freight outward	391.16	367.17
	Telephone expenses	33.59	32.16
	Rates and taxes	48.60	39.29
	Provision for doubtful debts	12.00	-
	Insurance premium	40.52	34.73
	Electricity charges	57.81	90.04
	Auditors' remuneration		
	- Audit fees	6.50	6.50
	- Out of pocket expenses	0.06	0.56
	Loss on sale of assets	2.20	-
	Exchange loss (net)	278.44	5.90
	Other operating expenses	1,796.57	1,698.32
	TOTAL	7,869.56	7,606.72

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

27. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

The Financial Statements are prepared to comply in all material aspects with the accounting principles generally accepted in India, including applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956, and the relevant provision of the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

ii) Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include transfer pricing related adjustments, provision against litigations, provisions of future obligation under employee benefit plans, useful lives of fixed assets, provision for expiry of drugs and impairment of assets. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

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

Fixed assets are stated at cost less accumulated depreciation and amortisation. The Company capitalises all costs relating to the acquisition and installation of fixed assets. Expenditure directly related to bringing the asset ready for use are also capitalised.

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

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

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

Category	Estimated useful life (in years)
Tangible	
Factory and other building	30 - 55
Plant and equipment	8 - 20
Vehicles	5 - 6
Office equipments	4 - 20
Furniture and Fixtures	10
Intangible	
Computer software	5
Brands	5 - 10
Product marketing rights	5 - 10

Leasehold land and improvements are depreciated over the estimated useful life, or the remaining period of lease from the date of capitalisation, whichever is shorter.

iv) Borrowing costs

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

v) Impairment of assets

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

vi) Foreign currency transactions

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

b) Forward contracts entered into by the Company to hedge the risk of existing assets or liabilities are accounted for as per guidance contained in AS 11 'The Effects of Changes in Exchange Rates (revised 2003)'. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Forward exchange contracts outstanding as at the year end on account of firm commitment or highly probable transactions are marked to market and the losses, if any are recognised in the Statement of Profit and Loss, and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

vii) Investments

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value.

viii) Inventories

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

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

The Company considers several factors in determining the allowance for slow moving, obsolete and other non-saleable inventory including estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

ix) Employee benefits

Defined Contribution Plans

Provident fund

Provident fund benefit is a defined contribution plan under which the Company pays fixed contribution into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligation to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plan are expensed in the Statement of Profit and Loss. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively as they are normally of a short term nature.

Defined Benefit Plans

Gratuity

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees upon retirement, death while in service or upon termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The Company contributes premium towards gratuity liability arrived by actuarial valuation performed by an independent actuary.

Compensated Absence

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

Actuarial Valuation

The actuarial valuation method used for measuring the liability either Gratuity or Compensated absence is the Projected Unit Credit method. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return on plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Actuarial gain/losses are recognised in the Statement of Profit and Loss in the year they are determined.

x) Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably. Revenue from the sale of goods includes excise duty and is net of sales tax and is measured at the fair value of the consideration received or receivable, net of returns and applicable trade discounts and allowances.

Services

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

Export entitlements

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

Dividend, Interest income and Guarantee commission

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

xi) Research and Development expenditure

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

xii) Taxation

Current Tax

Current tax is determined as the amount of tax payable under the provision of Income Tax Act 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a reasonable certainty that the entity will pay normal income tax in future years. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid reasonable certainty no longer exists.

xiii) Leases

Finance Leases

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

Operating Leases

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

xiv) Employee Stock Option Schemes (ESOS)

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

xv) Provisions and Contingent liabilities

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

xvi) Segment reporting

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

xvii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

28. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

		31 March 2014	31 March 2013
(i)	**Contingent Liabilties**		
(a)	Claims against the Company not acknowledged as debts		
	- Labour dispute	0.07	0.06
	- Disputed taxes and duties	123.96	105.78
(b)	Guarantees		
	Bank guarantees	60.18	41.39
	Letter of comfort on behalf of subsidiaries, to the extent of limits	32,046.48	24,286.73
(c)	Others		
	Open letters of credit	223.22	18.64
	Indemnity bonds	393.71	374.57

(d) In January 2014, the National Pharma Pricing Authority (NPPA) issued a demand notice of ₹ 150 towards overpricing of product "Doxovent 400 mg tab". The Company has 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, primarily, that inclusion of "Theophylline" in the schedules of DPCO, 1995 is sub-judice before the Hon'ble Court.

The Hon'ble Court passed an ad-interim order staying any coercive steps against the Company and directed the matter be tagged along with the petition on the inclusion of "Theophylline" in the Schedule of DPCO, 1995. The Hon'ble Court has constituted a special bench to hear the petition (along with other petitions filed in this regard) and the matter is expected to be listed in due course.

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2014 aggregate ₹ 590.05 (2013 - ₹ 264.03).

(b) Estimated amount of contracts remaining to be executed on other than capital commitment, net of advances, not provided for as at 31 March 2014 aggregate ₹ 203.94 (2013 - ₹ 209.26).

29. EARNINGS PER SHARE

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

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

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

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

	2013-2014	2012-2013
Profit after tax for the financial year (attributable to equity shareholders)	4,338.24	3,861.07
Reconciliation of number of shares:	**No. of Shares in million**	**No. of Shares in million**
Weighted average number of shares:		
For basic earnings per share	271.03	270.69
Add:		
Deemed exercise of options on unissued equity share capital	0.12	0.19
For diluted earnings per share	271.15	270.88
Earnings per share (nominal value ₹ 1 each)	₹	₹
Basic	16.01	14.26
Diluted	16.00	14.25

30. SEGMENT INFORMATION

Business segments

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

Geographical segments

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

Revenue by market - The following is the distribution of the Company's sale (of products and services) by geographical markets (gross of excise duty and sales tax):

Geographical segment	2013-2014	2012-2013
India	16,034.51	13,404.70
Other than India	8,079.08	6,933.83
TOTAL	24,113.59	20,338.53

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

	India 2013-2014	Others* 2013-2014	India 2012-2013	Others* 2012-2013
Carrying amount of segment assets	34,939.94	7,355.98	34,242.18	4,613.20
Additions to fixed assets	2,045.27	-	792.06	-

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

31. RELATED PARTY DISCLOSURES

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

a) Parties where direct/indirect control exists

i) Subsidiary companies

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)
Glenmark Pharmaceuticals S.R.O., Czech Republic
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Glenmark Pharmaceuticals S. A., Switzerland
Glenmark Holding S. A., Switzerland
Glenmark Generics Finance S. A., Switzerland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals Eood., Bulgaria
Glenmark Distributors SP z.o.o., Poland
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Generics Inc., USA
Glenmark Therapeutics Inc., USA
Glenmark Farmaceutica Ltda., Brazil
Glenmark Generics SA., Argentina
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)
Glenmark Uruguay S.A., Uruguay
Glenmark Pharmaceuticals Venezuela C.A., Venezuela
Glenmark Dominicana, SRL, Dominican Republic
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Pharmaceuticals FZE., 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 Access Ltd (formerly known as Glenmark Exports Ltd.)., India
Glenmark Generics Ltd., India
Glenmark Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V.), Netherlands
Glenmark Arzneimittel Gmbh., Germany
Glenmark Generics Canada, Inc., Canada
Glenmark Pharmaceuticals Kenya Ltd., Kenya
Glenmark Therapeutics AG., Switzerland

ii) Investment in Joint Venture

Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand

iii) Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation, India

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

Subsidiary Companies/Joint Venture

Glenmark Farmaceutica Ltda., Brazil
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Glenmark Pharmaceuticals S.A., Switzerland
Glenmark Pharmaceuticals Malaysia Sdn. Bhd., Malaysia
Glenmark Impex L.L.C., Russia
Glenmark Holding S.A., Switzerland
Glenmark Generics Ltd., India
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Venezuela C.A., Venezuela
Glenmark Pharmaceuticals FZE., United Arab Emirates
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Generics S.A., Argentina
Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)
Glenmark Generics Inc., USA
Glenmark Pharmaceuticals s.r.o., Czech Republic
Glenmark Therapeutics Inc., USA
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
Glenmark Dominicana SRL., Dominican Republic
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Distributors SP z.o.o., Poland
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals Kenya Ltd., Kenya
Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia
Glenmark Therapeutics AG., Switzerland
Glenmark Access Ltd (formerly known as Glenmark Exports Ltd.)., India

Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation, India

c) Key Management Personnel

Mrs. B.E. Saldanha (Non-Executive Director)
Mr. Glenn Saldanha (Chairman & Managing Director)
Mrs. Cherylann Pinto (Executive Director)
Mr. Rajesh Desai (Executive Director)

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

d) Transactions with related parties during the year

		2013-2014		2012-2013	
	Subsidiary company				
1.	Sale of materials & services		4,770.15		4,273.62
	Glenmark Pharmaceuticals S.A., Switzerland-(services)	831.05		751.83	
	Glenmark Farmaceutica Ltda., Brazil	188.13		148.17	
	Glenmark Phillippines Inc., Philippines	134.30		69.63	
	Glenmark Impex L.L.C., Russia	2,506.54		2,657.38	
	Glenmark Generics Ltd., India	21.41		4.36	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	64.31		49.12	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	203.83		149.52	
	Glenmark Pharmaceuticals Venezuela C.A., Venezuela	521.25		282.13	
	Glenmark Pharmaceuticals Peru SAC., Peru	28.70		29.35	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.29		0.34	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	70.75		129.83	
	Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	0.10		1.96	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	44.07		-	
	Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia	155.42		-	
2.	Purchase of materials & services		966.28		658.02
	Glenmark Generics Ltd., India	696.57		309.86	
	Glenmark Generics SA., Argentina	0.13		3.68	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	173.14		77.40	
	Glenmark Generics Inc., USA	-		32.13	
	Glenmark Therapeutics Inc., USA	-		95.38	
	Glenmark Pharmaceuticals FZE., United Arab Emirates	76.43		62.72	
	Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia	20.01		76.85	
3.	Investment in share capital		567.71		1,625.01
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	16.25		17.90	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	56.28		71.95	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	-	-	-	-
	Glenmark Dominicana, SRL, Dominican Republic	0.04		0.02	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	243.29		721.97	
	Glenmark Pharmaceuticals Peru SAC., Peru	52.71		299.95	
	Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	-		20.80	
	Glenmark Pharmaceuticals Venezuela., C.A., Venezuela	30.96		483.62	
	Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia	1.67		3.00	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	97.11		0.07	
	Glenmark Therapeutics AG, Switzerland	-		5.73	
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	69.40		-	
4.	Share Application Money		83.90		148.76
	Glenmark Pharmaceuticals Venezuela C.A., Venezuela	25.46		2.69	
	Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	51.84		34.33	
	Glenmark Pharmaceuticals Peru SAC., Peru	-		14.62	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	-		97.12	
	Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	6.60		-	
5.	Sale of fixed assets to		12.52		46.32
	Glenmark Generics Ltd., India	12.52		24.09	
	Glenmark Pharmaceuticals S. A., Switzerland	-		22.23	

Notes to the Financial Statements

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

		2013-2014		2012-2013	
6.	Purchase of fixed assets		0.59		0.23
	Glenmark Generics Ltd., India	0.59		-	
	Glenmark Pharmaceuticals S.A., Switzerland	-		0.23	
7.	Advance given		-		5.96
	Glenmark Access Ltd (formerly known as Glenmark Exports Ltd)	-		0.47	
	Glenmark Therapeutics AG., Switzerland	-		5.49	
8.	Loan given to		5,836.13		4,494.88
	Glenmark Holding S.A., Switzerland	5,836.13		4,382.82	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	-		108.16	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	-		3.90	
9.	Loan and interest repaid by		10,032.71		5,067.00
	Glenmark Holding S.A., Switzerland	5,329.96		4,863.50	
	Glenmark Generics Ltd., India	4,702.75		201.52	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	-		1.85	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	-		0.13	
10.	Interest on loan given		361.90		448.08
	Glenmark Holding S.A., Switzerland	126.71		110.95	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	4.16		3.71	
	Glenmark Generics Ltd., India	216.07		332.72	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	14.64		0.50	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	0.32		0.20	
11.	Expenses paid on behalf of Glenmark Pharmaceuticals Ltd., India		193.70		1,309.22
	Glenmark Generics Ltd., India	0.33		2.65	
	Glenmark Impex L.L.C., Russia	99.10		1,268.41	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	1.77		-	
	Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	10.55		-	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	-		1.86	
	Glenmark Generics SA., Argentina	-		35.94	
	Glenmark Pharmaceuticals Peru SAC., Peru	-		0.36	
	Glenmark Pharmaceuticals SP z.o.o., Poland	0.03		-	
	Glenmark Therapeutics Inc., USA	32.95		-	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	12.89		-	
	Glenmark Generics Inc., USA	36.08		-	
12.	Expenses paid on behalf of		227.82		139.86
	Glenmark Generics Ltd., India	171.30		127.20	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	12.60		7.26	
	Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	0.15		0.89	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	4.69		0.92	
	Glenmark Pharmaceuticals S.A., Switzerland	3.05		2.84	
	Glenmark Therapeutics Inc., USA	3.78		0.75	
	Glenmark Generics Inc., USA	32.25		-	
13.	Reimbursement of expenses to Glenmark Access Ltd (formerly known as Glenmark Exports Ltd)		-4.85		5.68
14.	Other Income from		295.87		265.86
	Glenmark Generics Ltd., India	-		77.10	
	Glenmark Holding S.A., Switzerland	248.01		153.52	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	4.61		3.17	
	Glenmark Farmaceutica Ltda., Brazil	11.29		3.26	
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.87		0.54	

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

		2013-2014		2012-2013	
	Glenmark Distributors SP z.o.o., Poland	5.34		5.30	
	Glenmark Pharmaceuticals S.R.L., Romania	3.81		2.68	
	Glenmark Impex L.L.C., Russia	21.94		13.29	
	Glenmark Access Ltd (formerly known as Glenmark Exports Ltd.)	-		7.00	
15.	Contribution paid for CSR activities to Glenmark Foundation		8.00		6.03
16.	Factory rent to Glenmark Generics Ltd., India		-		1.85
17.	Labour charges paid to Glenmark Generics Ltd., India		-		30.02
18.	Labour charges received from Glenmark Generics Ltd., India		49.45		-
19.	Dividend received from Glenmark Generics Ltd., India		-		509.88
	Key Management Personnel				
	Remuneration		129.66		99.60
	Mrs. B. E. Saldanha	0.08		0.04	
	Mr. Glenn Saldanha	73.41		59.95	
	Mrs. Cherylann Pinto	22.76		18.64	
	Mr. Rajesh Desai	33.41		20.97	
e)	**Related party balances**				
	Receivable/(Payable) from/ (to) subsidiary companies/enterprise		5,011.02		8,074.35
	Glenmark Access Ltd (formerly known as Glenmark Exports Ltd)	67.04		61.15	
	Glenmark Farmaceutica Ltda., Brazil	123.12		30.66	
	Glenmark Philippines Inc., Philippines	60.48		30.86	
	Glenmark Pharmaceuticals S.A., Switzerland	1,493.67		738.03	
	Glenmark Holding S.A., Switzerland	4,065.47		3,471.33	
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	127.03		92.85	
	Glenmark Generics Ltd., India	(814.63)		4,682.81	
	Glenmark Impex L.L.C., Russia	383.22		(156.30)	
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	71.60		137.99	
	Glenmark Pharmaceuticals FZE., United Arab Emirates	(42.36)		(20.02)	
	Glenmark Generics SA., Argentina	2.10		(34.87)	
	Glenmark Pharmaceuticals Venezuela C.A., Venezuela	539.59		193.71	
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	151.57		(17.96)	
	Glenmark Pharmaceuticals Peru SAC., Peru	16.56		4.42	
	Glenmark Foundation, India	-		(0.50)	
	Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	(9.98)		1.54	
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	(24.03)		(18.04)	
	Glenmark Generics Inc., USA	(39.26)		(32.55)	
	Glenmark Pharmaceuticals s.r.o., Czech Republic	10.13		0.82	
	Glenmark Therapeutics Inc., USA	(3.17)		(40.59)	
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	0.28		0.14	
	Glenmark Distributors SP z.o.o., Poland	-		1.43	
	Glenmark Pharmaceuticals S.R.L., Romania	4.51		0.68	
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	4.92		4.11	
	Glenmark Uruguay S.A., Uruguay	(1,441.98)		(1,304.48)	
	Glenmark Therapeutics AG., Switzerland	-		5.49	
	Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	0.37		1.92	
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	222.51		239.72	
	Glenmark Pharmaceuticals SP z.o.o., Poland	(0.03)		-	
	Glenmark Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V.), Netherlands	(0.08)		-	
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	42.37		-	

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

32. OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM SCALE BUSINESS ENTERPRISES

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006". Accordingly, no disclosure under the MSMED Act are required to be given.

33. LEASES

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

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

ii) The Leasing arrangements which are cancellable range between 11 months to 5 years. They are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. An amount of ₹ 100.43 (2013 - ₹ 98.62) towards deposit and unadjusted advance rent is recoverable from the lessors.

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

Minimum lease payments

	31 March 2014	31 March 2013
Due within one year	125.04	122.97
Due later than one year and not later than five years	426.27	267.13
Due later than five years	-	-
TOTAL	551.31	390.10

34. TAXATION

Provision for current taxation for the Company of ₹ 1,080.21 represents Minimum Alternate Tax pursuant to the provisions of Section 115JB of the Income Tax Act, 1961 of India.

The Finance Act, 2005 inserted sub section (1A) to Section 115JAA to grant tax credit in respect of MAT paid under Section 115JB of the Act with effect from Assessment Year 2006-07 and carry forward the credit for a period of 10 years. In accordance with the Guidance Note issued on "Accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act, 1961" by the Institute of the Chartered Accountants of India, the Company has recognised MAT Credit which is expected to be set-off against the tax liability, other than MAT in future years. Accordingly, an amount of ₹ 477.56 for the current year has been recognised as MAT Credit Entitlement in note 11.

35. EMPLOYEE BENEFITS

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

1. Brief description of the Plans

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

	2013-2014	2012-2013
2. Charge to the Profit and Loss Account based on contributions:		
Provident fund and other fund	116.12	102.32
	116.12	102.32

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

3. Disclosures for defined benefit plan and other long term employee benefits based on actuarial reports as on 31 March, 2014:

		2013-2014		2012-2013	
		Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(i)	Change in defined benefit obligation				
	Opening defined benefit obligation	182.58	118.74	169.78	102.05
	Current service cost	22.13	9.26	24.61	14.09
	Interest cost	14.61	9.50	14.43	8.67
	Actuarial loss/(gain)	(12.68)	10.15	(14.44)	16.47
	Benefits paid	(10.70)	(20.42)	(11.80)	(22.54)
	Closing defined benefit obligation	195.93	127.23	182.58	118.74
(ii)	Change in fair value of assets				
	Opening fair value of plan assets	164.83	59.90	149.24	48.18
	Expected return on plan assets	14.34	5.21	13.43	4.34
	Actuarial gain/(loss)	(0.90)	0.06	2.16	0.47
	Contributions by employer	10.70	28.93	11.80	29.45
	Benefits paid	(10.70)	(20.42)	(11.80)	(22.54)
	Closing fair value of plan assets	178.27	73.68	164.83	59.90
(iii)	Reconciliation of present value of defined benefit obligation and the fair value of assets				
	Present value of funded obligations as at year end	195.93	127.23	182.58	118.74
	Fair value of plan assets as at year end	(178.27)	(73.68)	(164.83)	(59.90)
	Funded liability/(asset) recognised in the Balance Sheet	17.66	53.55	17.75	58.84
	Present value of unfunded obligation as at year end	-	-	-	-
	Unrecognised actuarial gain/(loss)	-	-	-	-
	Unfunded liability/(asset) recognised in the Balance Sheet	-	-	-	-
(iv)	Amount recognised in the Balance Sheet				
	Present value of obligations as at year end	195.93	127.23	182.58	118.74
	Fair value of plan assets as at year end	(178.27)	(73.68)	(164.83)	(59.90)
	Amount not recognised as an asset	-	-	-	-
	Net (asset)/liability recognised as at 31 March 2014	17.66	53.55	17.75	58.84
(v)	Expenses recognised in the Statement of Profit and Loss				
	Current service cost	22.13	9.26	24.61	14.09
	Interest on defined benefit obligation	14.61	9.50	14.43	8.67
	Expected return on plan assets	(14.34)	(5.21)	(13.43)	(4.34)
	Net actuarial loss/(gain) recognised in the current year	(11.78)	10.09	(16.60)	16.00
	Total expenses	10.62	23.64	9.01	34.42
(vi)	Actual return on plan assets				
	Expected return on plan assets	14.34	5.21	13.43	4.34
	Actuarial gain/(loss) on plan assets	(0.90)	0.06	2.16	0.47
	Actual return on plan assets	13.44	5.27	15.59	4.81
(vii)	Asset information				
	Administered by Birla Sunlife Insurance Co. Ltd. and LIC of India	100%	100%	100%	100%

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

		2013-2014		2012-2013	
		Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(viii)	Principal actuarial assumptions used				
	Discount rate (p.a.)	9.25%	9.25%	8.00%	8.00%
	Expected rate of return on plan assets (p.a.)	8.70%	8.70%	8.70%	8.70%
	Salary Escalation rate (%)	3.75%	3.75%	3.75%	3.75%
(ix)	Experience analysis				
	Actuarial (gain)/loss on change in assumptions	(16.06)	(11.19)	(33.68)	(20.43)
	Experience (gain)/loss due to change in experience	3.38	21.34	19.24	36.90
	Actuarial (gain)/loss on obligation	(12.68)	10.15	(14.44)	16.47
(x)	Experience adjustment				
	On plan liability (gain)/loss	3.38	21.34	19.24	36.90
	On plan assets (gain)/loss	(0.90)	0.06	2.16	0.47
(xi)	Current and non-current liability				
	Current liability	17.66	53.55	17.75	58.84
	Non current liability	-	-	-	-

(xii) Expected employer's contribution for the next year is ₹ 103.52 for Gratuity and Compensated absences.

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

Particulars	Defined Benefit Obligation	Fair value of plan assets	(Deficit)/Surplus
2013-14	195.93	178.27	(17.66)
2012-13	182.58	164.83	(17.75)
2011-12	169.78	149.24	(20.54)
2010-11	150.87	132.51	(18.36)
2009-10	126.82	122.97	(3.85)

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

36. PRODUCTION, SALES AND STOCK

(a) Sale of products

		2013-2014	2012-2013
Class of goods			
Injectibles		1,938.67	1,378.65
Liquid Orals		4,925.28	3,471.75
Lotions and Externals		2,196.71	2,010.77
Ointments and Creams		3,979.51	3,480.92
Solids and Powders		276.47	266.69
Tablets and Capsules		9,420.08	8,573.60
Aerosol Spray		256.90	124.14
Inhaler Capsules		62.24	54.94
Others		207.27	206.65
	TOTAL	23,263.13	19,568.11

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

(b) Finished goods purchased (includes samples)

Class of goods			
Injectibles		310.16	276.78
Liquid Orals		43.13	100.35
Lotions and Externals		46.72	16.92
Ointments and Creams		30.58	16.92
Tablets and Capsules		1,078.94	906.84
Aerosol Spray		28.28	14.94
Others		61.90	78.13
	TOTAL	1,599.71	1,410.88

(c) Raw and packing materials consumed

Products			
Telmisartan IP		84.24	83.29
100ML Amber Pet Bottles (25 MM Neck)		108.11	71.61
Mupirocin USP		78.54	92.89
Sugar S/30 IH		73.19	74.49
Propylene Glycol IP		62.80	56.10
Cefixime IP		144.32	77.65
Eplerenone		65.11	-
Orlistat IH		85.04	99.41
Sorbitol Solution 70% IP		61.20	47.15
Others		3,916.31	3,554.91
	TOTAL	4,678.86	4,157.50

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

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

	2013-2014	2013-2014	2012-2013	2012-2013
Materials				
Imported materials	335.36	7.36%	314.10	7.78%
Indigenously procured	4,218.51	92.64%	3,724.32	92.22%
	4,553.87	100.00%	4,038.42	100.00%
Consumable stores and spares				
Imported	-	-	-	-
Indigenously procured	124.99	100.00%	119.08	100.00%
	124.99	100.00%	119.08	100.00%

(e) Inventories of finished goods (manufactured)

	Opening Stock		Closing Stock	
	2013-2014	2012-2013	2013-2014	2012-2013
Class of goods				
Injectibles	13.40	26.13	25.82	13.40
Liquid Orals	73.48	91.35	95.98	73.48
Lotions & Externals	47.87	70.66	62.67	47.87
Ointments and Creams	113.30	105.41	112.14	113.30
Solids and Powders	13.04	12.59	12.31	13.04
Tablets and Capsules	225.23	235.54	278.48	225.23
Aerosol Spray	37.24	14.16	22.21	37.24
Inhaler Capsules	1.82	4.73	4.59	1.82
Others	7.17	29.05	7.25	7.17
TOTAL	532.55	589.62	621.45	532.55

(f) Inventories of finished goods (traded)

	Opening Stock		Closing Stock	
	2013-2014	2012-2013	2013-2014	2012-2013
Class of goods				
Injectibles	29.69	22.75	25.83	29.69
Liquid Orals	42.40	4.39	4.86	42.40
Lotions & Externals	22.84	4.52	2.71	22.84
Ointments and Creams	7.82	4.40	2.58	7.82
Solids and Powders	0.39	-	-	0.39
Tablets and Capsules	130.24	89.67	101.55	130.24
Aerosol Spray	0.92	0.47	0.51	0.92
Others	4.90	4.48	3.58	4.90
TOTAL	239.20	130.68	141.62	239.20

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

37. DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

	Particulars	Maximum amount outstanding during the year		As at	
		2013-2014	2012-2013	31 March 2014	31 March 2013
a)	**Loans and advances to subsidiaries/enterprise**				
	Glenmark Holding S.A., Switzerland.	7,633.94	5,548.73	4,065.47	3,471.33
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	65.25	42.27	49.44	41.02
	Glenmark Generics Ltd., India	4,800.67	4,831.28	-	4,682.81
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	4.91	4.04	4.36	3.88
	Glenmark Pharmaceuticals Kenya Ltd., Kenya	138.74	109.22	123.20	109.21
b)	**Receivable from subsidiary companies**				
	Glenmark Pharmaceuticals S.A., Switzerland			1,493.67	738.03
	Glenmark Farmaceutica Ltda., Brazil			123.12	30.66
	Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria			77.59	51.83
	Glenmark Philippines Inc., Philippines			60.48	30.86
	Glenmark Impex L.L.C., Russia			383.22	-
	Glenmark Access Ltd (formerly known as Glenmark Exports Ltd)			67.04	61.15
	Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa			71.60	137.99
	Glenmark Pharmaceuticals Venezuela, C.A., Venezuela			539.59	193.71
	Glenmark Pharmaceuticals Peru SAC., Peru			16.56	4.42
	Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)			-	1.54
	Glenmark Pharmaceuticals s.r.o., Czech Republic			10.13	0.82
	Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic			0.28	0.14
	Glenmark Distributors SP z.o.o., Poland			-	1.43
	Glenmark Pharmaceuticals S.R.L., Romania			4.51	0.68
	Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand			0.56	0.23
	Glenmark Therapeutics AG., Switzerland			-	5.49
	Glenmark Pharmaceuticals Kenya Ltd., Kenya			99.31	130.51
	Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)			0.37	1.92
	Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico			42.37	-
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia			151.57	-
	Glenmark Generics SA., Argentina*			2.10	-
	*considered in loans and advances.				
c)	**Payable to subsidiaries**				
	Glenmark Pharmaceuticals FZE., United Arab Emirates			42.36	20.02
	Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia			-	17.96
	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)			24.03	18.04
	Glenmark Therapeutics Inc., USA			3.17	40.59
	Glenmark Generics Ltd., India			814.63	-
	Glenmark Generics SA., Argentina			-	34.87
	Glenmark Generics Inc., USA			39.26	32.55
	Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)			9.98	-
	Glenmark Uruguay S.A., Uruguay			1,441.98	1,304.48
	Glenmark Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V.), Netherlands			0.08	-
	Glenmark Pharmaceuticals SP z.o.o., Poland			0.03	-
	Glenmark Impex L.L.C., Russia			-	156.30

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

	No. of Shares in Million			
	As at 1 April 2013	Invested during the Year	Sale/merger during the Year	As at 31 March, 2014
d) Movement of shares during the year				
Investments in Subsidiary Companies - Unquoted - non trade				
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	170.75	52.53	-	223.28
Glenmark Pharmaceuticals Peru SAC., Peru	15.17	2.46	-	17.63
Glenmark Pharmaceuticals Venezuela, C.A., Venezuela	46.53	3.61	-	50.14
Glenmark Dominicana SRL., Dominican Republic	0*	0*	-	0*
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	22.81	6.63	-	29.44
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	557.77	47.34	-	605.11
Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	2.11	3.58	-	5.69
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia	2.05	0.03	-	2.08
Glenmark Generics Ltd., India	146.79	1.47	-	148.26
Glenmark Pharmaceuticals Kenya Ltd., Kenya	0*	1.56	-	1.56

*denotes number less than a million.

38. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a. Derivatives outstanding as at the reporting date

In million

Particulars	Currency	31 March 2014	31 March 2013
Forward contract	USD	10.00	15.00

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

In million

Particulars	Currency	31 March 2014	31 March 2013
Trade receivable, loans & advances	USD	177.67	148.88
	EUR	0.56	0.47
Trade payable & loans from banks	USD	99.36	143.25
	EUR	0.95	-
	GBP	1.28	-

39. RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Company expensed ₹ 1,213.55 (2013 - ₹ 929.44) as research and development costs.

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

40. Disclosure of Assets and Liabilities as on 31 March 2014 and Income and Expenses for the year ended 31 March 2014 related to the interest of the Company in the joint venture Glenmark Pharmaceuticals (Thailand) Co. Ltd, Thailand. These extracts have been drawn up from the audited financial statements of the joint venture, without giving effect to the elimination of transactions between the Company and the joint venture.

Particulars	2013-2014	2012-2013
Assets		
Net fixed assets including capital work in progress	0.08	0.11
Deferred tax asset	1.19	0.98
Trade receivable	-	-
Cash and bank balances	0.76	1.96
Loans and advances	0.14	0.08
Liabilities		
Current liabilities	0.35	0.20
Non-current liabilities	2.14	1.90
Income		
Net sales	0.23	0.27
Expenses		
Cost of material	0.17	0.19
Selling and operating expenses	1.47	0.54
Depreciation	0.02	-
Finance cost	0.16	0.10
Provision for taxation including deferred tax	(0.23)	(0.08)

41. OTHER EVENTS

(i) The Board of Directors of Glenmark Pharmaceuticals Limited ("GPL"), in their meeting held on 31 January 2014, have approved a proposal to merge its subsidiaries i.e. Glenmark Generics Limited ("GGL") and Glenmark Access Limited ("GAL"), with GPL.

The merger will be effected through a court approved Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions of Companies Act, 1956 ("Scheme"). As on date, 99.33% of the share capital of GGL is being held by GPL (including 1.19% being held by GAL, a wholly owned subsidiary of GPL). As per the Scheme, the remaining shareholders holding 0.67% (1,016,741 equity shares) of the share capital of GGL will be issued shares of GPL at a swap ratio which has been determined as 4 shares of GPL of ₹ 1 each for every 5 shares of ₹ 10 each held by shareholders of GGL. The Company has initiated necessary legal process to conclude the merger. The accounting effect of the merger shall be given only upon receipt of all regulatory approvals and necessary submissions to relevant authorities.

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

Notes to the Financial Statements

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

		2013-2014	2012-2013
42. VALUE OF IMPORTS ON CIF BASIS			
Capital goods		178.41	567.82
Materials		400.57	290.09
	TOTAL	578.98	857.91
43. EARNINGS IN FOREIGN CURRENCY			
Export of goods calculated on FOB basis		7,038.73	5,956.73
Sale of Service		831.05	751.83
Guarantee commission		295.87	181.75
Interest on loan to subsidiaries		145.83	115.36
Royalty Income		3.51	1.13
Other operating income		213.45	-
	TOTAL	8,528.44	7,006.80
44. EXPENDITURE IN FOREIGN CURRENCY			
Travelling expenses		236.91	95.04
Professional and consultancy charges		278.96	332.87
Export promotional expenses and export commission		561.49	705.82
Salary and related expenses		675.70	202.32
Product registration expenses		248.13	138.86
Interest expenses		220.99	341.28
Others		839.34	1,460.30
	TOTAL	3,061.52	3,276.49
45. DIVIDEND REMITTANCE IN FOREIGN CURRENCY			
Number of non-resident shareholders		18	11
Number of equity shares held by them		201,358	208,758
Amount of dividend paid (gross), TDS ₹ nil (2013 - ₹ nil)		0.40	0.42
Year to which dividend relates		2012-2013	2011-2012

46. PRIOR YEAR COMPARATIVES

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Independent Auditors' Report

To,
The Board of Directors of Glenmark Pharmaceuticals Limited

We have audited the accompanying consolidated financial statements of Glenmark Pharmaceuticals Limited, ("the Company") and its subsidiaries, (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Statement of Financial Position as at 31 March 2014, and also the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Shareholder's Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with requirements of International Financial Reporting Standard 10, 'Consolidated Financial Statements', issued by the International Accounting Standards Board ('IASB'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

i) in the case of the Consolidated Statement of Financial Position, of the state of affairs of the Group as at 31 March 2014;

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

iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 61,984.52 million as at 31 March 2014; total revenues (after eliminating intra-group transactions) of ₹ 41,381.95 million and net cash flows aggregating to ₹ 2,516.38 million for the year then ended. These financial statements have been audited by other auditors whose audit reports has been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per Ashish Gupta
Partner
Membership No.: 504662

Place: Mumbai
Date: 8 May 2014

Consolidated Statement of Financial Position

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

	Notes	As at 31 March 2014	As at 31 March 2013
ASSETS			
Current assets			
Cash and cash equivalents	C	7,947.99	6,051.85
Restricted cash	D	58.70	21.28
Trade receivable, net	E	21,563.40	16,400.49
Inventories	F	9,328.79	8,435.32
Short term financial assets	G	168.43	141.89
Other current assets	G	8,559.63	6,217.25
Total current assets		47,626.94	37,268.08
Non-current assets			
Property, plant and equipment, net	H	17,628.13	15,546.38
Intangible Assets	I	12,728.76	12,135.71
Goodwill	J	602.04	603.66
Non-current tax assets		186.98	224.75
Deferred tax assets	N	7,212.95	5,570.98
Restricted cash	D	19.64	37.16
Long-term financial assets	DD	330.59	323.31
Total non-current assets		38,709.09	34,441.95
Total assets		86,336.03	71,710.03
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Trade payable	K	13,625.84	10,369.42
Current tax liabilities		969.14	678.58
Short-term borrowings	M	3,533.16	3,678.21
Current portion of long-term borrowings	L	4,849.95	4,767.52
Other liabilities	K	1,105.27	569.71
Short-term financial liabilities	K	2,808.77	1,618.27
Provisions	K	2,599.53	332.20
Total current liabilities		29,491.66	22,013.91
Non-current liabilities			
Long-term borrowings	L	24,286.61	19,202.96
Other liabilities	K	462.32	817.26
Long-term financial liabilities	EE	59.02	33.63
Deferred tax liabilities	N	2,070.82	1,768.38
Total non-current liabilities		26,878.77	21,822.23
Total liabilities		56,370.43	43,836.14
Stockholders' equity	O		
Share Capital		271.22	270.85
Share Premium		7,945.38	7,820.74
Stock compensation reserve		258.20	262.89
Statutory reserve		201.00	201.00
Currency translation reserve		(5,838.98)	(3,594.71)
Retained earnings		26,995.98	22,669.48
		29,832.80	27,630.25
Non-controlling interest		132.80	243.64
Total stockholders' equity		29,965.60	27,873.89
Total liabilities and stockholders' equity		86,336.03	71,710.03

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Consolidated Statement of Comprehensive Income

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

Consolidated Income Statement

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
REVENUES			
Operating Revenue	P	60,051.97	50,123.42
Other income	Q	48.40	64.85
Total Revenues		60,100.37	50,188.27
EXPENSES			
Materials consumed	R	14,319.78	12,782.23
Changes in inventories of finished goods and work-in-process		(277.33)	(168.41)
Purchase of products for sale		4,687.77	3,922.20
Employee costs	S	10,261.46	7,829.48
Other expenses	T	20,152.48	15,605.14
Depreciation, amortisation and impairment	H&I	2,167.95	1,270.09
Total Expenses		51,312.11	41,240.73
Operating profit		8,788.26	8,947.54
Finance income		66.44	42.62
Finance costs		1,885.94	1,600.11
Profit before tax		6,968.76	7,390.05
Taxes			
Current tax expenses	N	2,990.11	3,128.35
Deferred tax benefit	N	(1,477.38)	(2,021.20)
Profit for the year		5,456.03	6,282.90
Profit for the year attributable to:			
Non-controlling interest		33.28	82.57
Equity shareholders of Glenmark Pharmaceuticals Limited		5,422.75	6,200.33
Earnings per share			
Basic (in ₹)	Z	20.01	22.91
Diluted (in ₹)	Z	20.00	22.89

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Consolidated Statement of Comprehensive Income

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

Consolidated Statement of Other Comprehensive Income

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
Profit for the year		5,456.03	6,282.90
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Components of Defined Employee benefit cost		(29.43)	(52.90)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	O	(2,244.27)	(1,491.81)
Other comprehensive income for the year		(2,273.70)	(1,544.71)
Total comprehensive income for the year		3,182.33	4,738.19
Total comprehensive income attributable to:			
Non-controlling interest		33.28	82.57
Equity shareholders of Glenmark Pharmaceuticals Limited		3,149.05	4,655.62

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Consolidated Statement of Changes in Shareholders' Equity

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

	Equity attributable to shareholders of Glenmark Pharmaceuticals Limited								Non-controlling interest	Total stockholders' equity
	Share capital – No. of shares	Share capital - Amount	Share premium	Stock compensation reserve	Statutory reserve	Currency Translation reserve	Retained earnings	Total attributable to owners of the parent company		
As at 1 April 2013	270,853,653	270.85	7,820.74	262.89	201.00	(3,594.71)	22,669.48	27,630.25	243.64	27,873.89
Dividends paid	-	-	-	-	-	-	(633.97)	(633.97)	-	(633.97)
Shares issued under Employee Stock Option ('ESOP') Scheme	370,000	0.37	124.64	-	-	-	-	125.01	-	125.01
Employee share based compensation	-	-	-	(4.69)	-	-	-	(4.69)	-	(4.69)
Transactions with owners	370,000	0.37	124.64	(4.69)	-	-	(633.97)	(513.65)	-	(513.65)
Net income for the year	-	-	-	-	-	-	5,422.75	5,422.75	33.28	5,456.03
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(2,244.27)	-	(2,244.27)	-	(2,244.27)
Components of Defined Employee benefit cost	-	-	-	-	-	-	(29.43)	(29.43)	-	(29.43)
Acquisition of non-controlling interest	-	-	-	-	-	-	(432.85)	(432.85)	(144.12)	(576.97)
Total Comprehensive Income	-	-	-	-	-	(2,244.27)	4,960.47	2,716.20	(110.84)	2,605.36
As at 31 March 2014	271,223,653	271.22	7,945.38	258.20	201.00	(5,838.98)	26,995.98	29,832.80	132.80	29,965.60

	Equity attributable to shareholders of Glenmark Pharmaceuticals Limited								Non-controlling interest	Total stockholders' equity
	Share capital – No. of shares	Share capital - Amount	Share premium	Stock compensation reserve	Statutory reserve	Currency Translation reserve	Retained earnings	Total attributable to owners of the parent company		
As at 1 April 2012	270,535,503	270.53	7,756.20	251.33	201.00	(2,102.90)	17,640.14	24,016.30	249.98	24,266.28
Dividends paid	-	-	-	-	-	-	(642.56)	(642.56)	-	(642.56)
Shares issued under Employee Stock Option ('ESOP') Scheme	318,150	0.32	64.54	-	-	-	-	64.86	-	64.86
Employee share based compensation	-	-	-	11.56	-	-	-	11.56	-	11.56
Transactions with owners	318,150	0.32	64.54	11.56	-	-	(642.56)	(566.14)	-	(566.14)
Net income for the year	-	-	-	-	-	-	6,200.33	6,200.33	82.57	6,282.90
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(1,491.81)	-	(1,491.81)	-	(1,491.81)
Components of Defined Employee benefit cost	-	-	-	-	-	-	(52.90)	(52.90)	-	(52.90)
Deferred Tax impact	-	-	-	-	-	-	(100.74)	(100.74)	-	(100.74)
Acquisition of non-controlling interest	-	-	-	-	-	-	(374.79)	(374.79)	(88.91)	(463.70)
Total Comprehensive Income	-	-	-	-	-	(1,491.81)	5,671.90	4,180.09	(6.34)	4,173.75
As at 31 March 2013	270,853,653	270.85	7,820.74	262.89	201.00	(3,594.71)	22,669.48	27,630.25	243.64	27,873.89

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

Consolidated Statement of Cash Flows

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

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
(A) Cash inflow/(outflow) from operating activities		
Profit before tax	6,968.76	7,390.05
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortisation	2,167.95	1,270.09
Employee share based compensation	(4.69)	11.56
Interest expense	1,885.94	1,427.83
Interest income	(66.44)	(42.62)
Dividend income	(0.14)	(0.06)
(Profit)/loss on sale of assets	2.81	0.87
Employee benefit obligation	111.77	101.98
Other provisions	2,241.69	111.75
Bad debts and provision for doubtful debts	12.49	3.89
Unrealised exchange differences (net)	746.40	539.19
Operating profit before changes in operating assets and liabilities	14,066.54	10,814.53
Changes in operating assets and liabilities		
- (Increase)/Decrease in trade receivables	(4,594.75)	(4,402.72)
- (Increase)/Decrease in inventories	(511.92)	(435.98)
- (Increase)/Decrease in other assets	(2,190.21)	(952.22)
- Increase/(Decrease) in trade payable and other liabilities	4,396.14	3,106.00
Net changes in operating assets and liabilities	(2,900.74)	(2,684.92)
Income taxes paid	(2,628.55)	(1,650.35)
Net cash from by operating activities	8,537.25	6,479.26
(B) Cash inflow/(outflow) from investing activities		
Restricted cash	(19.90)	(5.75)
Interest received	66.42	41.75
Dividend received	0.14	0.06
Payments for purchase of property, plant and equipment and intangible assets	(3,766.25)	(4,709.61)
Proceeds from sale of property, plant and equipment	38.55	32.99
Net cash used in investing activities	(3,681.04)	(4,640.56)
(C) Cash inflow/(outflow) from financing activities		
Proceeds from long-term borrowings	8,879.80	10,171.70
Repayments of long-term borrowings	(6,275.93)	(2,557.16)
Repayments of short-term borrowings, net	(557.50)	(3,139.09)
Interest paid	(1,942.66)	(1,465.05)
Proceeds from issue of share capital	125.01	64.86
Transaction with non-controlling interest	(576.97)	(480.35)
Dividend paid (including tax on dividend)	(631.91)	(642.56)
Net cash from/(used) in financing activities	(980.16)	1,952.35
Effect of exchange rate changes on cash and cash equivalents	(1,979.91)	(939.96)
Net increase in cash and cash equivalents	1,896.14	2,851.09
Cash and cash equivalents at the beginning of the year	6,051.85	3,200.76
Cash and cash equivalents at the end of the year (refer note - C)	7,947.99	6,051.85

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Glenmark Pharmaceuticals Limited ("Glenmark" or "the Company") and its subsidiaries (together referred to as 'the Group') are primarily engaged in the business of development, manufacture and marketing of pharmaceutical products. The Group has a significant presence in branded generics markets across emerging economies including India and also has a fast growing generics business in the United States and Europe. The Group also markets active pharmaceutical ingredients to regulated and semi-regulated markets. The Group is actively involved in the discovery of new molecules both NCEs (new chemical entities) and NBEs (new biological entities).

The Group's research and development facilities are located at Mahape, Sinnar, Turbhe and Taloja in India, at Watford in Hertfordshire in the United Kingdom and at La Chaux-de-fonds in Switzerland. The manufacturing facilities of the Group in India are located at Nasik, Colvale, Kundaim, Baddi, Nalagarh, Ankleshwar, Mohol, Kurkumbh, Sikkim, Indore, Dahej and Aurangabad. Overseas manufacturing facilities are located in Brazil, Czech Republic and Argentina.

2. GENERAL INFORMATION AND COMPLIANCE WITH SEBI CIRCULAR

Glenmark Pharmaceuticals Limited is the Group's ultimate parent company and is a public limited company domiciled 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 Bombay Stock Exchange ("BSE") and the National Stock Exchange of India ("NSE").

These consolidated financial statements are presented in Indian Rupees ('₹'), which is also the Company's functional currency. Amounts in figures presented have been rounded to INR millions unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Overall Considerations

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the IASB effective for the periods covered by these consolidated financial statements. These consolidated financial statements have been prepared on a going concern basis. 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 financial statements.

An overview of new and amended standards adopted by the Group is given in note A - 6. An overview of new standards and interpretations not yet effective is given in note A-5.

The preparation of financial statements in conformity with IFRS 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 A-4 and 4.1.

These consolidated financial statements are prepared under the historical cost convention, as modified by certain derivative contracts which have been measured at their fair values, at the reporting date through profit or loss.

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 by the Group.

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 B. Subsidiaries are all entities the Group 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.

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 losses 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 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 statement of financial position within equity, separately from the equity of the shareholders of the Company.

3.3 Business Combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. As of the acquisition date, the identifiable assets and liabilities assumed are included in the consolidated statement of financial position at their acquisition date fair values.

The excess of consideration transferred, the amount of any non-controlling interests (NCI) 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 is recorded as goodwill. If the consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets acquired, the difference is recognised directly in income statement as a ‘gain on bargain purchase’. The NCI is measured at proportionate value of its interest.

3.4 Foreign currency transactions and foreign operations

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company 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 income statement 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 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 of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated income statement.

3.5 Revenue Recognition

Sale of goods

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

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

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

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

Services

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

Export entitlements

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

Finance and other income

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

3.6 Property, Plant and Equipment

Recognition and measurement

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

When parts of an item of property, plant and equipment have 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 income statement".

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

Depreciation

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

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

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

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 IFRS

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

Research and development

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

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

Where, however, the recognition criteria are met, intangible assets are recognised. Based on the management estimate of the useful lives (indefinite life or limited life) these are tested for impairment or 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 indeterminate till then.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised, generally on a straight-line basis, over their useful economic lives from 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 indefinite till then.

De-recognition of intangible assets

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

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

Other intangible assets

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

Subsequent 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 income statement as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, other than for goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in income statement 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 5 - 10 years.

3.9 Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. 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 each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The 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 income statement.

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 Financial Instruments and Derivatives

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

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

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

The Group holds certain derivative financial instruments to hedge its foreign currency exposure. Derivatives are initially measured at fair value and are recognised in statement of financial positions as assets or liabilities. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in income statement. Transaction costs for derivatives are recognised in income statement as incurred.

3.11 Financial Assets

Non-derivative financial assets include investments in equity and debt securities, trade receivables, certain other assets and cash and cash equivalents.

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

Cash and cash equivalents

Cash and cash equivalents consist of current cash balances and time deposits with banks.

Held-to-maturity investments

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

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in Other Comprehensive Income. When an investment is derecognised, the cumulative gain or loss in Other Comprehensive Income is reclassified to income statement. The fair value of the investment cannot be determined as there are no quoted market prices and can not be reliably measured using fair valuation techniques at the reporting date for unlisted securities, and hence they have been valued at cost.

Others

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

3.12 Impairment Testing of Financial Assets

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

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

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is reclassified to income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

3.13 Financial Liabilities

Non derivative financial liabilities include trade and other payables.

Borrowings are initially measured at fair value and subsequently measured at amortised cost using effective interest rate method.

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

3.14 Inventories

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

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

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

3.15 Accounting for Income Taxes

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

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

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and
- Differences relating to investments in subsidiaries to the extent the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

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.

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 simultaneously.

3.16 Leasing Activities

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

Finance leases

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

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. The Company classified such leases of land as finance leases by adopting the guidance issued as part of Improvements to IFRSs issued in April 2009. This guidance amended IAS 17 – Leases to require classification of leases of land to be assessed as per the general principles of lease classification and is applicable for annual periods beginning on or after 1 January 2010.

Operating leases

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

3.17 Equity

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

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares is deducted from Share 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 income statement.

3.18 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 has no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds, approved superannuation schemes and other social securities, which are defined contribution plans, are recognised as an employee benefit expense in income statement 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 statement of financial position.

Defined benefit costs are recognised as follows:

- Service cost in income statement
- Net interest on the net defined benefit liability/(asset) in income statement
- Remeasurement 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 income statement 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 income statement.

Compensated leave of absence

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

Termination benefits

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

3.19 Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are measured at the 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 associated with the present obligation.

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset 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.

3.20 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 income statement with a corresponding credit to equity. 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 share premium.

4. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

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

In the process of applying the Group's accounting policies, the following judgements have been made apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial information. Judgements are based on the information available at the date of Statement of Financial Position.

Leases

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

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

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

Deferred Tax

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. 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 utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs

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

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

Provision for chargeback

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

4.1. Estimation Uncertainty

The preparation of these consolidated financial statements is in conformity with IFRS and requires the application of judgement 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 judgements about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The carrying amounts are analysed in notes 3.6 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 U.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets (note DD) and liabilities (note EE). In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions

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

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 I and J for Impairment testing assumptions for Intangibles and Goodwill.

The consolidated financial statements have been prepared using the measurement basis specified by IFRS 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. NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new Standards and Interpretations have not been applied in Glenmark's consolidated financial statements for the year ended 31 March 2014.

Standard or Interpretation	Effective date
IFRS 9: Financial Instruments – Recognition and Measurement	1 January 2015
Amendments to IAS 32	1 January 2014
Amendments to IAS 36	1 January 2014
IFRIC 21: 'Levies'	1 January 2014

IFRS 9: Financial Instruments – Recognition and Measurement

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

Phase 1: Classification and Measurement

Phase 2: Impairment methodology

Phase 3: Hedge accounting

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

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

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

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

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

Amendment to IAS 36: Impairment of Assets

In May 2013, the IASB issued an amendment to IAS 36 "Impairment of Assets" to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit

requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. This amendment is mandatory for annual periods beginning on or after 1 January 2014.

IFRIC 21, 'Levies'

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following standards have been adopted by the Group for the first time for the financial year beginning 1 April 2013:

IFRS 10 'Consolidated Financial Statements'

IFRS 10 supersedes IAS 27 'Consolidated and Separate Financial Statements' (IAS 27) and SIC 12 'Consolidation-Special Purpose Entities'. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

IFRS 12 'Disclosure of Interests in Other Entities'

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

IFRS 13 'Fair Value Measurement'

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

Amendments to IAS 1 'Presentation of Financial Statements'

The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Group's management has changed the presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to IAS 19 'Employee Benefits'

The IAS 19 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans.The changes on the group's accounting policies has been as follows: to recognise the remeasurements including actuarial gains or losses in the Other comprehensive income statement; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/(asset). Accordingly, the comparative amount has been modified to give effect to this amendment in income statement.

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

Qualitative and quantitative disclosures should be provided relating for gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position.

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

NOTE B - BASIS OF CONSOLIDATION

The subsidiaries which consolidate under Glenmark Pharmaceuticals Limited ('GPL') comprise the entities listed below:

Name of the Entity	Year End Date	Country of Incorporation	Holding Company	Effective Group Shareholding (%)
Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	31 March 2014	United Kingdom	GHSA	100%
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	31 March 2014	United Kingdom	GGL	100%
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March 2014	Czech Republic	GHSA	100%
Glenmark Pharmaceuticals SK, S.R.O.	31 March 2014	Slovak Republic	GP S.R.O.	100%
Glenmark Pharmaceuticals S. A.	31 March 2014	Switzerland	GHSA	100%
Glenmark Holding S. A.,(GHSA)	31 March 2014	Switzerland	GPL	100%
Glenmark Generics Finance S. A. (GGFSA)	31 March 2014	Switzerland	GGL	100%
Glenmark Pharmaceuticals S.R.L	31 March 2014	Romania	GHSA	100%
Glenmark Pharmaceuticals Eood	31 March 2014	Bulgaria	GHSA	100%
Glenmark Distributors SP z.o.o.	31 March 2014	Poland	GHSA	100%
Glenmark Pharmaceuticals SP z.o.o.	31 March 2014	Poland	GHSA	100%
Glenmark Generics Inc.	31 March 2014	USA	GGFSA	100%
Glenmark Therapeutics Inc.	31 March 2014	USA	GHSA	100%
Glenmark Farmaceutica Ltda	31 March 2014	Brazil	GHSA	100%
Glenmark Generics SA	31 March 2014	Argentina	GGFSA	100%
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March 2014	Mexico	GPL	100%
Glenmark Pharmaceuticals Peru SAC	31 March 2014	Peru	GPL	100%
Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	31 March 2014	Colombia	GPL	100%
Glenmark Uruguay S.A. (GU S.A.)	31 March 2014	Uruguay	GHSA	100%
Glenmark Pharmaceuticals Venezuela, C.A	31 March 2014	Venezuela	GPL	100%
Glenmark Dominicana SRL	31 March 2014	Dominican Republic	GPL	100%
Glenmark Pharmaceuticals Egypt S.A.E.	31 March 2014	Egypt	GPL	100%
Glenmark Pharmaceuticals FZE	31 March 2014	United Arab Emirates	GPL	100%
Glenmark Impex L.L.C	31 March 2014	Russia	GPL	100%
Glenmark Philippines Inc.	31 March 2014	Philippines	GPL	100%
Glenmark Pharmaceuticals (Nigeria) Ltd	31 March 2014	Nigeria	GPL	100%
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March 2014	Malaysia	GPL	100%
Glenmark Pharmaceuticals (Australia) Pty Ltd.	31 March 2014	Australia	GPL	100%
Glenmark South Africa (pty) Ltd (GSAPL)	31 March 2014	South Africa	GHSA	100%
Glenmark Pharmaceuticals South Africa (pty) Ltd	31 March 2014	South Africa	GSAPL	100%
Glenmark Pharmaceuticals (Thailand) Co. Ltd	31 March 2014	Thailand	GPL	49%
Glenmark Access Ltd.(Formerly known as Glenmark Exports Ltd.)	31 March 2014	India	GPL	100%
Glenmark Generics Ltd (GGL)	31 March 2014	India	GPL	99.33%
Glenmark Pharmaceuticals B.V.(Formerly known as Glenmark Generics B.V.)	31 March 2014	Netherlands	GGFSA	100%
Glenmark Arzneimittel Gmbh	31 March 2014	Germany	GGFSA	100%
Glenmark Generics Canada, Inc	31 March 2014	Canada	GGFSA	100%
Glenmark Pharmaceuticals Kenya Ltd	31 March 2014	Kenya	GPL	100%
Glenmark Therapeutics AG	31 March 2014	Switzerland	GPL	100%

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

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

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Cash in hand	15.22	6.07
Balances with banks in current/cash credit accounts and deposit accounts	7,932.77	6,045.78
TOTAL	7,947.99	6,051.85

NOTE D - RESTRICTED CASH

Restricted cash comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Current		
Dividend accounts	7.27	5.21
Time deposits	51.43	16.07
TOTAL	58.70	21.28
Non-current		
Time deposits	19.64	37.16
TOTAL	19.64	37.16

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.

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

NOTE E - TRADE RECEIVABLE, NET

Particulars	As at 31 March 2014	As at 31 March 2013
Accounts receivables	21,831.09	16,675.75
Provision for doubtful debts	(267.69)	(275.26)
TOTAL	21,563.40	16,400.49

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

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

Particulars	As at 31 March 2014	As at 31 March 2013
Outstanding for more than 6 months	2,835.35	2,765.35
Others	18,728.05	13,635.14
TOTAL	21,563.40	16,400.49

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

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of statement of financial position. All of the Group's trade receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 12.49 (P.Y. ₹ 3.89) has been recorded. The movement in the allowance for credit losses can be reconciled as follows:

Particulars	As at 31 March 2014	As at 31 March 2013
Opening balance	275.26	275.72
Amounts written off	(20.06)	(4.35)
Impairment loss	12.49	3.89
Impairment loss reversed	-	-
Closing balance	267.69	275.26

NOTE F - INVENTORIES

Inventories comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Raw materials	2,613.31	2,166.80
Packing material	873.50	727.24
Work-in-process	1,601.68	1,251.86
Stores and spares	134.65	111.28
Finished goods	4,105.65	4,178.14
TOTAL	9,328.79	8,435.32

Inventories at certain locations are pledged as securities for borrowings used for financing the working capital requirements.

NOTE G - SHORT-TERM FINANCIAL ASSETS AND OTHER CURRENT ASSETS

Short-term financial assets comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Derivative financial instrument	20.28	47.72
Short-term deposits	148.15	94.17
TOTAL	168.43	141.89

Other current assets comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Input taxes receivables	917.37	830.99
Advance to vendors	2,272.54	1,732.38
Advances receivable in cash and kind	5,263.71	3,573.78
Other receivables	106.01	80.10
TOTAL	8,559.63	6,217.25

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

NOTE H - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment comprise the following:

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant & Machinery	Furniture and fixture	Equipment	Vehicles	Assets under construction	Total
Cost										
As at 1 April 2013	333.19	397.32	5,224.38	1,352.53	1,899.89	737.87	4,934.32	275.85	4,160.63	19,315.98
- Other acquisitions	0.02	0.58	1,710.61	110.57	1,517.02	157.97	1,682.53	212.61	2,367.30	7,759.21
- Disposals/Transfers	-	-	-	-	-	(35.95)	(64.76)	(78.29)	(4,524.08)	(4,703.08)
- Translation adjustment	(2.75)	0.05	(42.39)	5.92	7.67	6.30	28.77	(6.32)	5.08	2.33
As at 31 March 2014	330.46	397.95	6,892.60	1,469.02	3,424.58	866.19	6,580.86	403.85	2,008.93	22,374.44
Accumulated Depreciation										
As at 1 April 2013	-	23.43	558.65	402.41	391.09	402.25	1,838.86	152.91	-	3,769.60
- Depreciation charge for the year	-	7.06	196.64	81.89	155.58	83.66	476.57	65.02	-	1,066.42
- Disposals/Transfers	-	-	-	-	-	(18.43)	(54.81)	(92.85)	-	(166.09)
- Translation adjustment	-	0.06	(0.95)	22.17	6.51	4.92	46.81	(3.14)	-	76.38
As at 31 March 2014	-	30.55	754.34	506.47	553.18	472.40	2,307.43	121.94	-	4,746.31
Carrying value										
As at 1 April 2013	333.19	373.89	4,665.73	950.12	1,508.80	335.62	3,095.46	122.94	4,160.63	15,546.38
As at 31 March 2014	330.46	367.40	6,138.26	962.55	2,871.40	393.79	4,273.43	281.91	2,008.93	17,628.13

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

Note:

a. Additions include borrowing costs capitalised of ₹ 37.96 (P.Y. ₹ 63.12). The borrowing costs have been capitalised at a weighted average rate of 5.33%.

b. All depreciation and impairment charges (or reversals, if any) are included within 'depreciation, amortisation and impairment'.

c. The Group's property, plant and equipment at certain locations have been pledged as security for long term borrowings disclosed under Note L.

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

NOTE I - INTANGIBLE ASSETS

Intangible assets comprise of recognised intangibles on acquisition and software licenses purchased for internal use. The carrying amounts for the reporting periods under review can be analysed as follows:

Particulars	Computer software	Product development/ Brands	Intangibles under development	Total
Cost				
As at 1 April 2013	505.66	13,084.29	62.47	13,652.42
- Additions	139.44	704.19	107.20	950.83
- Disposals/Transfers	(10.40)	-	(125.00)	(135.40)
- Translation adjustment	(4.35)	939.78	8.75	944.18
As at 31 March 2014	630.35	14,728.26	53.42	15,412.03
Amortisation and impairment				
As at 1 April 2013	307.95	1,208.76	-	1,516.71
- for the year	64.81	1,036.72	-	1,101.53
- on disposals/Transfers	(5.91)	-	-	(5.91)
- Translation adjustment	(2.14)	73.08	-	70.94
As at 31 March 2014	364.71	2,318.56	-	2,683.27
Carrying value				
As at 1 April 2013	197.71	11,875.53	62.47	12,135.71
As at 31 March 2014	265.64	12,409.70	53.42	12,728.76

Particulars	Computer software	Product development/ Brands	Intangibles under development	Total
Cost				
As at 1 April 2012	425.86	11,838.12	145.33	12,409.31
- Additions	109.95	1,222.93	82.04	1,414.92
- Disposals/Transfers	(19.52)	(14.10)	(161.70)	(195.32)
- Translation adjustment	(10.63)	37.34	(3.20)	23.51
As at 31 March 2013	505.66	13,084.29	62.47	13,652.42
Amortisation and impairment				
As at 1 April 2012	260.06	896.18	-	1,156.24
- for the year	54.83	347.94	-	402.77
- on disposals/Transfers	(0.19)	(20.03)	-	(20.22)
- Translation adjustment	(6.75)	(15.33)	-	(22.08)
As at 31 March 2013	307.95	1,208.76	-	1,516.71
Carrying value				
As at 1 April 2012	165.80	10,941.94	145.33	11,253.07
As at 31 March 2013	197.71	11,875.53	62.47	12,135.71

At the year end, the intangible with indefinite lives were tested for impairment based on conditions at that date. Based on such impairment testing, management has recorded an impairment charge. An amortisation and impairment charge (or reversals) if any are included within depreciation, amortisation and impairment.

The impairment is on account of the change in competitive dynamics and pricing pressures. In performing the impairment testing management consider various factor such as the size of the target market, competition, future possible price/volume erosion.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset. The present value of the expected cash flows of each asset is determined by applying a discount rate in the range of 12% to 14%.

Segments to which Intangible assets with indefinite life are allocated as follows:

Intangible Assets	India	USA	Latin America	Europe	Total
As at 31 March 2014	1,075.55	1,054.58	2,167.94	913.22	5,211.29
As at 31 March 2013	762.73	953.95	2,457.33	810.67	4,984.68

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

NOTE J - GOODWILL

The net carrying amount of goodwill can be analysed as follows:

Particulars	As at 31 March 2014	As at 31 March 2013
Opening balance	603.66	608.64
Acquired through business combination	-	-
Impairment loss recognised	-	-
Effect of translation adjustments	(1.62)	(4.98)
Closing balance	602.04	603.66

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

Particulars	As at 31 March 2014	As at 31 March 2013
Europe	508.20	509.59
ROW	10.01	10.01
Latin America	83.83	84.06
Goodwill at	602.04	603.66

At the year end, the Goodwill was tested for impairment based on conditions at that date. The forecast at the year-end date showed that no impairment was necessary.

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate, reflective of underlying markets.

Particulars	Long term growth Rates		Discount Rates	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Europe & ROW	2.00%	2.00%	10.41%	5.50%
Latin America	2.00%	2.00%	7.28%	5.50%

Long-term growth rates

The long-term growth rates reflect the long-term average growth rates for the product lines and industries of the segments. The growth rate is in line with the overall long-term average growth rates because this sector is expected to continue to grow at above average rates for the foreseeable future.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Management believes that this is the best available input for forecasting.

Apart from the considerations in determining the value-in-use of the segments, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimates of recoverable amount for 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.

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

NOTE K - TRADE PAYABLE, OTHER LIABILITIES, SHORT TERM FINANCIAL LIABILITY AND PROVISIONS

Trade payable

Particulars	As at 31 March 2014	As at 31 March 2013
Sundry creditors	11,008.87	7,173.71
Acceptances	2,609.18	3,188.62
Others	7.79	7.09
TOTAL	13,625.84	10,369.42

Other liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Advances received from customer	9.40	42.81
Income received in advance	221.92	-
Statutory dues	328.21	202.23
Accrued expenses	545.74	324.67
TOTAL	1,105.27	569.71

Income received in advance represents advance received from customers for future supplies of materials and which is recognisable within one year.

Short-term financial liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
Employee dues	159.58	132.50
Commission payable	44.00	-
Unclaimed dividend	7.27	5.21
Interest accrued but not due	69.31	37.15
Others	2,528.61	1,443.41
TOTAL	2,808.77	1,618.27

Provisions

Particulars	As at 31 March 2014	As at 31 March 2013
Provision for compensated absences	82.29	83.32
Provision for gratuity benefit plan	311.85	225.20
Other employee benefit obligation	42.15	23.68
Others (refer note GG(2))	2,163.24	-
TOTAL	2,599.53	332.20

Other liabilities

Non- current

Particulars	As at 31 March 2014	As at 31 March 2013
Income received in advance	462.32	817.26
TOTAL	462.32	817.26

Income received in advance represents advance received from customers for future supplies of materials. The Company has recognised an income of ₹ 213.45 in current year on commencement of production and will recognise the balance amount in the coming periods.

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

NOTE L - LONG-TERM BORROWINGS

Non-current portion of borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
Notes payable	4.48	2.62
Term loan from banks	29,132.08	23,967.86
Total Long-term liabilities	29,136.56	23,970.48
Less: Current portion of long-term borrowings	(4,849.95)	(4,767.52)
TOTAL	24,286.61	19,202.96

The Group has taken working capital facility from banks/term loans from banks at interest rates ranging between 2.50% - 10.50%.

Maturity profile of long term borrowings

Year ending 31 March	As at 31 March 2014	As at 31 March 2013
2014	-	4,767.52
2015	4,849.95	3,769.83
2016	8,678.13	6,585.57
2017	9,590.84	8,168.06
2018 And there after	6,017.64	679.50
TOTAL	29,136.56	23,970.48

The fair value of long-term debt is estimated by the management to be approximate to their carrying value, since the average interest rate on such debt is within the range of current interest rates prevailing in the market.

NOTE M - SHORT-TERM BORROWINGS

Short-Term borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
Short-term borrowings	3,518.48	3,088.49
Working capital facilities	14.68	589.72
TOTAL	3,533.16	3,678.21

Working Capital Facilities is secured by hypothecation of stocks of raw materials, packing materials, finished goods, work-in-process, receivables and equitable mortgage on fixed assets of certain locations.

The Group has taken working capital facility from banks/term loans from banks at interest rates ranging between 2.50% - 10.50%.

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

NOTE N - TAXES

Taxes for the year comprise the following:

Particulars	As at 31 March 2014	As at 31 March 2013
Current income tax expense	2,990.11	3,128.35
Deferred income tax benefit	(1,477.38)	(2,021.20)
TOTAL	1,512.73	1,107.15

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

Particulars	As at 31 March 2014	As at 31 March 2013
Income tax expense at tax rates applicable to individual entities	3,468.88	2,854.10
Tax adjustment for tax-exempt income		
- Income exempt from tax	(833.29)	(1,567.39)
Other tax adjustments		
- Additional deduction for R & D Expenditure	(756.24)	(570.45)
- Unrecognised/(recognition) tax benefit on losses of subsidiaries (net)	(133.64)	311.42
- Disallowance under income tax	34.34	204.68
- Disallowed expenditure on share based payments	(1.59)	3.75
- Taxes for previous periods	11.00	(181.53)
- Others	(276.73)	52.57
Actual tax expense net	1,512.73	1,107.15

No temporary differences resulting from investments in subsidiaries or associates qualified for recognition as deferred tax assets or liabilities.

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	31 March 2013	Recognised in income statement	Recognised in Other Comprehensive Income	31 March 2014
Deferred income tax assets - Non current				
Provision for credit losses	77.18	0.31	(0.12)	77.37
Unused tax losses	2,268.75	996.10	(94.81)	3,170.04
Minimum Alternative Tax credit entitlement	3,085.49	536.99	-	3,622.48
Other financial assets	137.76	211.76	(8.79)	340.73
Employee Benefits	1.80	0.60	(0.07)	2.33
TOTAL	5,570.98	1,745.76	(103.79)	7,212.95
Deferred income tax liabilities - Non current				
Other current assets	95.65	74.96	4.94	175.55
Difference in depreciation on Property, plant and equipment	1,672.73	193.42	29.12	1,895.27
TOTAL	1,768.38	268.38	34.06	2,070.82
Net deferred income tax asset	3,802.60	1,477.38	(137.85)	5,142.13

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

The Company's subsidiaries had losses which can be carried forward for future utilisation within period of 3 to 7 years. These subsidiaries have been incurring losses and therefore it is considered more likely than not the deferred tax asset arising from these carried forward net operating losses will not be realised.

NOTE O - EQUITY AND RESERVES

a) Ordinary shares

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

The Company has an authorised share capital of 350,000,000 equity shares of ₹ 1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits only after the transfer of up to 10 percent of net income computed in accordance with regulations to a general reserve. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. Dividend tax is borne by the Company.

The Company had declared dividend payout of ₹ 2 per share.

c) Reserves

Share premium – The amount received by the company over and above the par value of shares issued is shown under this head.

Statutory reserves – The Capital redemption reserve has been created as per the requirement of Section 80 of Indian Companies Act, 1956. Such reserve is not currently available for distribution to the shareholders.

Currency translation reserve – Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of Statement of Financial Position. Revenue and expenses are translated into INR by averaging the exchange rates prevailing during the period. The exchange difference arising out of the year-end translation is being debited or credited to Currency translation reserve account.

Retained earnings – Accumulated earnings include all current and prior period results as disclosed in the income statement.

Stock compensation reserve - Stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in income statement and is credited to the reserve. Upon exercise of options, such reserves are reclassified to other components of equity.

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

NOTE P - OPERATING REVENUE

Operating revenue comprises the following:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Sale of goods and out licensing of intangible assets	59,819.12	50,104.83
Other operating revenue	213.45	-
Income from services	19.40	18.59
TOTAL	60,051.97	50,123.42

NOTE Q - OTHER INCOME

Other income comprises the following:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Miscellaneous receipts	48.40	64.85
TOTAL	48.40	64.85

NOTE R - MATERIALS CONSUMED

Materials consumed for the year comprise the following:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Consumption of raw material and packing material	13,445.73	12,093.24
Consumption of stores and spares	874.05	688.99
TOTAL	14,319.78	12,782.23

NOTE S - EMPLOYEE COSTS

Employee costs comprise the following:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	9,458.67	7,275.83
Contribution to provident and other funds and Retirement benefits	625.08	416.06
Welfare expenses	177.71	137.59
TOTAL	10,261.46	7,829.48

NOTE T - OTHER EXPENSES

Other expenses comprise the following:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Labour charges	686.10	582.70
Excise duty paid	602.47	432.00
Power, fuel and water charges	769.20	606.48
Repairs and maintenance	801.85	710.33
Rent, rates and taxes	861.06	746.15
Other manufacturing expenses	391.43	381.31
Incentive and commission	806.08	532.90
Investment written off	-	0.05
R&D Consumables	1,414.30	1,072.34
Selling and Marketing expenses	1,165.15	1,806.43
Sales promotion expenses	1,673.93	1,446.80
Travelling expenses	1,752.80	1,348.49
Freight outward	1,597.30	1,423.85
Telephone expenses	120.11	108.78
Provision for doubtful debts	12.49	3.89
Insurance	185.09	150.04
Electricity charges	165.83	194.80
Auditors remuneration	33.21	33.60
Exchange loss	96.11	332.18
Provision for Product litigation/compensation claim (refer note GG(2))	2,175.36	-
Legal and professional charges	767.72	673.60
Product registration expenses	776.04	496.45
Other operating expenses	3,298.85	2,521.97
TOTAL	20,152.48	15,605.14

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

NOTE U - 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	2013-2014	2012-2013
Current service cost	81.19	70.45
Personnel expenses	81.19	70.45
Net interest on defined benefit schemes	7.98	5.98
Administration cost (excluding cost for managing plan assets)	0.29	0.16
Net periodic expense	89.46	76.59

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

Particulars	2013-2014	2012-2013
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	-	20.75
Based on adjustment of financial assumptions	(19.73)	(30.17)
Due to liability experience adjustment	(0.18)	39.90
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	33.66	(3.74)
Total remeasurements recognised in the statement of other comprehensive income	13.75	26.74

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	2013-2014	2012-2013
Present value of funded obligations	940.63	711.83
Fair value of plan assets	(628.78)	(486.63)
Net defined benefit liability	311.85	225.20
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	311.85	225.20

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

Particulars	2013-2014	2012-2013
Beginning balance	225.20	166.44
Cost recognised in income statement	89.46	76.59
Remeasurement (gains)/losses recognised in other comprehensive income	13.75	26.74
Actual employer contributions	(50.37)	(43.52)
Exchange differences	33.81	(1.05)
Closing balance	311.85	225.20

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

Particulars	2013-2014	2012-2013
Beginning balance	711.83	516.88
Current service cost	81.19	70.45
Interest cost on the defined benefit obligations	31.19	25.36
Actual employee contributions	20.65	15.25
Actual benefit payments	25.92	55.75
Actuarial (gains)/losses - Demographic assumptions	-	20.75
Actuarial (gains)/losses - Financial assumptions	(19.73)	(30.17)
Actuarial (gains)/losses - Liability experience	(0.18)	39.90
Administration cost (excluding cost for managing plan assets)	0.29	0.16
Exchange differences	89.47	(2.50)
Closing balance	940.63	711.83

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

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

Particulars	2013-2014	2012-2013
Beginning balance	486.63	350.45
Interest income on plan assets	23.21	22.64
Actual employer contributions	36.47	27.45
Actual employee contributions	20.65	15.25
Actual benefit payments	39.82	71.82
Actual return on assets (excluding interest income on plan assets)	(33.66)	0.48
Exchange differences	55.66	(1.46)
Closing balance	628.78	486.63

The Group expects to contribute ₹ 109.16 to its defined benefit plans in 2014-15.

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

Particulars	2013-2014	2012-2013
Discount rate (weighted average)	2.10% - 9.31%	2.10% - 8%
Rate of compensation increase (weighted average)	2% - 5%	2% - 5%
Inflation rate (weighted average)	1%	1%

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 is as follows:

Particulars	2013-2014	2012-2013
Average life expectancy (Years) - India	21.66	21.66
Average life expectancy (Years) - Switzerland	22.50	22.50

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

Particulars	2013-2014	2012-2013
Insurance contracts	100%	100%

A breakup of the deferred benefit plan related to balance sheet amounts is shown below:

Particulars	2013-2014	2012-2013
Present value of funded obligations	940.63	711.83
Fair value of plan assets	(628.78)	(486.63)
Net defined benefit liability	311.85	225.20

The present value of defined benefit obligations by category of members is shown below:

Particulars	2013-2014	2012-2013
Active	9,117	8,648
Present value of funded obligations	940.63	711.83

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 2014
Discount rate + 0.25% - 0.5% p.a.	(674.74)
Discount rate - 0.25% - 0.5% p.a.	745.39
Rate of compensation increase + 0.25% - 0.5% p.a.	(721.32)
Rate of compensation increase - 0.25% - 0.5% p.a.	697.61

The duration of the defined benefit obligations are:

Particulars	2013-2014	2012-2013
Years	11-20	11-20
Weighted duration of the defined benefit obligations	15-19.7	15-19.8

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 date of the Statement of Financial Position.

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

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

Particulars	2013-2014	2012-2013
Current service cost	15.64	19.23
Personnel expenses	15.64	19.23
Net interest on defined benefit schemes	6.67	6.16
Net periodic expense	22.31	25.39

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

Particulars	2013-2014	2012-2013
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	-	(0.72)
Based on adjustment of financial assumptions	(12.52)	(17.18)
Due to liability experience adjustment	27.05	46.23
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	1.15	(2.17)
Total remeasurements recognised in other comprehensive income	15.68	26.16

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	2013-2014	2012-2013
Present value of funded obligations	179.63	164.31
Fair value of plan assets	(97.34)	(80.99)
Net defined benefit liability	82.29	83.32
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	82.29	83.32

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

Particulars	2013-2014	2012-2013
Beginning balance	83.32	72.44
Cost recognised in income statement	22.31	25.39
Remeasurement (gains)/losses recognised in other comprehensive income	15.68	26.16
Actual employer contributions	(39.02)	(40.67)
Closing balance	82.29	83.32

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

Particulars	2013-2014	2012-2013
Beginning balance	164.31	136.41
Current service cost	15.64	19.23
Interest cost on the defined benefit obligations	13.15	11.59
Actual benefit payments	(28.00)	(31.25)
Actuarial (gains)/losses - Demographic assumptions	-	(0.72)
Actuarial (gains)/losses - Financial assumptions	(12.52)	(17.18)
Actuarial (gains)/losses - Liability experience	27.05	46.23
Closing balance	179.63	164.31

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

Particulars	2013-2014	2012-2013
Beginning balance	80.99	63.97
Interest income on plan assets	6.48	7.61
Return on plan assets	(1.15)	-
Actual employer contributions	11.02	9.41
Closing balance	97.34	80.99

The Group expects to contribute ₹ 98.30 in 2014-15.

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

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

Particulars	2013-2014	2012-2013
Discount rate (weighted average)	9.25% -9.31%	8.00%
Rate of compensation increase (weighted average)	3.75% - 5.00%	3.75% - 5.00%

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 is as follows:

Particulars	2013-2014	2012-2013
Average life expectancy (Years)	21.66	21.66

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

Particulars	2013-2014	2012-2013
Insurance contracts	100%	100%

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

Particulars	2013-2014	2012-2013
Present value of obligations	179.63	164.31
Fair value of plan assets	(97.34)	(80.99)
Net defined benefit liability	82.29	83.32

The present value of defined benefit obligations by category of members is shown below:

Particulars	2013-2014	2012-2013
Active	9,048	8,587
Present value of obligations	179.63	164.31

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 2014
Discount rate + 0.5% p.a.	(6.62)
Discount rate - 0.5% p.a.	7.14
Rate of compensation increase + 0.5% p.a.	7.46
Rate of compensation increase - 0.5% p.a.	(6.96)

The duration of the defined benefit obligations are:

Particulars	2013-2014	2012-2013
Years	11-20	11-20
Weighted duration of the defined benefit obligations	15-17	15-17

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 ₹ 203.08 (P.Y. ₹ 185.99) to the provident fund plan during the year ended 31 March 2014.

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

NOTE V - RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Group expenditure on research and development is ₹ 5,998.06 (P.Y. ₹ 4,115.59).

NOTE W - SHARE BASED EMPLOYEE REMUNERATION

ESOP 2003

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

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

	2014		2013	
	Number*	weighted average Price*(₹)	Number*	weighted average Price*(₹)
Outstanding at 1 April	753,800	317.39	1,419,300	270.23
Granted	-	-	25,000	480.40
Forfeited/cancelled	(101,700)	286.86	(372,350)	245.56
Exercised	(370,000)	337.88	(318,150)	203.86
Outstanding as at 31 March	282,100	301.53	753,800	317.39

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

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

Particulars	31 March 2014	31 March 2013
Share price (₹)*	120.85 – 480.40	120.85 – 480.40
Exercise price (₹)*	120.85 – 480.40	120.85 – 480.40
Weighted average volatility rate	40% - 60%	40% - 60%
Dividend payout	200%	200%
Risk free rate	7.75% - 9.00%	7.75% - 9.00%
Average remaining life	1- 60 months	1- 60 months

*All figures have been accordingly adjusted for:

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

The underlying expected volatility was determined by reference to historical data, adjusted for unusual share price movements. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, ₹ 6.50 (P.Y. ₹ 28.21) of employee remuneration expense has been included in the consolidated income statement for 31 March 2014, the stock compensation reserve has been credited by an equivalent amount and reduced by ₹ 11.19 (P.Y. ₹ 16.65) for ESOPs converted to shares. No liabilities were recognised due to share-based payment transactions as at the end of the year.

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

NOTE X - RELATED PARTY TRANSACTIONS

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mrs. B.E. Saldanha

Mr. Glenn Saldanha

Mrs. Cherylann Pinto

Mr. Rajesh Desai

Enterprises over which significant influence exercised by key management personnel/directors

Glenmark Foundation India

Summary of transactions with related parties during the year

Nature of Transaction	Year ended 31 March 2014	Year ended 31 March 2013
Transactions with key management personnel		
Remuneration	129.66	99.60

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 Y - DERIVATIVES DISCLOSURE

a. Derivatives outstanding as at the reporting date

In million

Particulars	Currency	31 March 2014	31 March 2013
Forward contract	USD	10.00	15.00

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

b. Mark-to-Market losses/(gain)

Particulars	31 March 2014	31 March 2013
Mark-to-market losses/(gain) provided for	(20.28)	(47.72)

NOTE Z - EARNINGS PER SHARE (EPS)

The basic earnings per share for the year ended 31 March 2014 has been calculated using the net results attributable to shareholders of Glenmark as the numerator.

Calculation of basic and diluted EPS is as follows:

Particulars	31 March 2014	31 March 2013
Profit attributable to shareholders of Glenmark, for basic and dilutive	5,422.75	6,200.33
Weighted average number of shares outstanding during the year for Basic EPS	271,028,503	270,688,485
Effect of dilutive potential ordinary shares:		
Employee stock Options	124,834	192,387
Weighted average number of shares outstanding during the year for dilutive EPS	271,153,337	270,880,872
Basic EPS, in ₹	20.01	22.91
Diluted EPS, in ₹	20.00	22.89

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

NOTE AA - COMMITMENTS AND CONTINGENCIES

Particulars	31 March 2014	31 March 2013
Bank Guarantees	71.76	66.37
Letters of Credit issued by Bankers	660.66	523.94
Guarantees given to third party for Office rentals	13.15	11.02
Indemnity Bond	393.71	374.57
Disputed Income tax/Excise duty/Sales tax	155.01	202.83
Others	0.07	0.06

In January 2014, the National Pharma Pricing Authority (NPPA) issued a demand notice of ₹ 150 towards overpricing of product "Doxovent 400 mg tab". The Company has 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, primarily, that inclusion of "Theophylline" in the schedules of DPCO, 1995 is sub-judice before the Hon'ble Court.

The Hon'ble Court passed an ad-interim order staying any coercive steps against the Company and directed the matter be tagged along with the petition on the inclusion of "Theophylline" in the Schedule of DPCO, 1995. The Hon'ble Court has constituted a special bench to hear the petition (along with other petitions filed in this regard) and the matter is expected to be listed in due course.

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2014 aggregate ₹ 796.43 (P.Y. - ₹ 630.60).

NOTE BB - LEASES

The Group has taken on lease/leave and licence godowns/residential & office premises at various locations.

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

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

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

Minimum lease payments	31 March 2014	31 March 2013
Due within one year	327.04	360.33
Due later than one year and not later than five years	924.54	819.97
Due later than five years	146.90	43.36
TOTAL	1,398.48	1,223.66

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

NOTE CC - SEGMENT REPORTING

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States
3. Latin America
4. Europe
5. Rest of the World

The reportable segments derives their revenues from the sale of pharmaceuticals products (generics, speciality) and milestone payments. The CODM reviews revenue as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Information about reportable segments

Segmental Revenue	Year ended 31 March 2014	Year ended 31 March 2013
India	20,458.35	17,429.01
USA	20,270.24	16,887.40
Latin America	4,045.54	3,467.91
Europe	5,426.21	4,216.71
Rest of the world (ROW)	9,851.63	8,122.39
TOTAL	60,051.97	50,123.42

Analysis of assets by reportable segments

As at 31 March 2014	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	15,709.42	72.74	1,028.60	737.99	79.38	17,628.13
Intangible Assets	1,654.36	1,160.12	2,263.56	7,549.38	101.34	12,728.76
TOTAL	17,363.78	1,232.86	3,292.16	8,287.37	180.72	30,356.89
As at 31 March 2013	**India**	**USA**	**Latin America**	**Europe**	**ROW**	**Total**
Tangible Assets	13,903.66	18.64	985.75	533.71	104.62	15,546.38
Intangible Assets	1,842.16	973.64	2,581.03	6,632.75	106.13	12,135.71
TOTAL	15,745.82	992.28	3,566.78	7,166.46	210.75	27,682.09

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

NOTE DD - FINANCIAL ASSETS

Trade receivables comprise amounts receivable from the sale of goods and services. Other current assets include prepayments, input taxes, advances to vendors, accrued interest and deposits and advances receivable in cash and kind.

The management consider that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the group treasury function. The carrying amount of these assets approximates their fair value.

Available-for-Sale investments – Non-current represent investments in preferred stock of other pharmaceutical companies which present the Group with opportunity for return through dividend income.

The investment in equity and preference shares amounting to ₹ 181.15 (P.Y. ₹ 181.15) been stated at cost less impairment charges as these are unlisted and therefore the fair value of the Group's equity investment in this entity cannot be reliably measured.

Given below is the summary of financial assets as categorised in IAS 39 as on 31 March 2014 :

Particulars	Loans and receivables	Available for sale	Derivative financial instruments	Total carrying value	Total fair value
Security deposits (Long-term financial assets)	146.93	-	-	146.93	146.93
Other investments (Long-term financial assets)	-	181.18	-	181.18	181.18
Restricted cash	78.34	-	-	78.34	78.34
Cash and cash equivalent	7,947.99	-	-	7,947.99	7,947.99
Trade receivables, net	21,563.40	-	-	21,563.40	21,563.40
Short term financial assets	148.15	-	20.28	168.43	168.43
Others (Long-term financial assets)	2.48	-	-	2.48	2.48
TOTAL	29,887.29	181.18	20.28	30,088.75	30,088.75

Given below is the summary of financial assets as categorised in IAS 39 as on 31 March 2013 :

Particulars	Loans and receivables	Available for sale	Derivative financial instruments	Total carrying value	Total fair value
Security deposits (Long-term financial assets)	140.42	-	-	140.42	140.42
Other investments (Long-term financial assets)	-	181.18	-	181.18	181.18
Restricted cash	58.44	-	-	58.44	58.44
Cash and cash equivalent	6,051.85	-	-	6,051.85	6,051.85
Trade receivables, net	16,400.49	-	-	16,400.49	16,400.49
Short term financial assets	94.17	-	47.72	141.89	141.89
Others (Long-term financial assets)	1.71	-	-	1.71	1.71
TOTAL	22,747.08	181.18	47.72	22,975.98	22,975.98

NOTE EE - FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs.

The management consider that the carrying amount of trade payables approximates to their fair value.

Given below is the summary of financial liabilities as categorised in IAS 39 as on 31 March 2014:

Particulars	Trade and other payables	Total carrying value	Total fair value
Security deposits (Long-term financial liabilities)	59.02	59.02	59.02
Trade payables	13,625.84	13,625.84	13,625.84
Long-term borrowings	24,286.61	24,286.61	24,286.61
Short-term borrowings	3,533.16	3,533.16	3,533.16
Current portion of long-term borrowings	4,849.95	4,849.95	4,849.95
Short-term financial liabilities	2,808.77	2,808.77	2,808.77
TOTAL	49,163.35	49,163.35	49,163.35

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

Given below is the summary of financial liabilities as categorised in IAS 39 as on 31 March 2013:

Particulars	Trade and other payables	Total carrying value	Total fair value
Security deposits (Long-term financial liabilities)	33.63	33.63	33.63
Trade payables	10,369.42	10,369.42	10,369.42
Long-term borrowings	19,202.96	19,202.96	19,202.96
Short-term borrowings	3,678.21	3,678.21	3,678.21
Current portion of long-term borrowings	4,767.52	4,767.52	4,767.52
Short-term financial liabilities	1,618.27	1,618.27	1,618.27
TOTAL	39,670.01	39,670.01	39,670.01

NOTE FF - FAIR VALUE HIERARCHY

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

Particulars	Level 1	Level 2	Level 3	Total
Assets				
Forward contract	-	20.28	-	20.28

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged from the previous year.

NOTE GG - OTHER EVENTS

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

2. Sanofi-Aventis Deutschland GmbH et al. alleged that the company's filing of an Abbreviated New Drug Application that sought approval to market a generic equivalent to Abbott's TARKA drug product was an infringement of plaintiffs' U.S. Patent 5,721,244 under 35 U.S.C. 271(e)(2). On 14 January 2011, a jury found the patent valid, infringed, and awarded Abbott approximately USD 16 million in damages. On 30 May 2012, the district court denied the Company's post-trial motion that the patent is valid. On 21 April 2014, the United States Court of Appeals for the Federal Circuit affirmed the district court's judgement that the patent is valid and plaintiffs Abbott Laboratories and Abbott Laboratories, Inc., had standing to collect damages, and remanded the case to the district court for an accounting of post-verdict damage. The Company has made a provision of amount equivalent to USD 36 million towards probable loss of profits, price erosion, supplemental damages, legal fees, interest till date, etc. The Company has until 21 May 2014 (or later with an extension) to file a petition for rehearing en banc.

3. The Board of Directors of Glenmark Pharmaceuticals Limited ("GPL"), in their meeting held on 31 January 2014, have approved a proposal to merge its subsidiaries i.e. Glenmark Generics Limited ("GGL") and Glenmark Access Limited ("GAL"), with GPL.

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

The merger will be effected through a court approved Scheme of Amalgamation under Sections 391 to 394 and other applicable provisions of Companies Act, 1956 ("Scheme"). As on date, 99.33% of the share capital of GGL is being held by GPL (including 1.19% being held by GAL, a wholly owned subsidiary of GPL). As per the Scheme, the remaining shareholders holding 0.67% (1,016,741 equity shares) of the share capital of GGL will be issued shares of GPL at a swap ratio which has been determined as 4 shares of GPL of ₹ 1 each for every 5 shares of ₹ 10 each held by shareholders of GGL. The Company has initiated necessary legal process to conclude the merger. The accounting effect of the merger shall be given only upon receipt of all regulatory approvals and necessary submissions to relevant authorities.

NOTE HH - 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 co-ordinated by its parent company, in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

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

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

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

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

The Group's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

Foreign Currency sensitivity

The overseas entities of the Group operate in different countries. The functional currency of such entities is the currency being used in that particular country. The bulk of contributions to the Group's assets, liabilities, income and expenses in foreign currency are denominated in US Dollar and EURO. Apart from US Dollar, foreign currency transactions are entered into by entities in GBP, Swiss Francs and several other currencies as applicable in the country in which the particular entity operates. However, the size of these entities relative to the total Group and the volume of transactions in such currencies are not material.

Thus, the foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR).

US Dollar conversion rate was ₹ 54.36 at the beginning of the year and scaled to a high of ₹ 67.91 and to low of ₹ 53.41. The closing rate is ₹ 60.09. Considering the volatility in direction of strengthening dollar upto 10%, the sensitivity analysis has been disclosed at 10% (P.Y. 5%) movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

In million

Nominal amounts	As at 31 March 2014		As at 31 March 2013	
	USD	INR	USD	INR
Short-term exposure				
Financial assets	78.34	4,707.43	77.98	4,238.94
Financial liabilities	(116.02)	(6,971.37)	(156.07)	(8,484.10)
Short-term exposure	(37.68)	(2,263.94)	(78.09)	(4,245.16)
Long-term exposure				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Long-term exposure	-	-	-	-

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

If the INR had strengthened against the US Dollar by 10% (P.Y. 5%) then this would have the following impact:

In million

	Year ended 31 March 2014		Year ended 31 March 2013	
	USD	INR	USD	INR
Net results for the year	3.77	226.39	3.90	212.26
Equity	-	-	-	-

If the INR had weakened against the US Dollar by 10% (P.Y. 5%) then this would have the following impact:

In million

	Year ended 31 March 2014		Year ended 31 March 2013	
	USD	INR	USD	INR
Net results for the year	(3.77)	(226.39)	(3.90)	(212.26)
Equity	-	-	-	-

EUR conversion rate was ₹ 69.47 at the beginning of the year and scaled to a high of ₹ 90.85 and to low of ₹ 69.89. The closing rate is ₹ 82.61. Considering the volatility in direction of strengthening EUR upto 10%, the sensitivity analysis has been disclosed at 10% (P.Y.5%) movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

In million

Nominal amounts	As at 31 March 2014		As at 31 March 2013	
	EUR	INR	EUR	INR
Short-term exposure				
Financial assets	2.80	231.26	1.02	71.17
Financial liabilities	(11.82)	(976.65)	(9.31)	(652.51)
Short-term exposure	(9.02)	(745.39)	(8.29)	(581.34)
Long-term exposure				
Financial assets	-	-	-	-
Financial liabilities	(30.50)	(2,519.66)	(6.75)	(472.98)
Long-term exposure	(30.50)	(2,519.66)	(6.75)	(472.98)

If the INR had strengthened against the EUR by 10% (P.Y. 5%) then this would have the following impact:

In million

	Year ended 31 March 2014		Year ended 31 March 2013	
	EUR	INR	EUR	INR
Net results for the year	3.95	326.50	0.75	52.72
Equity	-	-	-	-

If the INR had weakened against the EUR by 10% (P.Y. 5%) then this would have the following impact:

In million

	Year ended 31 March 2014		Year ended 31 March 2013	
	EUR	INR	EUR	INR
Net results for the year	(3.95)	(326.50)	(0.75)	(52.72)
Equity	-	-	-	-

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term borrowing. The Group has taken several short-term borrowings on fixed rate of interest. Since, there is no interest rate cash outflow associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

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

The Group has also borrowed USD 443.48 million (P.Y. USD 511.80 million) and EUR 30.50 million (P.Y. EUR 6.75 million). In case of LIBOR/ Benchmark prime lending rate (BPLR) increases by 25 basis points then such increase shall have the following impact on:

	Year ended 31 March 2014	Year ended 31 March 2013
Net results for the year	(72.92)	(69.15)
Equity	-	-

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact on:

	Year ended 31 March 2014	Year ended 31 March 2013
Net results for the year	72.92	69.15
Equity	-	-

The bank deposits are placed on fixed rate of interest of approximately 7% to 9 %. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of statement of financial position, as summarised below:

	As at 31 March 2014	As at 31 March 2013
Cash & cash equivalents	7,947.99	6,051.85
Restricted Cash	78.34	58.44
Trade receivables	21,563.40	16,400.49
Short-term financial assets	168.43	141.89
Long-term financial assets	330.59	323.31
TOTAL	30,088.75	22,975.98

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

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

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

Liquidity risk analysis

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

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

As at 31 March 2014, the Group's liabilities have contractual maturities which are summarised below:

	Current		Non-Current	
	Within 6 months	6 to12 months	1 to 5 years	More than 5 years
Trade payable	13,625.84	-	-	-
Financial liabilities	2,808.77	-	59.02	-
Short-term borrowings	3,533.16	-	-	-
Current portion of long-term borrowings	2,589.29	2,260.66	-	-
Long-term borrowings	-	-	24,286.61	-
TOTAL	22,557.06	2,260.66	24,345.63	-

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

NOTE II - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. Capital for the reporting periods under review is summarised as follows:

The Group's goal in capital management is to maintain a capital-to-overall financing structure ratio as low as possible.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

	As at 31 March 2014	As at 31 March 2013
Total equity	29,965.60	27,873.89
Less: Cash & cash equivalents	7,947.99	6,051.85
Capital	22,017.61	21,822.04
Total equity	29,965.60	27,873.89
Add: Borrowings	32,669.72	27,648.69
Overall financing	62,635.32	55,522.58
Capital to overall financing ratio	0.35	0.39

NOTE JJ - POST REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE KK - AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2014 were approved by the Board of Directors on 8 May 2014.

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

For Walker Chandiok & Co LLP
(Formerly known as Walker, Chandiok & Co)
Firm Registration Number : 001076N
Chartered Accountants

per Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date : 8 May 2014

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Million)

Sr. No.	Name of the Company	Glenmark Access Ltd. (Formerly Glenmark Exports Ltd.)	Glenmark Impex L.L.C	Glenmark Farmaceutica Ltda.	Glenmark Philippines Inc.	Glenmark Pharmaceuticals (Nigeria) Ltd.	Glenmark Dominicana SRL	Glenmark Pharmaceuticals (Malaysia) SDN. BHD	Glenmark South Africa (Pty) Ltd.	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Glenmark Pharmaceuticals (Australia) Pty Ltd.	Glenmark Pharmaceuticals S.A., Switzerland	Glenmark Holding S.A.	Glenmark Pharmaceuticals SK SRO	Glenmark Pharmaceuticals SRO	Glenmark Pharmaceuticals S.R.L.	Glenmark Pharmaceuticals (Europe) R&D Ltd. (Formerly Glenmark Pharmaceuticals Europe Ltd.)	Glenmark Pharmaceuticals Colombia SAS (Formerly Glenmark Pharmaceuticals Colombia Ltda.)	Glenmark Pharmaceuticals Peru S.A.C	Glenmark Pharmaceuticals EOOD
1	Share Capital	18.50	902.00	7,893.47	116.70	193.71	0.19	97.71	0.77	-	70.44	3,428.24	797.11	0.43	143.00	339.09	88.09	20.80	352.67	0.18
2	Reserves	6.69	4,265.79	(2,840.19)	15.22	(71.17)	(0.24)	8.14	674.49	(229.29)	(69.18)	(1,903.29)	5,584.21	22.69	1,549.25	22.54	66.53	(18.68)	(162.14)	(0.18)
3	Total Assets	92.23	6,173.78	5,598.70	216.36	251.39	-	272.61	675.26	498.91	1.43	8,497.92	34,170.91	298.01	3,216.31	1,126.02	185.89	10.63	222.32	-
4	Total Liabilities	67.04	1,005.99	545.42	84.44	128.85	0.05	166.76	-	728.20	0.17	6,972.97	27,789.59	274.89	1,524.06	764.39	31.27	8.51	31.79	-
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	-	5,221.87	2,228.03	283.10	225.80	-	330.26	-	503.04	-	365.51	-	580.00	2,355.28	1,323.26	374.65	4.88	99.36	-
7	Profit before Tax	-	1,224.46	(1,107.50)	16.13	(22.42)	(0.02)	9.27	(0.13)	(230.89)	(0.72)	(2,403.01)	(792.43)	13.11	(712.84)	114.62	24.30	(15.13)	(99.66)	-
8	Provision for Tax	-	247.95	(255.91)	4.44	(5.63)	-	2.71	-	(64.47)	-	0.01	0.09	6.07	(521.56)	21.68	(1.59)	(3.49)	(21.46)	-
9	Profit after Tax	-	976.51	(851.59)	11.69	(16.79)	(0.02)	6.56	(0.13)	(166.42)	(0.72)	(2,403.02)	(792.52)	7.04	(191.28)	92.94	25.89	(11.64)	(78.20)	-
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Currency	INR	USD	BRL	PHP	NGN	DOP	MYR	ZAR	ZAR	AUD	USD	USD	EURO	CZK	RON	GBP	COP	PEN	BGN
12	Exchange Rate (₹)																			
	Average Rate	-	60.427	26.945	1.392	0.380	1.448	18.911	5.986	5.986	56.295	60.427	60.427	81.055	3.069	18.233	96.156	0.032	22.232	41.497
	Closing Rate	-	60.090	26.534	1.340	0.368	1.414	18.356	5.664	5.664	55.381	60.090	60.090	82.335	3.004	18.467	99.624	0.031	21.771	42.249

(Contd....)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 FORMING PART OF THE CONSOLIDATED BALANCE SHEET (CONTD.)

(₹ in Million)

Sr. No.	Name of the Company	Glenmark Therapeutics Inc., USA	Glenmark Pharmaceuticals Egypt S.A.E.	Glenmark Pharmaceuticals SP Z.O.O.	Glenmark Distributors SP Z.O.O.	Glenmark Pharmaceuticals F.Z.E.	Glenmark Pharmaceuticals Mexico, SA DE CV	Glenmark Pharmaceuticals Venezuela, CA	Glenmark Uruguay SA	Glenmark Generics Limited	Glenmark Pharmaceuticals Europe Ltd. (Formerly Glenmark Generics (Europe) Ltd.)	Glenmark Generics Inc., USA	Glenmark Generics S.A. Argentina	Glenmark Generics Finance S.A.	Glenmark Pharmaceuticals B.V. (Formerly Glenmark Generics B.V.)	Glenmark Arzneimittel GmbH	Glenmark Generics Canada INC.	Glenmark Pharmaceuticals (Kenya) Limited	Glenmark Therapeutics AG
1	Share Capital	368.60	247.78	39.42	27.50	12.92	965.26	514.58	1,229.78	1,510.74	518.09	2,804.15	1,788.00	5,214.26	1.15	3.19	-	97.18	5.73
2	Reserves	(333.40)	(181.27)	172.04	42.16	58.87	(727.88)	(188.94)	216.57	21,608.05	575.13	3,642.63	(705.19)	(1,434.98)	2.87	13.27	-	(12.26)	(0.90)
3	Total Assets	70.90	88.69	278.10	811.97	77.95	499.88	947.72	1,446.69	32,473.12	2,097.07	13,989.30	1,196.25	21,139.45	84.75	256.34	-	312.97	4.90
4	Total Liabilities	35.70	22.18	66.64	742.31	6.16	262.50	622.08	0.34	9,354.33	1,003.85	7,542.52	113.44	17,360.17	80.73	239.88	-	228.05	0.07
5	Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
6	Turnover	165.09	37.10	490.73	728.76	21.50	186.07	1,009.54	-	19,133.68	2,513.02	20,848.61	390.90	-	163.45	153.52	-	337.81	-
7	Profit before Tax	13.50	(60.92)	12.67	21.75	31.39	(226.87)	(2.72)	(1.32)	5,106.78	187.85	2,349.77	(437.42)	(936.69)	1.81	(15.86)	-	(12.29)	(0.95)
8	Provision for Tax	-	-	2.19	4.10	-	(32.58)	(120.68)	0.07	1,157.17	49.28	491.41	(111.56)	0.06	0.36	(4.33)	-	(3.63)	0.02
9	Profit after Tax	13.50	(60.92)	10.48	17.65	31.39	(194.29)	117.96	(1.39)	3,949.61	138.57	1,858.36	(325.86)	(936.75)	1.45	(11.53)	-	(8.66)	(0.97)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Currency	USD	EGP	PLN	PLN	AED	MXN	VEF	UYU	INR	GBP	USD	ARS	USD	EURO	EURO	-	KES	USD
12	Exchange Rate (₹)																		
	Average Rate	60.427	8.748	19.314	19.314	16.455	4.682	9.610	60.427	-	96.156	60.427	10.099	60.427	81.055	81.055	-	0.713	60.427
	Closing Rate	60.090	8.741	20.039	20.039	16.303	4.582	9.522	59.863	-	99.624	60.090	7.544	60.090	82.335	82.335	-	0.703	60.090

For and on Behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Rajesh Desai
Executive Director

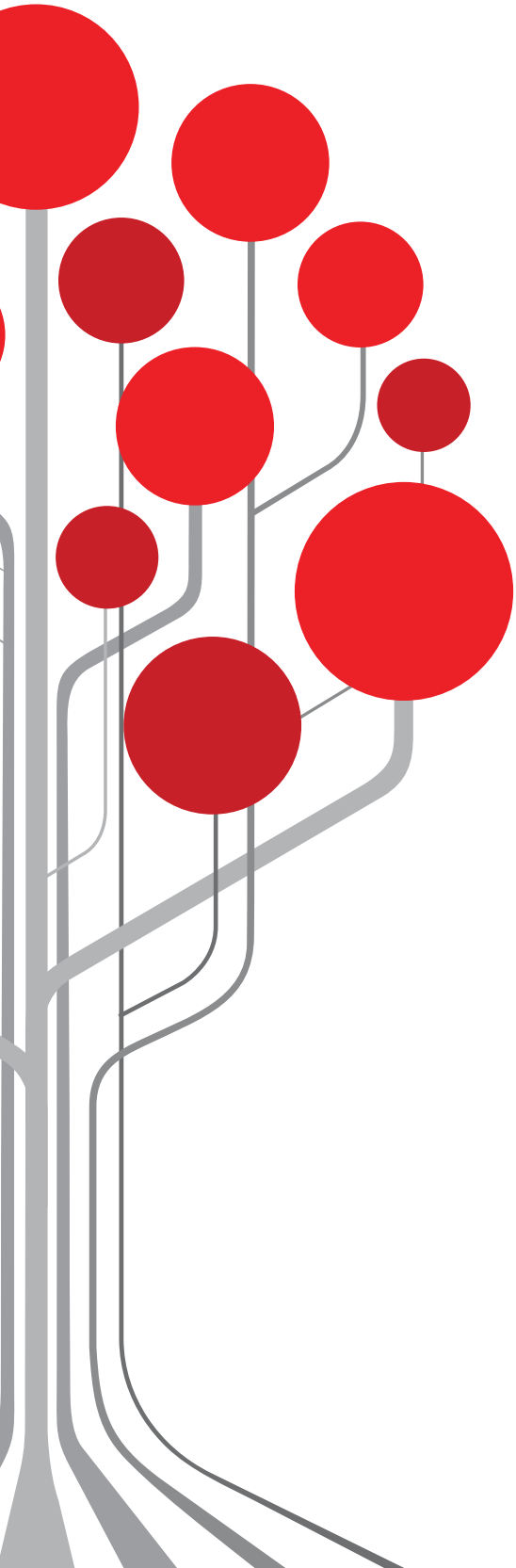
Place: Mumbai
Date: 8 May 2014

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Safe Harbour Statement

This report has been prepared by Glenmark Pharmaceuticals Ltd. The information, statements and analysis made in this report describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and Regulations. Forward-looking statements may include words or phrases such as "believes", "expects", "anticipates", "intends", "plans", "foresees" or other words or phrases of similar import. Similarly, statements that describe objectives, plans or goals both for itself and for any of its business components also are forward-looking statements.

All such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated. The analysis contained herein is based on numerous assumptions. Actual result may vary from those expressed or implied depending upon economic conditions, government policies and other incidental factors. No representation or warranty, either expressed or implied, is provided in relation to this report. This report should not be regarded by recipients as a substitute for the exercise of their own judgment.



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