

August 19, 2016

**The Dy.General Manager
Dept. of Corporate Affairs
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.**

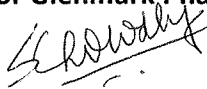
Dear Sir,

Sub: Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Enclosed please find herewith the Annual Report for the Financial Year 2015-2016 under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You

Yours Faithfully,
For Glenmark Pharmaceuticals Ltd.


**Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer**

Encl: As above

Glenmark Pharmaceuticals Ltd.

Glenmark House, B D Sawant Marg, Andheri (E), Mumbai 400 099

T: 91 22 4018 9999 F: 91 22 4018 9988 CIN No: L24299MH1977PLC019982 W: www.glenmarkpharma.com

Registered office: B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai 400 026 E: complianceofficer@glenmarkpharma.com



Committed to
perform

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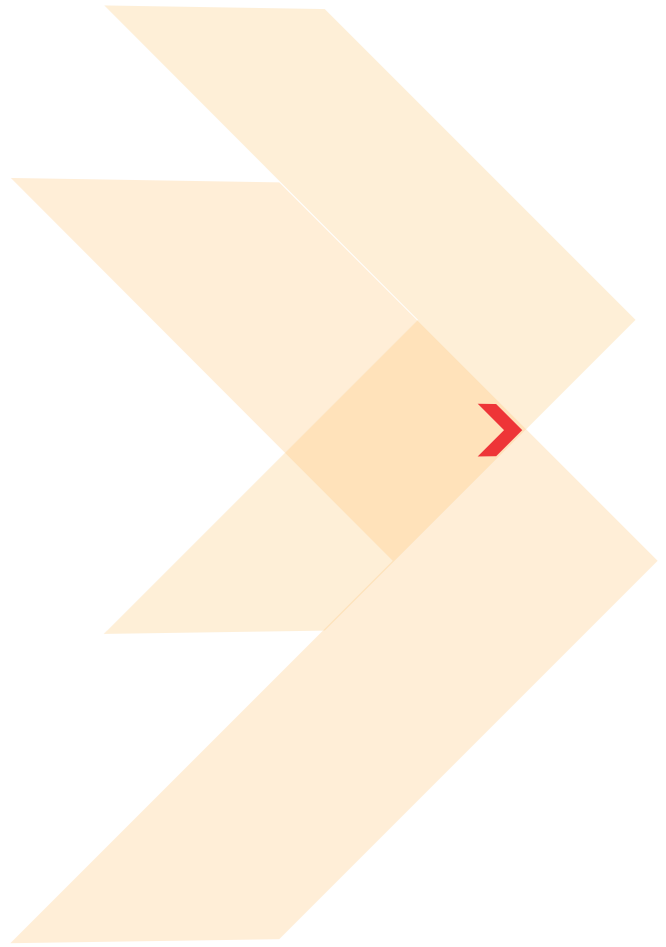
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to view this report available online

At Glenmark, our continuous endeavour has been to perform consistently. The world is grappling with uncertainty and volatility. The old order is being challenged. Disruption is commonplace. Crude and commodities have been in a free fall. The geopolitical situation is stressful. Amid all of this, the Indian economy stands tall as a symbol of stability and fortitude. However, the global headwinds have not spared many companies that are linked to world trade. Our belief helped us act with resilience and deliver encouraging outcomes, despite challenging industry scenario.

We registered good revenue growth during the year, primarily driven by our strong performance in India and the US. We gained significant market share with several new product launches as we continued to focus on the areas of dermatology, respiratory, cardiovascular and diabetes. This was an important year as our US business received the highest number of approvals till date. Strategic location



has always been one of our key strengths, and we are now in the final phase of operationalising our formulations plant in Monroe, North Carolina. We in-licensed generic Seretide Accuhaler in Europe, a significant step towards building a strong respiratory franchise in Europe.

Our out-licensing deals have helped us build a reputation of an innovation-driven organisation. We are committed to enriching lives by finding cures for unmet medical needs. We have regularly made investments in R&D and have a strong in-house pipeline of seven novel molecules, both NCEs and NBEs, in pre-clinical/ clinical development. We now have two clinical candidates targeting oncology indications based on our proprietary best-in-class BEAT® platform.

With our robust pipeline of products across all markets, a strong innovative engine, a well spread and diversified manufacturing set-up, a truly global team and robust systems and process along with our dedication to perform, we are certain that we will attain new heights in the years to come.

RESEARCH-DRIVEN, GLOBAL AND INTEGRATED

We at Glenmark, are relentlessly striving to make the lives of patients better across the globe since 1977. We are a leading, research-driven, integrated, global pharmaceutical organisation. Listed with Indian stock exchanges in 2000, Glenmark has current market capitalisation of USD 3.6 billion*. In the pursuit of enriching lives, Glenmark has evolved into a global organisation and a leading player in the discovery of molecules within a short period of time. Glenmark is actively engaged in the development of New Chemical Entities (NCEs) and New Biological Entities (NBEs), and has 7 novel molecules, 2 NCEs and 5 NBEs, in various stages of pre-clinical and clinical development.



TO EMERGE AS A

LEADING INTEGRATED RESEARCH-LED GLOBAL

Ranks among the top 80 companies in the world¹

11 finished dosage plants in four countries

Established research capabilities in both novel small molecules and biologics

Commercial presence across five continents

Ranks 8th among companies in Asia²

5 API plants in India for captive and commercial requirements

7 innovative molecules in advanced clinical and pre-clinical stages of development

More than 70% of revenue from international markets

Ranks 10th among companies based out of emerging markets³

1 biologics manufacturing site in Switzerland

Fastest growing among top 20 pharmaceutical companies in India⁴

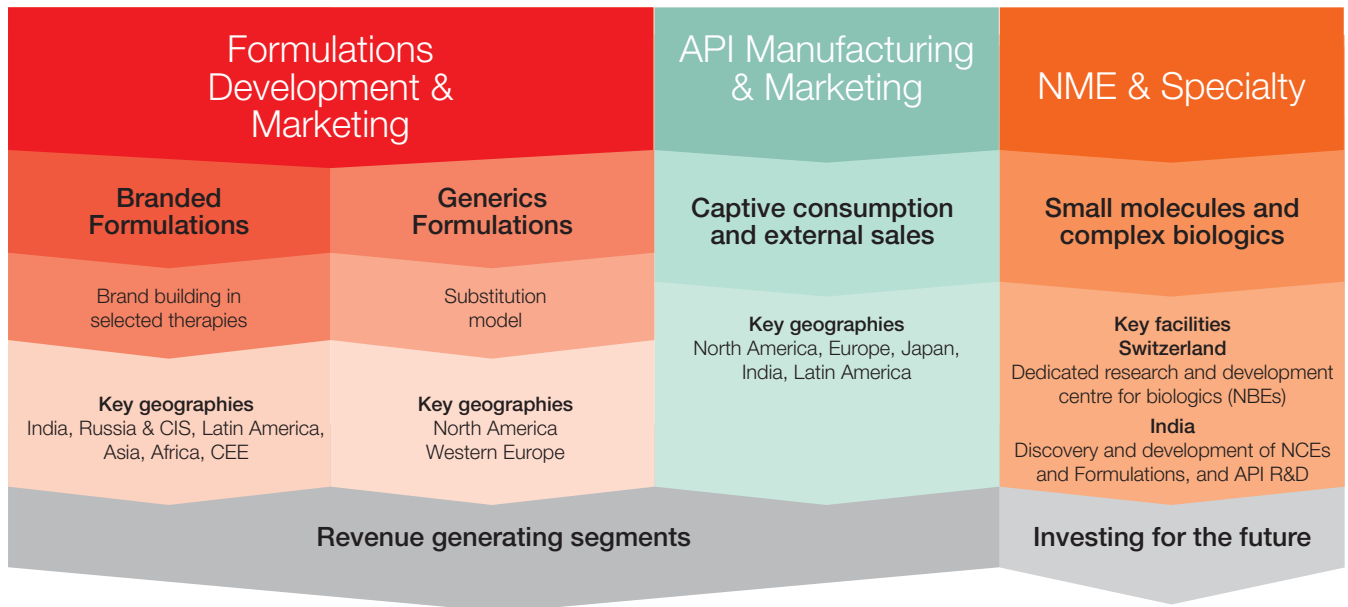
PHARMACEUTICAL COMPANY

GLENMARK AT A GLANCE

Glenmark's business has been primarily structured into Branded and Generic Formulations, Active Pharmaceutical Ingredients (APIs), and Drug Discovery & Development.

Notes:

- 1: SCRIP Rankings 2016 | 2: excludes Japan | 3: includes countries like Brazil, Russia, India, China and South Africa | 4: In terms of retail formulation sales (Source: IMS)
- *Exchange rate: USD1 = ₹ 66 (Market data based on closing pricing on NSE as on 31 May, 2016)



DRUG DISCOVERY

We believe innovation is the only way to build a truly global organisation that delivers outstanding results. In line with this belief, Glenmark's ground-breaking drug discovery efforts are focused in the therapeutic areas of Inflammation, Pain and Oncology. Glenmark has a pipeline of seven first-in-class molecules, both NCEs and NBEs, in clinical and pre-clinical development. Glenmark has made its mark in this area by out-licensing its own molecules in various stages of clinical development to large global multinationals. Glenmark has successfully out-licensed seven molecules to five companies and have received a total of USD 217 million in up-front and milestone payments, cumulatively. We are the only company from emerging markets to execute multiple deals on novel molecules.

BRANDED FORMULATIONS

In pursuit of our mission of enriching lives, Glenmark's Branded Formulations business has grown from strength-

to-strength and is focused in the emerging markets of India, Russia and CIS, Africa, Asia, Latam etc. The formulations business focuses on therapeutic areas viz. dermatology, anti-infective, respiratory, cardiac, diabetes, gynaecology, CNS, and oncology. India is the largest market in terms of revenue for the organisation.

GENERIC FORMULATIONS

Our products are primarily marketed in US and Western Europe. Our US formulations contributed 32% of net revenue and Europe formulations contributed 9% of net revenue in FY16. We are one of the largest dermatology players in the US Generics market and have become the fastest growing generic company in Germany. Our US product portfolio consists of more than 110 generic products authorised for distribution. In US, we have the largest number of products authorised for distribution among the generic manufacturers. We aim to launch Sole FTF – g-Zetia in December 2016, in

our endeavour to offer high quality and differentiated generic products. With an expected market size of USD 2.4 billion it poses significant growth opportunity for the Company.

API

Glenmark's API division partners with leading global generic companies, by supporting partnerships through advanced process chemistry skills and innovative intellectual property. We supply APIs for captive consumption and to leading generics companies across US, Europe, Japan, India and other markets. Glenmark is a market leader for many API products in semi-regulated markets and has also established a leadership position with its first-to-file offerings in regulated markets. Some of our products that enjoy leadership positions are Amiodarone, Lercanidipine, Adapalene and Perindopril. Our API business contributed 9% to the net revenue in FY16. Our two API plants in Ankleshwar and Dahej successfully completed US FDA inspections in FY16.

We enjoy market leadership in focused therapy areas in Indian Pharmaceutical Market:

#2

in Derma

#6

in Respiratory

#8

in Cardiac

OUR GLOBAL ASSETS

40

Nations with our offices

17

Manufacturing facilities

4

Continents with manufacturing facilities

5

R&D centres



Our facilities have an excellent track record of regulatory approvals and compliances.

MANUFACTURING FACILITIES

Glenmark's commitment to uncompromising, world-class quality standards is reflected in its state-of-the-art manufacturing facilities located across the globe. Glenmark has 17 manufacturing facilities, world over, which are approved by various regulatory bodies such as the US FDA, UK MHRA, WHO-GMP, Canadian TPD, South African MCC and ANVISA of Brazil.



Glenmark's manufacturing facility at Goa, India



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

GLOBAL MANUFACTURING NETWORK

	Location	Dosage Form	Key Markets
Formulation Facility	Goa	Oral Solids, Semi Solids and Hormones	US and Western Europe
	Indore	Oral Solids, Injectables	US and Western Europe
	Baddi – I	Semi Solids, Oral Solids and Oral Liquids	US, India and ROW
	Baddi – III	MDI, DPI and Nasal Spray	India, Brazil, Russia and ROW
	Aurangabad	Oral Solids (Oncology) and API	US
	Nalagarh	Oral Liquids and Semi Solids	India, ROW and Latin America
	Nashik	Oral Solids, Liquids, Semi Solids and Powders	India, RCIS, Latin America and ROW
	Sikkim	Oral Solids	India
	Monroe, US	Oral Solids and Injectables	US
	Argentina	Oncology Injectables	India, Latin America and ROW
API Facility	Czech Republic	Oral Solids and Semi Solids	Central and Eastern Europe
	Ankleshwar	API	US, Europe, Japan and ROW
	Dahej	API	US, Europe and ROW
	Aurangabad	Oral Solids (Oncology) and API	US
	Kurkumbh	API	India
	Mohol	API	India
Biologics Facility	Neuchâtel, Switzerland	mAbs	For clinical development

R&D FACILITIES

Innovation lies at the heart of all aspects of Glenmark. Its R&D centres are well equipped to deliver innovation by combining cutting-edge technology, state-of-the-art infrastructure, and the brightest minds in the business. Glenmark's R&D team of over 800 members across five R&D facilities is committed to address the evolving needs of patients and enrich lives globally.



Glenmark's R&D centre at Navi Mumbai, India



Glenmark's R&D centre at La Chaux-de-Fonds, Neuchâtel, Switzerland

NEW MANUFACTURING FACILITY IN NORTH CAROLINA, US

Glenmark has expanded its manufacturing footprints in the key strategic market of North America and is in the final phase of operationalising its formulations plant in Monroe, North Carolina. The facility is spread over 100,000 sq. ft. and manufactures oral solids and injectables. The team comprises of qualified personnel with average experience in the pharmaceutical industry of over 10 years. We have plans to add new dosage forms in the near future. The facility dedicated exclusively to the US market will help us serve our growing business in the country.

GLOBAL R&D CENTRES

	Overview	Capabilities	Pipeline
Switzerland	The Biologics Research & Development Centre is dedicated to discovery and development of monoclonal and bispecific antibodies (mAbs) (inception to clinical development).	<ul style="list-style-type: none"> • Biologics R&D: Engineering monoclonal antibodies, Cell line development, In-vitro testing • Process Development & Industrialisation: Antibody production and purification, GMP Cell Banking and Biologics Manufacturing 	<ul style="list-style-type: none"> • Monoclonal antibodies • Bispecific antibodies
Navi Mumbai, India	The New Chemical Entity (NCE) R&D Facility was established in 2000. It is spread over 125,000 sq. feet area. Expertise in NCE discovery (target selection to clinical development).	<ul style="list-style-type: none"> • Medicinal Chemistry • Process Chemistry • Analytical: HPLCs, GCs, NMR, XRD • In-vitro Biology • In-vivo pharmacology: Inflammation, metabolic disorders 	<ul style="list-style-type: none"> • Discovered 15+ NCEs over last decade • 6 molecules reached clinical trials
Sinnar, India	The Formulations Development R&D centre is spread over 30,000 sq. feet area. Novel Drug Delivery Systems (NDDS) is the area of focus and branded formulations for global markets (meet regulations) are developed.	<ul style="list-style-type: none"> • Formulation for all dosage forms • Patent applications for novel technologies 	<ul style="list-style-type: none"> • NDDS projects: innovative formulation as pegylated liposomes, dry powder inhaler, and nasal spray

STRATEGIC PRIORITIES: GLENMARK IN THE NEXT DECADE

Glenmark has progressed into a global organisation in a short period of time. Our prudent strategic priorities have helped us become a leading research-driven, global, integrated pharmaceutical company. Our evolution as one of the successful pharmaceutical companies across emerging markets is reflected by our expanded wealth creation, manufacturing footprint, international operations, and global employee base. We have positioned ourselves as a leading player in the discovery of new molecules over time.

OUR EVOLUTION

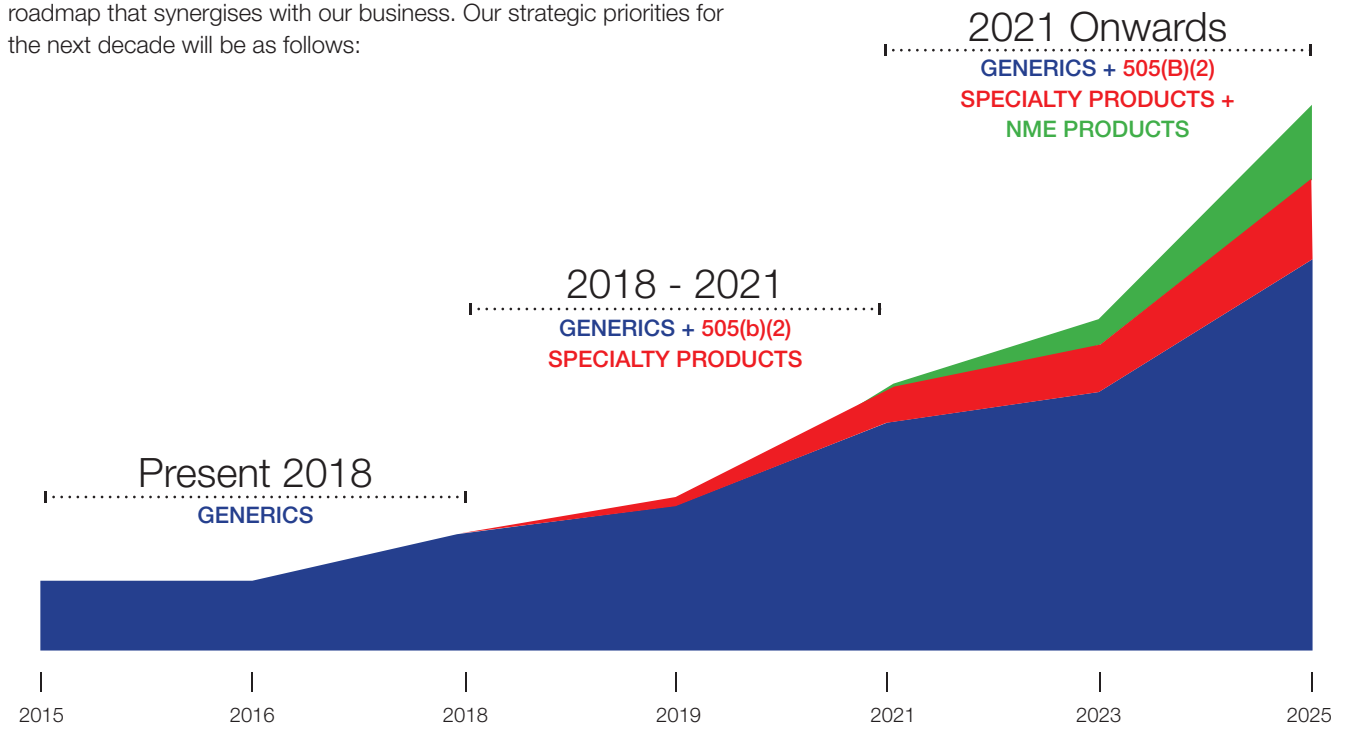
	Year 2000	Year 2016
Wealth creation	Consolidated turnover: USD 31mn Market capitalisation: USD 40mn	Consolidated turnover: USD 1.2bn Market capitalisation: USD 3.6bn
Manufacturing footprint	2 formulations facilities	<ul style="list-style-type: none"> • 17 facilities across formulations and API in 4 continents • New formulation facility commissioned in the US in 2015 • New GMP-grade biologics plant in Switzerland with up to 250 L batch size
International operations	About 8% of total turnover	<ul style="list-style-type: none"> • More than 70% of total turnover • Presence across US, Europe, Russia, Brazil etc.
Innovation	Initiation of NME research	<ul style="list-style-type: none"> • Seven out-licensing deals signed with Eli Lilly, Merck, Sanofi and Forest Labs • USD 200+ mn of cash through out-licensing deals • 7 Novel molecules in pipeline
Global employee base	Less than 1,000	More than 12,000

Source: Bloomberg

Note: Exchange rate: USD1 = ₹ 66 (Market data based on closing pricing on NSE as on 31 May, 2016)

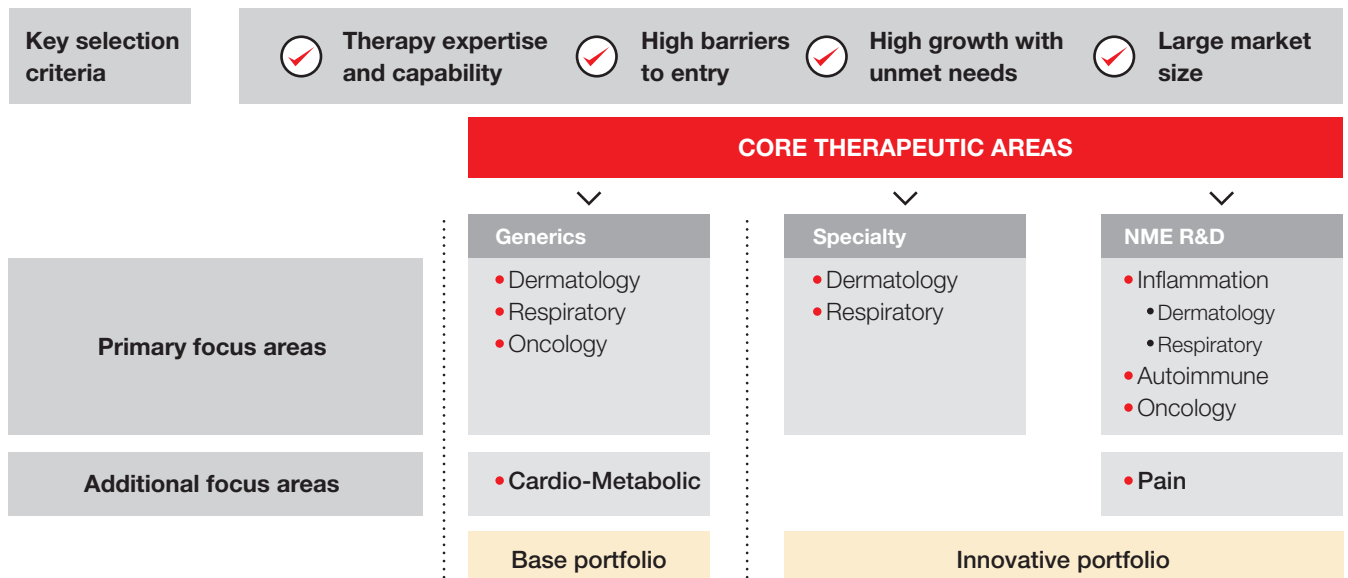
POSITIONED FOR FUTURE SUCCESS

To continue our growth trajectory we have laid down a strategic roadmap that synergises with our business. Our strategic priorities for the next decade will be as follows:



We have built a robust growth framework and aim to continue focusing on what we do best – ‘innovation’. We are determined to develop innovative molecules to address evolving needs of patients, in areas where we can make a real difference. Glenmark’s drug discovery endeavours are focused on the therapeutic areas of dermatology, respiratory and oncology.

FOCUSED APPROACH TOWARDS INNOVATION



CHAIRMAN'S MESSAGE



Glenn Saldanha, Chairman & MD

”

Over the next decade, our aim is to transform the organisation to an innovative company with revenues being generated from the innovative portfolio of the business. Our objective will also be to build global leadership position across our core therapy areas of dermatology, respiratory and oncology.

Dear Shareholders,

The global pharmaceutical industry is evolving at a rapid pace. However, certain key trends can be easily identified: pricing pressure across markets; enhanced regulatory constraints; a perceptible shift towards more complex treatment alternatives; decline of commodity generics in the US; and macro-economic challenges across emerging markets.

There are some positive trends as well: the global spending on medicine is rising owing to population growth, changes in demographic landscape, rise in economic wellbeing, health awareness, expanded health insurance market, and growing access to medicines across the world. Healthcare spending is likely to touch USD 1.4 trillion by 2020,

with pharmerging markets expected to consume the largest number of pharmaceutical products; around two-thirds of the global medicine volumes. Therefore, while there are short-term hardships, the big picture is one of optimism.

CONSISTENT PERFORMANCE

Operating in such a landscape, your Company registered a revenue growth of 15.12%, which was primarily driven by encouraging performance in India and the US. Our business in India continued to grow during the year, and gained significant market share with several new product launches. The year also saw strong performance of our leading brands across therapeutic areas. We continued to sustain our position among the fastest growing companies in the Indian formulations space. Our focus areas (dermatology, respiratory, cardiovascular and diabetes) continued to drive our India growth story.

Our US business also gained traction, as we received the highest number of approvals till date in the year under review - 24 ANDAs. The slowdown in US FDA approvals for generic drugs in prior years had adversely impacted the generics market globally. As a result of increased approvals, growth rebounded after a long period of time for our US business. We received the first injectable approval in the US for Bendamustine Hydrochloride, and this marks our entry into the generics injectables segment in the country.

Although our India and the US businesses did well, the currency depreciation in emerging markets significantly impacted the overall performance. Emerging markets

constitute a significant part of our overall business. The sharp decline in global oil prices has led to a significant revenue shortfall in many energy exporting nations. Commodity export giants like Brazil and Venezuela were badly affected and were under severe economic hardship, as oil prices plummeted considerably. Such a scenario impacted our emerging markets business significantly, leading to a stretched balance sheet, growing debt and low profits. The contribution of our emerging markets (ex India) business declined to 22% of total revenue as a result of currency depreciation. The contribution of this business was much higher in the prior years both in terms of revenue and profitability. However, on a cumulative basis the emerging markets business recorded good constant currency growth. Our revenue from our ROW region for the year under review was at ₹ 9,032.54 million, an increase of 11.19% from that of previous year. Russia/CIS region continued to remain challenging during the year. Our business in Russia was primarily impacted by the currency devaluation. Russia remains our largest market in the ROW region. In the past two years, we have launched several new products in Russia, strengthening our market position in the respiratory and dermatology categories.

Our operations in Asia and Africa registered encouraging secondary sales growth. The Company's subsidiary in South Africa and Kenya recorded growth in excess of 100%. We also entered into the respiratory segment in Asia. Our Latin American business was hit majorly because of the economic downturn in Venezuela. The floundering oil price has triggered economic turbulence in the country, impacting our business.

Our business in Europe grew moderately by 11.25%, primarily driven by Western Europe. One major announcement during the year under review was the strategic development and licensing agreement with Celon Pharma to develop and market the generic version of Seretide Accuhaler® product - Fluticasone/Salmeterol DPI in Europe. We have obtained semi-exclusive marketing and distribution rights of the product across 15 European countries, including Great Britain, Germany, Belgium, the Netherlands, Italy, Sweden, Norway, and Romania, among others. The deal reinforces our growing capabilities in the respiratory segment, and is a significant step forward towards building a strong respiratory franchise in Europe. We are pleased to collaborate with Celon given their established track record with this inhaler product in Europe.

During the year under review, Temasek, a leading investment company based in Singapore, made an equity investment of USD 150 million in the organisation. This significant investment reiterates the growth oriented philosophy of the organisation and our ability to keep growing the business over a long period in time.

STRENGTHENING R&D INITIATIVES

Over the years, we have built a promising product pipeline on the strength of our R&D expertise. We made consistent investments in R&D during the year under review. We are increasing our focus in oncology, immunology and respiratory area. We discovered and initiated IND-enabling studies for a novel clinical development candidate GBR 1342 – our second clinical development candidate based on the

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CHAIRMAN'S MESSAGE

BEAT® technology. It is also Glenmark's second clinical candidate targeting oncology indications. GBR 1302, our first clinical candidate, based on our BEAT® platform has demonstrated superiority over current antibody therapies against most HER2 positive cancers, including breast cancer. If confirmed in clinical trials, GBR 1302 could constitute an innovative treatment for HER2 positive cancers, potentially superior to the currently available monoclonal antibody treatments.

During the year under review, we had a pipeline of seven NMEs, two NCEs and five NBEs, in various stages of clinical and pre-clinical development. Our biological entity GBR 830 shows great promise to emerge as a valuable therapeutic option to treat patients suffering from autoimmune diseases. It was well tolerated in healthy volunteers and its safety and pharmacokinetics profile in healthy volunteers supports the transition into clinical Phase 2 studies. We have an open IND at the US FDA and are seeking Health Canada approval, for which a Phase 2a study in atopic dermatitis is currently progressing. We are also evaluating GBR 830 for other immunology indications. GRC 17536 has shown positive data in Phase 2a proof-of-concept study in patients with painful diabetic neuropathy conducted in Europe and India. We have submitted an IND for a Phase 2b dose range finding study with the US FDA. GRC 27864 has successfully completed pre-clinical studies and Phase 1 enabling toxicity studies. GBR 900, the first anti-TrkA monoclonal antibody is to enter clinical development. GBR 500 an antagonist of the VLA-2 (alpha2-beta1) integrin was licensed to Sanofi in May 2011. During a planned interim analysis in October 2015 the pre-defined primary efficacy endpoint of the study was not met and treatment was discontinued. Sanofi subsequently terminated the GBR 500 licensing

agreement. Sanofi's decision was not due to safety concerns.

NEW FACILITY IN NORTH CAROLINA, US

We expanded our manufacturing footprint in the key strategic market of North America. We are in the final phase of operationalising our formulations plant in Monroe, North Carolina. The facility is spread over 100,000 sq. ft. and manufactures oral solids and injectables. On commencement, the oral solid facility is expected to have a capacity of 300-400 million tablets and capsules annually, while the injectable unit is expected to have an annual capacity of 20-25 million vials and pre-filled syringes. We have plans to add new dosage forms in the near future. The facility, dedicated exclusively to the US market, will help us serve our growing business in the country.

QUALITY AND COMPLIANCE

Quality and compliance are key pillars of our consistent growth story. We are committed to manufacture products, which confirm to the highest standards of quality. Our formulations and API manufacturing facilities across the globe are approved by regulatory bodies such as the US FDA, UK MHRA, WHO - GMP, TPD (Canada), MCC (South Africa) and ANVISA (Brazil). We have been relentless in stepping up our quality benchmarks across all our research and manufacturing facilities to ensure that our products, processes, and infrastructure meet the highest international standards. We have 1,200 quality assurance and quality control personnel across Glenmark locations, which is 10% of our overall employee strength. Compliance gives us a significant competitive advantage. Our Enterprise Platform for R&D and robust IT infrastructure help us ensure greater regulatory compliance and efficiencies. Our commitment is exemplified by our excellent track record of regulatory approvals and compliances.

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Our robust pipeline of products, strong R&D capabilities, strategic manufacturing locations, along with a dynamic global team and a sound governance structure have contributed to help us emerge as a promising, integrated, research-driven global pharmaceutical company.

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On the innovation pipeline, we continue to remain excited about launching our own proprietary product globally in future and remain well invested in this business. During the year, we are looking forward to getting readouts for two of our molecules GBR 830 and GBR 1302 which are at an important stage in the development process. GBR 1302 is based on our proprietary BEAT® platform and thus has an added significance for the organisation.

COMMUNITY SUPPORT

At Glenmark, we believe that children are the future of a nation, thus our interventions in CSR have been focused on improving Child Health. We have worked towards reducing infant and child mortality by reducing malnutrition, increasing immunisation and improving sanitation practices. We have also worked towards providing sustainable livelihoods and access to healthcare. We have undertaken 8 large-scale projects across India and Kenya that address these issues. Over the years, through our efforts we have positively impacted over 6,83,000 lives across India and Kenya. This year through our Joy of Giving Festival our employees across 30 locations in 16 countries celebrated the festival of philanthropy.

We also endeavour to see India on the global map in the field of sports. Our goal is to "Create Champions in Swimming". With young swimmers and young coaches as primary target beneficiaries, Glenmark Aquatic Foundation has built a core team of highly motivated experts for the strategic long-term development of swimming as a sport in India. We have currently set-up a Centre of Excellence in Mumbai and have recently partnered with SAI (Sports Authority of India) to set up another centre in Delhi. We have also been conducting coaching clinics in association with the American Swim Coaches Association.

WAY FORWARD

Although the year under review has been challenging, we continued to act with resilience and delivered encouraging outcomes. We also remain optimistic as we enter the financial year 16-17 as it is an important year for the organisation on several fronts. In December 2016, we will launch Generic Ezetimibe where we have sole exclusivity in the US on this USD 2.3 billion product. Also with the increase in the number of ANDA approvals for the organisation we will continue to grow our base business. In the US, we will remain focussed

on filing niche competition products, rather than commodity products and will enter new segments where we feel competition will be limited. In India new brand introductions continue to drive our growth, along with the strategy of divisionalisation. In Europe, while the base business will continue to grow, we are excited about the prospect of getting an approval for Generic Seretide, which will mark our first inhaler launch in the region. In emerging markets, we watch with caution how these markets are turning out especially with currency challenges across most emerging markets. However, the emerging markets business (ex-India) will now be less than 20% of the overall revenue and the US dollar based business should increase in terms of proportion to overall revenue. This should provide a good hedge for your organisation and thus going ahead we feel the impact of currencies on the business should not be materially significant. However, we still feel confident that in constant currency terms we will be able to grow the emerging markets business over the next few years.

On the innovation pipeline, we continue to remain excited about launching our own proprietary product globally in future and remain well invested in this business. During the year, we are looking forward to getting readouts for two of our NBEs viz GBR 830 and GBR 1302 which are at an important stage in the development process. GBR 1302 is based on our proprietary BEAT® platform and thus has an added significance for the organisation.

Your organisation remains well poised for continuous and sustained growth over the next several years. In the next decade, our aim is to transform the organisation to an innovative company with revenues being generated from the innovative portfolio of the business. Our investment in the base business will enable us to sustain growth over the next several years. Our objective

will also be to build global leadership position across our core therapy areas of dermatology, respiratory and oncology.

Our robust pipeline of products, strong R&D capabilities, strategic manufacturing locations, along with a dynamic global team and a sound governance structure have contributed to help us emerge as a promising, integrated, research-driven global pharmaceutical company. We will continue to deliver on stakeholder expectations with increased profitability and improved cash flows in the coming years.

As we move towards the next altitude of growth and sustainability, I thank you for backing us at every stage and seek your continued support and guidance in our endeavour.

Yours Sincerely,



Glenn Saldanha
Chairman & MD

BOARD OF DIRECTORS



Mr. Glenn Saldanha
Chairman and Managing Director

Mr. Saldanha joined Glenmark in 1998 as the Director, and took over as Managing Director and CEO in 2001. He has led the transformation of the Company from an Indian branded generics organisation into a research-driven and innovation-led organisation. Under his leadership, Glenmark has also built a strong branded formulations business across emerging economies, including India and established a strong presence in the US generics market within a short period.



Mrs. Cherylann Pinto
Director, Corporate Affairs

Mrs. Pinto is the Director of Corporate Affairs at Glenmark since October 1999 and is an executive member of the board. With over 25 years of experience in the pharmaceutical field, she presently heads the Company's Corporate Communications, HR and CSR functions. She also set-up a pharmaceutical company where she served as Managing Director from 1989 to 1999 before joining Glenmark.



Mr. Bernard Munos
Non-Executive Director

Mr. Munos is the founder of the InnoThink Center for Research in Biomedical Innovation, which was created to translate innovation and research into better business models for the pharmaceutical industry and its stakeholders. His research, which has been published in the Nature and Science journal, profiled by Forbes Magazine, has helped stimulate a broad rethink of the pharmaceutical business model by companies, investors, policy-makers, regulators and patient advocates. He has presented his findings at numerous meetings.



Mr. Rajesh V. Desai
Executive Director

Mr. Desai is the Director of Finance and Chief Financial Officer at Glenmark. He has been in the Company for more than 3 decades and is responsible for the Finance, Legal and IT functions for the entire organisation. A member of the leadership team for over a decade, he has been responsible for charting the Company's growth in domestic and international markets.



Dr. Brian W. Tempest
Non-Executive Director

Dr. Tempest has been working with the pharmaceutical industry for the last 4 decades and has managed healthcare businesses in North America, South America, Europe, Africa, Middle East, Australia, China, Japan and India. Dr. Tempest is one of the few Westerners to have led a Sensex Nifty-50 Indian blue-chip MNC and as a result has valuable insights into India.



Mrs. B.E. Saldanha
Non-Executive Director

Mrs. Saldanha is a Non-Executive Director and a member of the promoter group of Glenmark. Prior to this, she was the Director for Exports and managed Glenmark's international operations from 1982 to 2005. She was responsible for developing and growing the Company's export business.



Mr. Julio Ribeiro

Non-Executive Director

Mr. Ribeiro is a retired government official and has served the country under various assignments. Some of the noteworthy positions held by him include the Commissioner of Police, Mumbai; Special Secretary to the Government of India, Ministry of Home Affairs; Director – General of Police, Punjab; Adviser to the Governor of Punjab and Ambassador of India to Romania. At present, he is a Director in IIT Corporate Services Ltd.



Mr. Milind Sarwate

Non-Executive Director

Mr. Sarwate is the Founder and CEO of Increate Value Advisors LLP. He has over 32 years of experience of working in Finance, HR, Strategic Planning, Business Development and Product Supply. He has extensively worked in various sectors including Consumer Products and Services companies like Marico and Godrej.



Mr. Sridhar Gorthi

Non-Executive Director

Mr. Gorthi is a Partner at Trilegal, a legal consulting firm, and previously was with Arthur Andersen and Lex Inde in Mumbai. He has been involved in providing legal advisory services to various multinational and domestic corporations on restructuring, debt finance, joint ventures, acquisitions and mergers.



Mr. D.R. Mehta

Non-Executive Director

Mr. Mehta was a civil servant for almost 4 decades and has experience in administration and management of public affairs. He joined the IAS in 1961 and has held positions in the Government of Rajasthan and in the Government of India. He was the Deputy Governor of the Reserve Bank of India and the Chairman of SEBI while also fulfilling his duties as the Chairman of the Emerging Markets Committee of the International Organisation of Securities.

COMMITTED TO PERFORM THROUGH INNOVATION



Focus on both NCEs and NBEs

NCE R&D is based in India and is equipped with excellent medicinal chemistry capabilities and formulation know-how.

NBE R&D is based out of Switzerland and is focused on traditional monoclonal antibodies and innovative antibody formats such as bispecific antibodies.

7

Novel molecules

2

NCEs

5

NBEs

Innovation is a way of life at Glenmark. All our actions - discovery of molecules, manufacturing of effective medicines and even our operations, are guided by innovation. We practice innovation in everything we do as we aim to enrich the lives of people by creating a healthy, happy and ailment free world.

We are dedicated to find cures for unmet medical needs by discovering new possibilities. We have built a strong pipeline of several first-in-class molecules - both NCE's (New Chemical Entities) and NBE's (New Biological Entities), which are in various stages of pre-clinical and clinical development.



Our prudent strategy for innovation has helped us emerge as a leading integrated research-based organisation. The elements of this strategy are:

- Focus on first-in-class compounds on account of higher market potential
- Deliver proof-of-concept in early during clinical development
- Develop and launch select molecules in the core therapy areas in major markets
- Use out-licensing to share risks and rewards in non-core therapies and non-core markets

We follow a focused approach in innovation and have concentrated our efforts in the areas of dermatology, oncology and respiratory therapy.

Our efforts are driven towards combatting the effect of cancer, which still claims millions of lives. We aim to redefine cancer treatment by producing life-changing medicines. As a result of the dedicated efforts of our scientists, we have developed two promising clinical candidates targeting oncology indications using BEAT® (Bispecific Engagement by Antibodies based on the T-cell receptor), our propriety best-in-class platform.

INNOVATING TO 'BEAT' THE ODDS

Engaging two targets with one bispecific antibody is a novel concept to design new therapeutics. For the past 20 years, bispecific antibodies have been a challenge to the industry since most bispecific formats developed thus far have stability and/or manufacturing issues. With the invention of the BEAT® technology, Glenmark's scientists have overcome these hurdles and are able to efficiently engineer and manufacture bispecific antibodies. We have two clinical candidates, GBR 1302 and GBR 1342, based on BEAT®, targeting oncology indications.

COMMITTED TO PERFORM THROUGH INNOVATION

Discovery of second clinical development candidate targeting oncology

Glenmark discovered and initiated IND-enabling studies for a novel clinical development candidate GBR 1342 – our second clinical development candidate (following GBR 1302, a HER2xCD3 bispecific antibody) based on the BEAT® technology. It is also Glenmark's second clinical candidate targeting oncology indications.



”

“This is an exciting growth phase for Glenmark as we advance our innovative pipeline including 6 first-in-class molecules currently in clinical development. We expect to report data from GBR 1302 (Her 2+ cancers) and GBR 830 (atopic dermatitis and autoimmune disorders) in FY 16-17. Glenmark is committed to developing innovative treatments meeting unmet medical needs for patients suffering from significant medical conditions.”

Dr. Fred Grossman
President & Chief Medical Officer,
Glenmark

TARGETING MULTIPLE MYELOMA

CD38 is one of the few known markers for plasma cells and is a well-established target for multiple myeloma, a cancer caused by malignant plasma cells. CD38 is potentially also a target for other hematopoietic malignancies.

GBR 1342's mode of action is similar to GBR 1302, Glenmark's first CD3 redirecting antibody. GBR 1342 redirects cytotoxic T-cells through its CD3 binding arm onto CD38-expressing cancer cells and induces the killing of these cancer cells by the T-cells. Glenmark is committed to moving GBR 1342 rapidly into clinical trials.

GLENMARK'S FIRST BISPECIFIC ANTIBODY GBR 1302 IN PHASE 1 TRIALS

GBR 1302, a HER2xCD3 bispecific antibody has successfully completed

the preclinical evaluation phase, demonstrating superiority over current antibody therapies against most HER2 positive cancers, including breast cancer. The first clinical development candidate based on the BEAT® technology, GBR 1302 has the potential to be used in the treatment of a broad array of cancers including breast cancer.

GBR 1302 material for Phase 1 clinical trials was manufactured in Glenmark GMP production unit in Switzerland. HER2, also known as HER2/neu, or receptor tyrosine-protein kinase erbB-2, is the target of the multibillion dollar antibody cancer drugs trastuzumab, pertuzumab and trastuzumab emtansine and is implicated in breast cancer, ovarian, gastric, and certain uterine cancers.

GBR 1302's mode of action is different from current HER2 targeting antibodies. It redirects cytotoxic T-cells through its CD3 binding arm onto HER2 expressing cancer cells and induces the killing of the cancer cells. Preclinically, the killing of cancer cells by GBR 1302 is more rapid, more complete and not expected to be subject to the same resistance escape mechanisms as therapies directed against HER2.

If these preclinical properties translate into the clinic, GBR 1302 would constitute an innovative treatment for HER2 positive cancers that is potentially superior to the current established monoclonal antibody treatments, Herceptin (trastuzumab), Perjeta (pertuzumab) and Kadcyla (trastuzumab emtansine).



“We have high expectations for GBR 1302. During the preclinical characterisation of the bispecific antibody we have discovered that GBR 1302 does not only kill trastuzumab resistant cancer cells, but also very efficiently kills cancer cells with a weak expression of HER2 against which all current HER2 targeting antibodies are not effective.”

Dr. Michael Buschle
Chief Scientific Officer & President –
Biologics, Glenmark

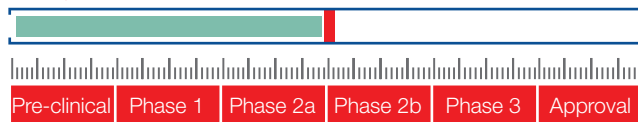
COMMITTED TO PERFORM THROUGH INNOVATION

OUR R&D PIPELINE AND HIGHLIGHTS

We are a research driven company and have a robust pipeline of 7 novel molecules – 2 NCEs and 5 NBEs in various stages of preclinical and clinical development. We are committed to R&D and will continue the same through consistent investments in research in order to generate intellectual property assets that will help address the unmet medical needs.

NCE

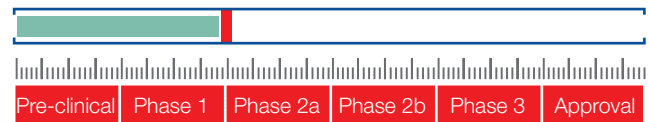
Neuropathic Pain



GRC 17536 TRPA1 Inhibitor

- Has been proven highly efficacious in treating inflammatory and neuropathic pain in animal models
- Has shown positive data in a Phase 2a proof-of-concept study in patients with painful diabetic neuropathy conducted in Europe and India
- Glenmark has submitted an IND for a Phase 2b dose range finding study with the US FDA

Osteoarthritic Pain

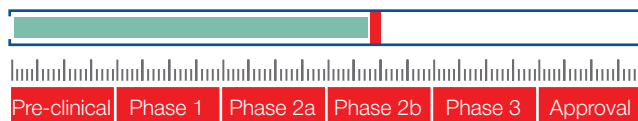


GRC 27864 mPGES-1 Inhibitor

- A potent, selective, and orally bioavailable inhibitor of microsomal prostaglandin E synthase-1 (mPGES-1), a novel therapeutic target in pain management, which is up-regulated under inflammatory conditions
- Glenmark has successfully completed preclinical studies and Phase I enabling toxicity studies for GRC 27864
- A Phase I first-in-human single ascending dose and a multiple ascending dose study has been completed in the UK with no safety concerns
- A relative bioavailability study with a tablet formulation has been completed

NBE

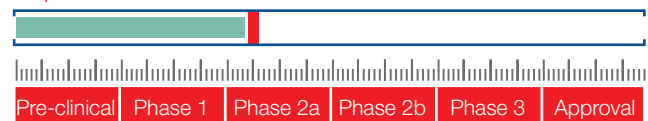
Autoimmune Indications



Vatelizumab (GBR 500) VLA-2 Antagonist

- GBR 500, a monoclonal antibody, is an antagonist of the VLA-2 (alpha2-beta1) integrin
- The antibody was out-licensed to Sanofi in May 2011
- A Phase 2 study with accompanying long terms safety extension was conducted by Genzyme/Sanofi in Relapsing Remitting Multiple Sclerosis
- During a planned interim analysis in October 2015 the pre-defined primary efficacy endpoint of the study protocol has not been met and treatment was discontinued
- Sanofi subsequently terminated the GBR 500 licensing agreement

Atopic Dermatitis

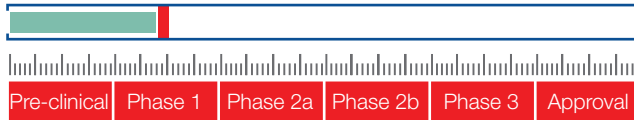



GBR 830 OX 40 Antagonist

- First anti-OX40 monoclonal antibody, 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
- It was well tolerated in healthy volunteers and its safety and pharmacokinetics profile in healthy volunteers fully support the transition into clinical Phase 2 studies
- Glenmark has an open IND at the US FDA and Health Canada approval under which a Phase 2a study in atopic dermatitis is currently ongoing

NBE

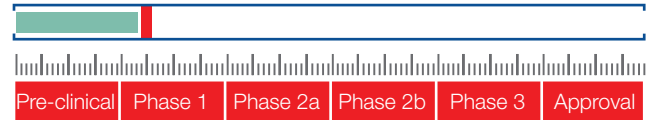

Chronic Inflammatory Pain

GBR 900

TrkA Antagonist

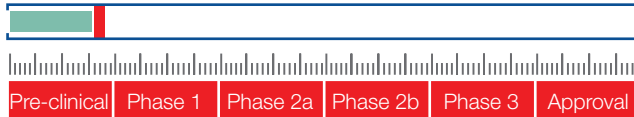
- GBR 900 is the first anti-TrkA monoclonal antibody to enter clinical development
- TrkA is part of the NGF-TrkA axis, a validated and novel pain receptor system for treatment of chronic pain
- Phase I enabling toxicity studies for GBR 900 have been completed successfully
- A Phase I clinical trial is currently ongoing in the UK

Her2+Cancers Developed using Glenmark's proprietary Beat® Platform


GBR 1302

(bispecific mAb) HER2xCD3

- GBR 1302, a HER2xCD3 bispecific antibody, is the first clinical candidate based on Glenmark's proprietary best-in-class BEAT® platform and also GBR 1302 is Glenmark's first clinical candidate targeting oncology indications
- In pre-clinical studies, it has demonstrated superiority over current antibody therapies against most HER2 positive cancers, including breast cancer
- Glenmark has an approval to conduct Phase 1 clinical trials for GBR 1302 from the Paul Ehrlich Institute (PEI), Germany, and is actively recruiting
- In order to enroll patients in the United States, an IND submission to the US FDA is targeted for Q3 FY17

Multiple Myeloma Developed using Glenmark's proprietary Beat® Platform

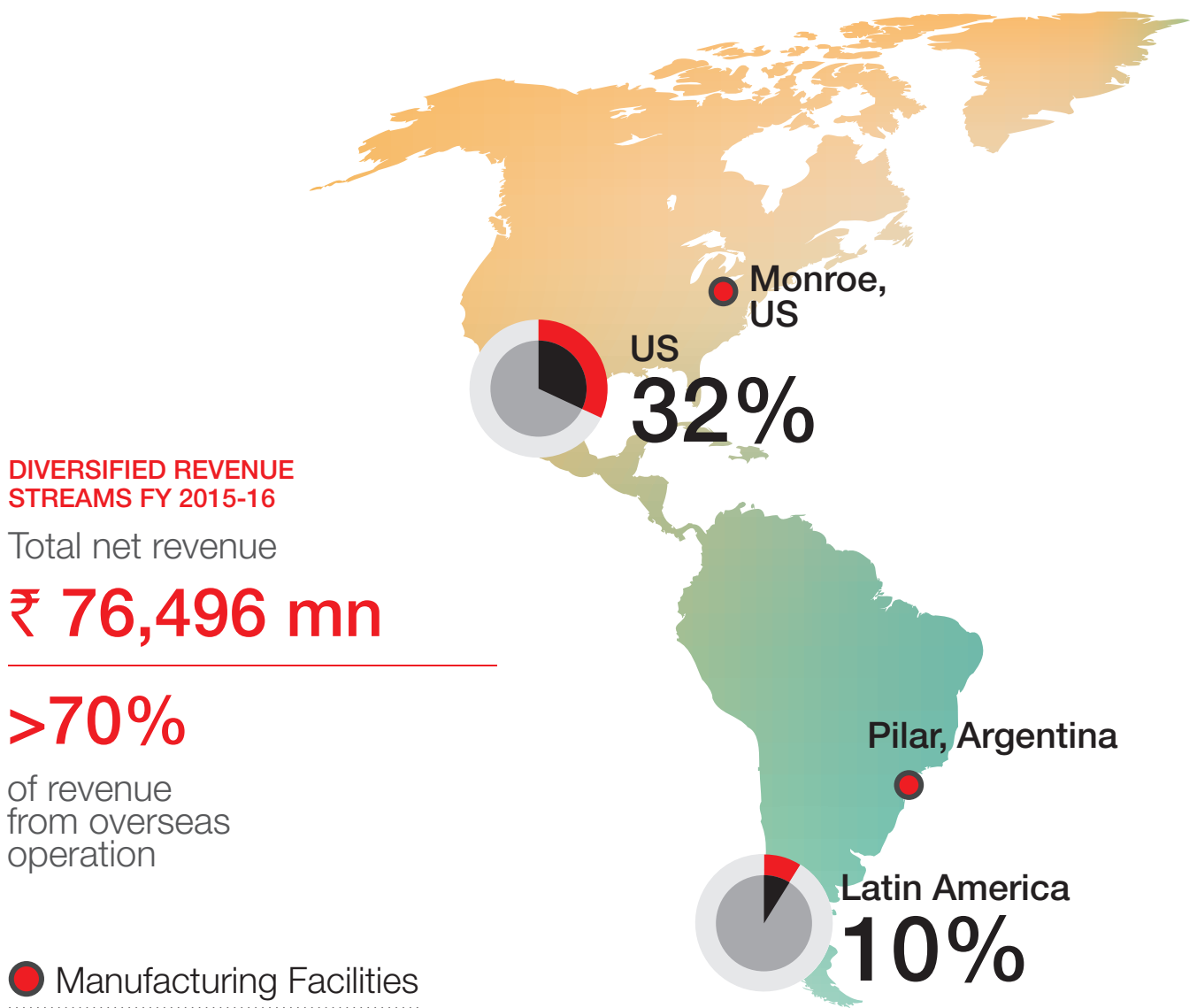

GBR 1342

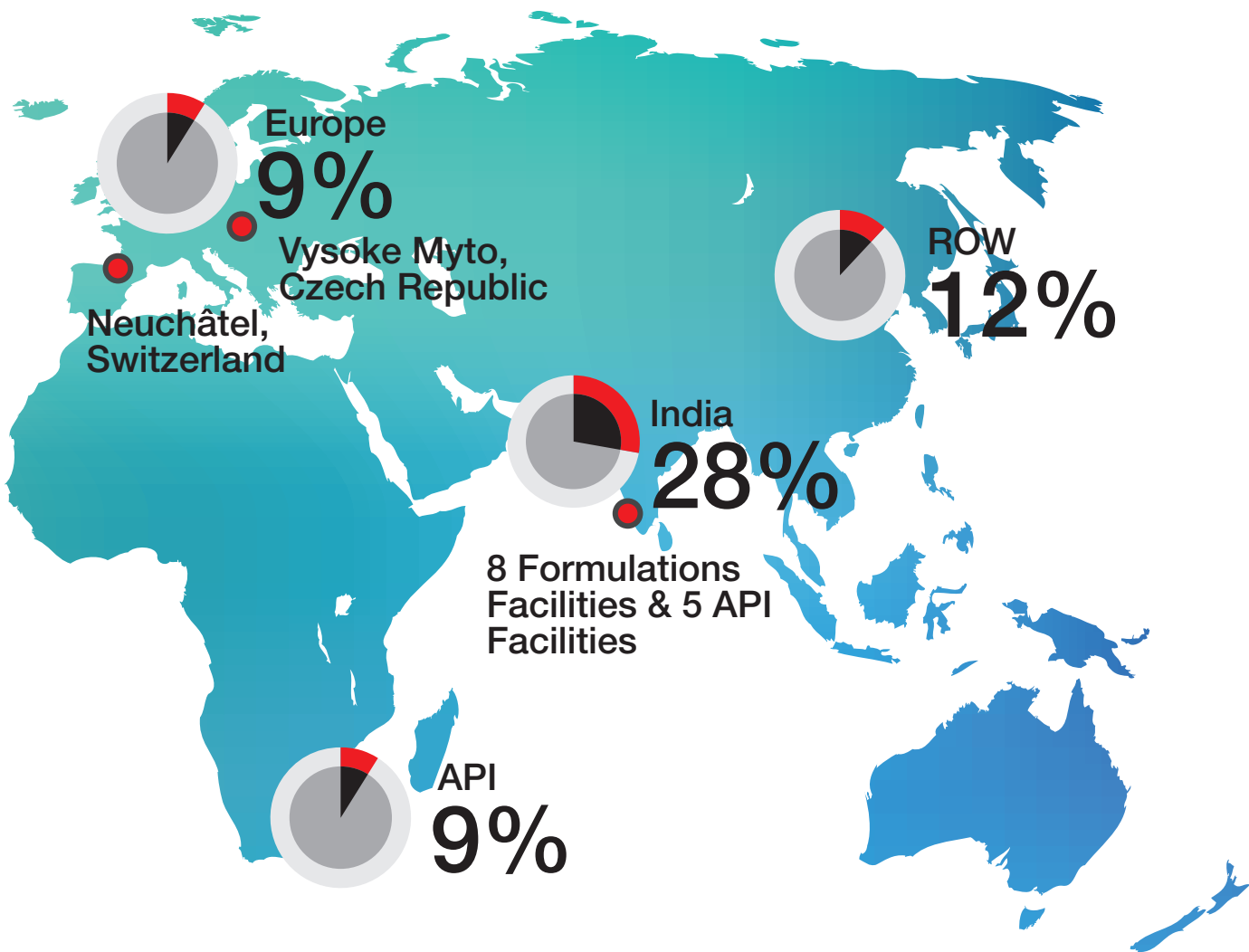
(bispecific mAb) CD38xCD3

- GBR 1342 is a CD38xCD3 bispecific antibody based on Glenmark's proprietary BEAT® platform
- It is the second clinical development candidate based on the BEAT® technology
- It is also Glenmark's second clinical candidate targeting oncology indications
- GBR 1342 targets CD38, a target for multiple myeloma and potentially other malignancies of haematopoietic origin
- Glenmark is committed to moving GBR 1342 rapidly into clinical trials and is planning an IND submission to the US FDA in Q1 FY18

COMMITTED TO PERFORM THROUGH GLOBAL EXPERTISE

We are committed to create a new way for a new world, which is without boundaries and limitations and is healthier and happier. We have commercial presence across 5 continents, with direct presence in major markets such as India, US, EU, Brazil and Russia. We leverage our global infrastructure to market our innovative products.





COMMITTED TO PERFORM THROUGH GLOBAL EXPERTISE

US



Highlights

- Current marketing portfolio consists of 112 generic products authorised for distribution in US
- Currently 59 applications pending approval with the US FDA, of which 23 are Paragraph IV applications
- Received 24 ANDA approvals, comprised of 19 final approvals and 5 tentative approvals, the highest number of approvals received in a year so far
- In final phase of operationalising, our new formulations plant in Monroe, North Carolina is spread over 100,000 sq. ft. and will manufacture oral solids and injectables
- Received final approval for Bendamustine Hydrochloride for injection, 25 mg/vial and 100 mg/vial, the therapeutic equivalent to the reference listed drug product; Treanda®. This marks Glenmark's first injectable granted approval by the US FDA

India



Highlights

- Ranked 17th in India (as per IMS MAT March 2016)
- One of the fastest growing company in the Indian market
- 9 brands in the Top-300 brands in the Indian Pharmaceutical Market
- Launched Teneligliptin, a DPP-4 Inhibitor, for the first time in India under the brand names Ziten and Zita Plus. With the launch of Teneligliptin, Glenmark is the only company manufacturing Gliptins in India right from API to formulations
- Gained market share in major therapeutic segments like Cardiac, Respiratory, Anti-diabetic and Dermatology

Europe



Highlights

- Entered into a Strategic Development & Licensing Agreement with Celon Pharma S.A. (Celon) to develop and market a generic version of Seretide Accuhaler® product - Fluticasone/Salmeterol dry powder Inhaler in Europe upon commercialisation. As per the terms of the agreement, Glenmark has obtained Semi-exclusive Marketing & Distribution rights of the product across 15 European countries
- Launched Cilostazol and Paricalcitol, both niche products, in Germany. The products Aripiprazole and Pregabalin are the core sales growth drivers for Germany. Ranked 14th in the generics prescription business segment of Germany and is the fastest growing company in the category (Source: IMS)
- Launched Mometasone Ointment in Netherlands
- In the Central Eastern Europe region, Glenmark launched Bortezomib, Pregabalin, Aripiprazole, Dexamethasone, Magnesium Complex B, Ertom (Mometasone) Spray, Rekarnival
- In the Western Europe region, Glenmark launched Lansoprazole, Losartan, Memantine oral drop, Omeprazole in UK and in Spain Glenmark launched its first product, Desloratadine (in-house), in November and in-licensed product – Irbesartan and Irbesartan HCTZ which was launched in December

Africa



Highlights

- Demelan cream witnessed phenomenal growth in South Africa
- Dermikelp marketed by Glenmark South Africa, also witnessed remarkable growth in recent times owing to strong distribution channel
- Launched Flusort & Budesma in Nigeria, Ulceloocin in South Africa, Ibicar/s & Budesma in Kenya

Russia & CIS



Highlights

- Russia remains our largest market in the ROW region
 - Glenmark received approval for Salmecort (salmeterol & fluticasone) MDI inhaler. The approvals marks our entry into the respiratory inhaler market in Russia
 - Launched Ofломil nail lacquer, it is the first generic amorolfine to be launched in Russia
 - Also received approval for Candid Mouth Paint from Russian Dental Association
- In addition to Russia, we are also present in CIS countries such as Ukraine, Kazakhstan and Uzbekistan

Latin America



Highlights

- Brazil launched Levolutast, the first product in the market with combination of Levocetirizine and Montelukast
- Launched DIRNELID (Mometason NS 50 mcg) in Mexico and Glemont IR 10 in Caribbean region
- Launched Budesonide MDI 200 mcg and MISDAPRE RAC, combination of Levocetirizine and Montelukast, in the Mexico market

Asia



Highlights

- Our key markets are Malaysia, Philippines, Sri Lanka and Vietnam
- Launched multiple products in our core therapy categories across the Asian markets such as the Combiwave (Salmeterol and Fluticasone) inhaler and Flusort (Fluconazole) nasal spray, among others

COMMITTED TO PERFORM THROUGH A SPIRIT OF EXCELLENCE

We have built a robust, scalable and secure IT Infrastructure and have maintained highest standards of quality and adherence to every regulatory compliance requirement in the process.



QUALITY AND COMPLIANCE AS COMPETITIVE ADVANTAGE

Quality and compliance are key pillars of our phenomenal growth story. Glenmark has been following the principles over the years leading to a remarkable reputation with customers and regulatory agencies across the globe.

Our consistent focus on quality is demonstrated at every stage of our product development, manufacturing and distribution. We have been relentless in stepping up quality systems across all our research and manufacturing facilities, ensuring that our products, processes and infrastructure all measure up to international expectations. We ensure that our product quality remains consistent irrespective of the geography it is supplied. Across our geographical

presence, we strive not only to meet stringent regulations but also set new benchmarks. We endeavour to embed Quality Culture in our organisation and have taken several steps to achieve the same:

- We regularly train our personnel to enable them to implement higher standards by the day
- We have institutionalised SHARP program to increase awareness and responsibility for compliance in the organisation
- We continue to focus on Data Reliability Training and have also engaged with experts in this field to carry out trainings at all our sites
- We have made significant progress in de-risking our major product portfolio through product transfers and multi-site filings and approvals



We ensure that quality is at the core of our operations. Results of inspections by regulatory authorities have reflected our efforts.

US FDA APPROVED FACILITIES

Goa | Baddi – I | Indore | Argentina | Ankleshwar | Dahej | Aurangabad

Our commitment to quality is visible across our 17 manufacturing facilities, which are approved by various regulatory bodies. We have had an impeccable track record of regulatory approvals and compliances.

GLOBAL MANUFACTURING NETWORK

Location	Key Approvals
Ankleshwar	PMDA MHRA KFDA WHO US FDA
Argentina	UK MHRA ANVISA (Brazil) ANMAT Argentina MERCOSUR Gulf - GCC US FDA
Baddi	WHO-GMP ANVISA (Brazil) UK MHRA MCC South Africa TGA Australia NDA Uganda Ukrainian GMP DDA Nepal, FDA Ghana, CHMP Kenya US FDA
Indore	UK MHRA ANVISA (Brazil) Local FDA (CDSCO) US FDA
Dahej	US FDA
Aurangabad	US FDA
Czech Republic	Czech SUKL

Location	Key Approvals
Goa	TPD (Canada) UK MHRA Taiwan MCC (South Africa) WHO - GMP ANVISA (Brazil) Czech - SUKL Kenya Local FDA US FDA
Kurkumbh	Local FDA
Mohol	Local FDA
Monroe, US	Products being filed
Nalagarh	ANVISA (Brazil) Kenya NDA - Uganda HO - GMP Local FDA
Nashik	SA - MCC Local FDA ANVISA (Brazil) NDA - Uganda TFDA - Tanzania UAE MOH - Nigeria, Ethiopia, Congo, Oman, Ukraine INVIMA - Colombia
Sikkim	Local FDA

ROBUST IT INFRASTRUCTURE

We have implemented state-of-the-art IT Infrastructure to support our business process automation, access on the “GO” with relevant security to enhance productivity and support organisation growth.

We are investing significant amount of money and resourcing capabilities to augment and align our IT infrastructure, systems and processes with industry best practices. This will support our growing businesses and help us in constantly increasing workforce across geographies. We have built an IT platform, supporting disaster recovery to de-risk the manufacturing processes. We have implemented ‘Project Disha’ across our geographies to seamlessly integrate business with IT solutions. The best-in-class solution implementation comprises the following:

- Standardisation of IT policies and procedures across entities
- Integration of business process across functions like

- procurement, finance, sales & marketing, manufacturing, plant maintenance and product life cycle management to manage products related information across the enterprise within our SAP platform. We have established an end-to-end Master Validation Plan for delivering improved Quality Management
- Enterprise Platform for R&D, Pharmacovigilance, Regulatory Affairs and a host of other tools have been implemented to ensure greater regulatory compliance and efficiencies
 - 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
 - Rolled out solutions for communication with mobile devices for e-mail, approvals, reporting and analytics across global locations

As a major business enabler function, IT is at work 24x7 at Glenmark, and has helped us significantly in delivering results despite of the challenges.

CORPORATE RESPONSIBILITY

Our operations are conducted in a manner that is ethical, transparent, proactive, environmentally conscious and sensitive to all our stakeholders. We continuously strive to enrich the lives of the people around us and the community at large.



Glenmark employees celebrated the festival of philanthropy across 16 countries



Through our efforts in child health and sustainable livelihoods we have impacted over 6,83,000 lives. This year, 4,000 employees from over 30 Glenmark locations across 16 countries have touched lives through the Glenmark Joy of Giving initiative.

BEING SOCIALLY RESPONSIBLE

At Glenmark we are sensitive to the needs of a world faced with innumerable challenges. Through our Corporate Social Responsibility (CSR) initiatives we have the opportunity to address these challenges and make a difference. Our vision is to enrich lives for a healthier and happier world. In our CSR efforts, we hope to demonstrate our unwavering commitment to 'give back' to society.

At Glenmark, we have long recognised the need for action to improve the lives of the less privileged. We care enough to ensure our business efforts boost

social causes and go the extra mile through our CSR initiatives.

'PROJECT KAVACH' FOR CHILD HEALTH

According to the World Health Organisation (WHO), new-borns face the highest risk of dying within a few days of birth. Majority of these children can be saved by access to simple and affordable interventions. Almost half the number of early infant and child mortality is caused by malnutrition. Through Glenmark Foundation, we have initiated Project 'Kavach' which is our flagship CSR program. The word 'Kavach' means a shield and symbolises protection. The

idea is to signify that the Foundation works to protect children against diseases and provides them and their mothers' access to healthcare. The focus has been on reducing malnutrition & undernutrition, increasing immunisations and inculcating better sanitation and hygiene practices. This year in collaboration with our NGO partners, we have conducted various training workshops and capacity building of front-line health workers, medical officers, paramedics, local governing body members and caregivers. Home visits were conducted to monitor malnourished children, and counsel pregnant and lactating women. Our 'Ambulatory Service' in



Interventions for improving health in the slums of Nairobi, Kenya



Reached out to over 1,22,000 children through our various child health intervention over the years



Our interventions are spread across Madhya Pradesh, Rajasthan, Maharashtra, Himachal Pradesh and Kenya.

the remote tribal areas has helped to bridge the gap between the available medical infrastructure and the villagers. We continue to run our 'Role Model Anganwadis' and 'Community Crèches' that ensure supplementary nutrition and regular immunisation of children. To promote direct intake of micronutrients in malnourished children, we have continued to support backyard nutrition gardens. The community health libraries which have been set-up to encourage reading on appropriate health related practices have received positive response from our supported communities.

Our interventions are focused on adolescents, newly married, pregnant mothers, new-borns and children up to the age of five. We believe the right impact can be made through the approach of staying with the woman from the time she is married to when her child is of five years of age. Thus we have staged interventions at each crucial phase of a child and mother's life.

This year, we successfully concluded the 'Impact Workshop of Project Kavach' on child health in Nalagarh Block in Himachal Pradesh and Marol Pipeline, Mumbai. In the Himachal

Pradesh workshop, we unveiled a training manual for front-line health workers on maternal and child health by Hon'ble Minister for Health and Family Welfare, Himachal Pradesh, Shri Kaul Singh Thakur and in Mumbai we launched a nutrition recipe book for pregnant and lactating mothers and children.



Child Health Impact

6,18,617

lives touched through our child health interventions over the years

1,22,324

children reached out through nutrition, immunisation, and sanitation interventions

26,608

malnourished children treated

12,514

children successfully immunised

1,97,917

reached out through our sanitation campaigns

62,981

pregnant and lactating women healthcare provided

CORPORATE RESPONSIBILITY



mMitra impacting the less privileged women through innovation



Students at the Glenmark Aquatic Foundation Centre

LEVERAGING TECHNOLOGY FOR BETTER HEALTH

This year through our mMitra project, a free mobile-based Health Advisory Voice Messaging Service for pregnant women and mothers, we have reached out to over 6,000 women attending the antenatal clinic at the Sion Hospital. These voice messages are medically verified, individualised voice messages of 60-90 seconds duration in the local language, sent directly to the mobile phones of the enrolled women.

ENRICHING LIVES FOR THOSE WITH GREATER CHALLENGES

In a step towards promoting inclusive development and an opportunity to lead a productive life, we rehabilitated over 2,000 differently-abled individuals this year by providing them artificial limbs in association with Jaipur Foot.

ACCESS TO HEALTHCARE AND EDUCATION

At Glenmark we also support the advancement of education. Through our efforts, we have helped to develop better infrastructure facilities to improve the quality of education in rural tribal areas of Maharashtra. Another significant contribution is our medicine donation, which improves access to healthcare particularly to those who are remotely located.

GLOBAL JOY OF GIVING

This year, we celebrated the festival of philanthropy in over 30 of our locations across 16 countries. Our employees across the globe contributed and made a difference to children suffering from life changing illnesses, less privileged and orphan children, refugee children, people with disability, single mothers, and indigenous people and flood victims.

GLENMARK AQUATIC FOUNDATION - 'CREATING CHAMPIONS THROUGH SWIMMING'

Glenmark Aquatic Foundation (GAF) has been set-up with the aim of having a podium finish in swimming at the Olympics and other International events. To achieve this aim, GAF envisages to better various aspects of the swimming ecosystem in India. In the past year, GAF in its Mumbai Centre has coached close to 100 competitive and pre-competitive swimmers. GAF conducted coaching clinics in association with the American Swim Coaches association and certified 156 coaches. GAF also conducted learn to swim camps in the last year and trained close to over 1,025 children.

STRENGTHENING OUR GREEN COMMITMENT



Setting new benchmarks: Aurangabad received ISO 14001: 2007 certification

Environment, Health and Safety (EHS) is an integral part of our corporate responsibility. Our EHS policy ensures we operate in compliance with all regulatory requirements and there are regular audits to ensure that controls and compliances are maintained at a high standard. We recognise the potential future effects of global climate change and our efforts are focused on this cause.

Reducing water consumption and effluent discharge

We have set-up state-of-the-art effluent treatment plants at manufacturing units as well at R&D centres to ensure that the treated effluent is fully recovered and recycled back for use in plant's utilities and horticulture activities.

Ankleshwar, Dahej, Aurangabad and Mohol 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.

Enhancing our energy efficiency

Our Indian operations reduced fuel consumption in 2015-16 as compared to last year. Various energy efficiency projects were also undertaken in 2015-16. We installed a 100kWp rooftop solar plant at our R&D centre in Mahape, Navi Mumbai. The project is estimated to achieve close to 125 tonne of carbon dioxide equivalents reduction every year.

Complying with standards and specifications

We have achieved ISO 14001:2004 certification at our manufacturing facilities in Goa Main, Goa Hormone, Nashik, Indore, Baddi-I, Baddi-III, Nalagarh, Ankleshwar, Dahej, Aurangabad, Sikkim, and Pilar (Argentina). Dahej, Aurangabad, Sikkim, and Pilar (Argentina) Plants have achieved this feat for the first time this year.

Our Indore plant had established, implemented, and achieved OHSAS 18001:2007 certification in 2014-15. Ankleshwar, Vysoke Myto (Czech) and Goa plants have initiated implementation of OHSAS 18001:2007 standard.



Goa and Baddi plants awarded '15th Annual GreenTech Safety Award – 2016' in the Gold and Silver Category respectively for excellent Safety performance in the last three years by GreenTech Foundation.

OUR PEOPLE - FUELLING OUR GROWTH



At Glenmark, we strongly believe in the power of people who consistently fuel our growth. We nurture talent and provide learning and development opportunities to ensure capability building. Our people are inspired by the vision of enriching lives to create a healthier and happier world.

DIVERSITY

Our strength lies within the diverse cultures, backgrounds, skills, and experience of our global team. At Glenmark, employees from diverse backgrounds provide unique perspectives to all aspects of the business, from drug discovery to sales. Our people's ability to collaborate efficiently helps us generate creative strength and energy to take our business to the next level.

Values binding our diverse workforce

- Teamwork
- Achievement
- Respect
- Knowledge

NURTURING TALENT

Our people are at the heart of everything we do and we continuously strive to nurture the talent they bring along.

- Our organisation is driven by passion, collaboration, and performance. We provide our people the opportunity to face challenges and give them expanded roles to hone their skills at each stage of their career
- We are an innovation driven organisation and provide continuous learning opportunities to our people
- We foster the spirit of entrepreneurship within the organisation and empower our people to take decisions
- Our people are well bound and collectively celebrate achievements and milestones and uphold the values and high ethical standards of our organisation

Career and Development Opportunities:

We aim at continuous improvement of our people and strive to align their career aspirations with business agendas. We provide opportunities to accelerate learning and growth paths by providing enriched and larger responsibilities

that cut across multiple functions and geographies. We offer unique and challenging learning experiences at an early career stage, along with rich avenues to champion diversity and cross-cultural operations.

Glenmark Centre for Learning (GCL):

Our people have access to a diverse blend of internal and external programs like E-learning, On-the-Job Learning, Assessment Centres, or engagement with industry experts. GCL is a unique initiative aimed at ensuring our employees are well trained to deliver high performance at work.

Performance linked Rewards and Compensation philosophy:

We provide a balance between fixed and incentive pay thereby recognising short and long-term achievements of performance objectives aligned to organisation goals. Our robust rewards framework UExcel is designed to attract, motivate, and retain high performing individuals and teams globally.



Global Employee Base

50

Countries

60

Nationalities

12,000+

Employees



Glenmark Asia team

KEY FINANCIALS

Consolidated Financial Highlights (IFRS) (In ₹ Mn, unless otherwise stated)	2015-16	2014-15	2013-14	2012-13	2011-12
Total Revenue	76,620.03	66,502.16	60,100.37	50,188.27	40,299.04
Earning before Depreciation, Finance Cost and Tax expenses (EBDIT)	14,451.92	10,429.82	10,956.21	10,164.73	7,236.24
Depreciation and Amortisation	2,691.42	2,599.80	2,167.95	1,270.09	978.78
Profit for the year	7,019.05	4,752.40	5,456.03	6,230.00	4,643.07
Equity Dividend	200%	200%	200%	200%	200%
Equity Share Capital	282.16	271.29	271.22	270.85	270.53
Reserves and Surplus	42,420.30	29,732.07	29,561.58	27,359.40	23,745.77
Net Worth	42,702.46	30,003.36	29,832.80	27,630.25	24,016.30
Total Debt	39,881.06	37,999.32	32,669.72	27,648.69	22,445.01
Gross Fixed Assets	50,885.49	42,016.55	37,786.47	32,968.40	28,384.24
Net Fixed Assets	39,075.27	32,704.42	30,356.89	27,682.09	24,247.59
Total Assets	111,026.36	96,875.06	86,336.03	71,710.03	58,834.27
Market Capitalisation	224,118.22	213,237.52	153,485.47	125,283.36	83,230.25
Number of Equity Shares	282,158,156	271,294,553	271,223,653	270,853,653	270,535,503
Closing price as on 31st March (BSE) (₹)	794.30	786.00	565.90	462.55	307.65
Key Indicators					
Basic Earnings Per Share (₹)	25.01	17.52	20.01	22.71	17.03
Debt: Equity ratio	0.93	1.27	1.10	1.00	0.93
Return on Capital employed (EBIT/ Net Worth)	27.54%	26.10%	29.46%	32.19%	26.06%

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,
BD 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, Chandok & Co. LLP
Chartered Accountants, Mumbai

COST AUDITORS

Sevekari, Khare and Associates,
Cost Accountants, Mumbai

SOLICITOR

Trilegal, Mumbai

REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.,
Karvy Selenium Tower B, Plot No 31 - 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032

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 & 9, Colvale Industrial Estate,
Bardez - 403115, Goa

- Unit - I, Village Kishanpura, Baddi-Nalagarh Road,
Teh Baddi, Dist. - Solan, HP - 174101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh,
Dist. - Solan, HP - 174101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road,
Dist. - Solan, HP - 174101
- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone
Area, Pithampur, Indore 454775, Madhya Pradesh
- 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
- Plot No. B-25, Five Star MIDC, Shendra,
Dist. - Aurangabad, Maharashtra
- 4147 Goldmine Road, Monroe, NC 28110, US

API

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

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

MANAGEMENT DISCUSSION & ANALYSIS



Glenmark Russia team

GLOBAL ENVIRONMENT

The global economy growth is, currently estimated at 3.1% in 2015 and is projected at 3.4% in 2016. The pickup in global activity is projected to be more gradual especially in emerging market and developing economies. The subdued growth was due to emerging markets and developing economies—which still account for over 70% of global growth—declined for the fifth consecutive year. In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies remains diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual

improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks. Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalised slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

The Indian economy continued to record good economic growth at around 7.2%. India's GDP grew 7.6% in the year under review powered by a rebound in farm output, and an improvement in electricity generation and mining production in the fourth quarter of the fiscal. The low oil prices helped the Indian economy as India is a huge importer of oil. Inflation is

also well under control and the economy is on a strong platform for sustained growth over a period in time. However there needs to be an increased reform to boost industrial growth in the country which in the last six months has come down sharply due to poor demand conditions and high interest costs. Also due to the weakening of currencies across emerging markets and the Indian currency remaining relatively stable, exports from the country were also under pressure.

GLOBAL PHARMA SCENARIO

Reports suggest that the medicine use is expected to increase by over 24% from 2015 to 2020 to reach 4.5 trillion doses in 2020 and a value of USD 1.4 trillion. Increased usage by emerging countries and increase of volumes in developed markets is projected to be the reason for this. While the developed markets would continue to use branded and speciality medicines the pharmerging markets would use more non-original brands, generics and over the counter

products. Furthermore, the adoption of newer medicines will remain higher in developed markets than in pharmerging markets.

The spending on medicines in the region is anticipated to reach USD 560 – 590 billion by 2020, an increase of about 34% compared to 2015. The growth is expected to be driven by innovation, price increase and the impact of loss of exclusivity.

The US is the largest pharmaceutical market of the world accounting for approximately 35% of the global share. The patent cliffs in the US market has been less than historical. The number of Indian and Chinese companies operating in the US has increased year on year which has led to significant price erosion in the generics market. The consolidation in supply chain has also led to continued pressure on margins and working capital. The GDUFA metrics has played out during the year with the number of approvals increasing significantly.

The growth in spending on medicines in pharmerging markets by 2020 would be about USD 125 billion primarily driven by wider use of medicines. The per capita increase in volume and spending is expected to result from the strong commitment by government to widen the access to healthcare and the expanded private insurance in these markets.

It is predicted that, as the investment in research and development made in the last two decades emerge, an increase in the number of innovative drugs will drive transformation of disease treatments in 2020. It is expected that medicines used by 2020 would comprise of the 940 New Active Substances (NAS) introduced in the past two decades indicating

that more than 200 NAS would be introduced over the period of next 5 years with cancer treatments being the largest category.

Over the years, the global regulatory environment has evolved significantly. Strong focus on quality and compliance would be key for long term successes of organisations. For sustained growth it would be imperative for organisations to become more sensitive and proactive towards compliance. It is observed that the reputation risk associated with non-compliance is not restricted to the country of origin but spill over effects are observed across businesses.

FINANCIAL SUMMARY

Material Consumed and Purchase of Traded Goods:

Cost of Material consumed including Finished goods purchased were at ₹ 23,009.12 Mn as against ₹ 18,771.60 Mn in the previous year and as a percentage to sales was at 30.44% as against 28.60% of previous year.

Employee Cost:

Employee Cost was at ₹ 13,772.34 Mn as against ₹ 12,126.06 Mn an increase of 13.58% mainly attributed to increase in heads 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 and R&D Expenses.

The Expenditure increased to ₹ 24,479.95 Mn as against ₹ 22,585.62 Mn an increase of 8.38%. 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 decreased to ₹ 2,517.63 Mn as against ₹ 3,004.07 Mn during the year.

Finance Costs:

Interest Expenses showed a marginal decrease of 5.92% at ₹ 1,788.85 Mn as against ₹ 1,901.50 Mn.

Profit After Tax:

Profit after tax for the year was ₹ 7,199.09 Mn as against ₹ 2,094.75 Mn in the previous year.

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 2016 subject to the approval of shareholders.

Equity Capital:

The equity capital has increased from ₹ 271.29 Mn in FY 15 to ₹ 282.16 Mn in FY 16 due to allotment of equity shares on conversion of stock options and allotment of equity shares under preferential allotment.

Accounts Payable:

Accounts Payable decreased marginally to ₹ 19,407.86 Mn (PY ₹ 19,480.37 Mn).

Current Tax Liabilities:

Current Tax Liabilities decreased to ₹ 708.41 Mn (PY ₹ 924.58 Mn).

Short Term Borrowings:

Short Term Borrowings increased to ₹ 7,874.18 Mn (PY ₹ 3476.00 Mn).

MANAGEMENT DISCUSSION & ANALYSIS

Cash and Bank Balance:

Cash and Bank balance increased to ₹ 8,692.44 Mn (PY ₹ 7,758.80 Mn).

Account Receivables (Net):

Accounts Receivables decreased to ₹ 24,926.46 Mn (PY ₹ 25,117.65 Mn).

Inventory:

Inventory increased to ₹ 15,677.60 Mn (PY ₹ 12,690.39 Mn) mainly to support the increase in sale of formulation and API business.

Other Current Assets:

Other Current Assets increased to ₹ 1,144.15 Mn against ₹ 210.34 Mn in the previous year.

Tangible Assets (Excluding CWIP):

The gross block increased to ₹ 23,007.26 Mn (PY ₹ 18,666.22 Mn).

Intangible Assets (Excluding CWIP):

The value of Intangible Assets increased to ₹ 19,423.32 Mn (PY ₹ 15,708.77 Mn).

BUSINESS REVIEW

India Formulations

During the year under review, the India Formulations business performed well registering revenue of ₹ 21,092.74 Mn (USD 322.91 Mn) as against ₹ 17,489.53 Mn (USD 285.92 Mn) recording growth of 20.6%. As per IMS MAT Mar 2016, Glenmark's India business maintained its rank at 17, compared to MAT Mar 2015. During the year under review, Glenmark increased its market share by 0.12% exhibiting value growth of 20% vis a vis IPM growth of 14%. The IF business continued its focus on the four therapy areas viz. Dermatology, Respiratory, Cardiology and Diabetes. The business records majority of its revenue from these four therapy areas and has increased market share in all these four therapy areas.



Sujesh Vasudevan, President & Head India Business, announcing the launch of Teneligliptin in India

One of the key launches for Glenmark in India during the year was the launch of Teneligliptin – a DPP-4 inhibitor used for the treatment of Diabetes. DPP-4 inhibitors or gliptins, are a class of oral hypoglycemics that are used to treat diabetes mellitus type 2.

Teneligliptin, is a selective DPP-4 inhibitor that is used in the treatment of type 2 diabetes mellitus when satisfactory improvement cannot be achieved through diet and exercise, or through first line of treatment using Metformin. It suppresses glucagon release and increases insulin release, subsequently lowering blood-glucose levels by selectively inhibiting the activity of dipeptidyl peptidase-4 (DPP-4), an enzyme that inactivates glucagon-like peptide-1 (GLP-1), a hormone excreted from the gastrointestinal track in response to food. Teneligliptin has been highly effective in decreasing postprandial glucose levels, amount of glucose in the blood after meals, as well as fasting blood glucose levels, with a once-a-day administration.

We launched Teneligliptin in India under two brands Ziten and Zita Plus. This advanced diabetes treatment drug was launched at an affordable cost in India and has already emerged as a highly popular anti-diabetic therapy in the country. Further we were the only company that started manufacturing Gliptins in India, right from API to formulations and paved the way for many other Indian companies to launch the product. By launching Teneligliptin at an affordable price, we have not only made huge inroads into the diabetes segment in India but we have also brought many more patients in the advanced Gliptin therapy fold across the country.

Growth across therapeutic categories

Glenmark continued to strengthen its presence across therapeutic segments with considerable increase in market

share from IMS MAT 2015 to IMS MAT 2016 respectively:

- Dermatology segment market share rose from 7.92% to 8.59% for the year under review

- Cardiology segment market share improved from 3.72% to 3.97%
- Diabetes segment market share increased 2.03% to 2.19%
- Respiratory segment market share went up from 3.80% to 4.12%

Brands in IPM Top 300

- Glenmark's brand Telma (Telmisartan) secured its position among the Top 40 brands in IPM with currently being ranked at 36 and recording a value growth of 28%
- Telma-H (Telmisartan Hydrochloride) was ranked at 77th in IPM clocking a value growth of 17%
- Glenmark's brands Ascoril+ (IPM rank 126), Candid B (IPM rank 134), CANDID (IPM rank 146), Telma-AM (IPM rank 211), Alex Plus Cough (IPM rank 244) and Ascoril-LS (IPM rank 259) are some of the other brands among the Top 300 brands in IPM 300 brands league

NEW PRODUCT LAUNCHES

- Glenmark launched Episoft OC for Oily to Acne Prone Skin



Episoft OC™ CLEANSING GEL



Product launches in India

- In the derma segment, Glenmark launched IFIN 250 cream
- In the hair care segment, Glenmark launched Hair4U Shampoo and Hair4U Conditioner
- Glenmark launched Diziron D in a mouth dissolving form
- In the cardiology segment the company launched Eptus-T razel- A telma- ACT
- In the diabetics segment, Glenmark launched Teneligliptin under the brand

name Zita plus and Ziten. It also launched the Teneligliptin + Metformin combination

DOCTOR/PATIENT EDUCATION PROGRAMS

- Glenmark launched its new initiative called 'Fungal Free Nation'. This is an innovative concept which focuses on conducting in-clinic education on diagnosis of various skin conditions for family physicians. During the year over 5000 in-clinic education program was conducted
- The GEEX (Glenmark Enabled Expert Exchange) continued to gain a good response. This is a unique platform for the fraternity of Dermatologists in India to share their clinical acumen, expertise and experience while managing patients of acne in day to day clinical practice
- Another new initiative was introduced to understand the science behind cough called 'Ascoril Coughology'. The division completed seven case studies including various types of cough. The case studies provide interesting insights for the doctors as the issue of cough is not taken as seriously as other medical conditions



Marking the success of Glenmark's on-going initiative to raise the environment standards in every area, Glenmark's API facility at Ankleshwar received ISO 14001:2004 certification

MANAGEMENT DISCUSSION & ANALYSIS



Members of Glenmark India Formulation & Middle East Africa team at their Brand Plan 2016 meet

- Once again on World Heart Day (September 29), a huge initiative all across the country was launched to spread awareness about a healthy heart. A number of screening camps was conducted all over the country and over 10,000 people benefited from this initiative
- On the issue of hypertension during the Hypertension Control Month (HCM), a number of educational initiatives were launched with multiple touch points, including a series of clinical activities and patient awareness
- Glenmark actively conducts patient education and detection camps for disorders and diseases impacting large population. To increase awareness about bone movement and health, more than 2.1 lac patients were screened for determining their Bone Mineral Density (BMD). In addition to this, Glenmark also conducted Diabetes Detection Camps with a

view to raise awareness on diabetes management in India

- The company conducted the Hope-Action-Change initiative which aimed at educating patients and also

introduced a free starter therapy for psoriatic patients by conducting free camps across 100 major medical institutes across the country



Glenmark Nalagarh team received ISO 14001: 2004 certification

US FORMULATIONS

During the year, Glenmark Pharmaceuticals Inc., US registered revenue from the sale of finished dosage formulations was at ₹ 24,203.2 Mn (USD 370.53 Mn) for FY 2016 as against ₹ 20,397.66 Mn (USD 333.46 Mn) for the previous year, recording 18.66% growth.

It has been a milestone year for the US business as it received the highest number of approvals in any given year. The US business was granted a total of 24 ANDA approvals – 19 final approvals and 5 tentative approvals; consisting of a mix of injectables, semi-solid preparations, oral contraceptives, delayed release and immediate release tablets. Of the 19 approvals we received, nine were hormones/oral contraceptives and two derma approvals. Even though we received a number of approvals during the year under review, a majority of the approvals were very small opportunities and thus the expected traction was much limited than anticipated. Also one major setback was the loss of the Azaelic acid litigation which would be a sole FTF for the US business had we won the litigation. The loss of this litigation impacted our US numbers overall. During the year, the Company was granted final approval for Bendamustine Hydrochloride for injection, 25 mg/vial and 100 mg/vial, the therapeutic equivalent to the reference listed drug product; Treanda® for Injection, 25 mg/vial and 100 mg/vial, of Cephalon, Inc. This marks Glenmark's first injectable granted approval by the US FDA.

During the year under review, we filed 13 ANDAs with the US FDA. Of the 13 products filed with the FDA, 5 were dermatology products reinforcing our strength in this segment. We now have



Glenmark US plant project team

Work is underway full swing at Glenmark's upcoming manufacturing facility in Monroe, North Carolina, United States. Spread over 100,000 sq. ft. the state-of-the-art manufacturing facility has been designed to manufacture oral solids dosage (OSD) and injectables. This is the company's first manufacturing facility in North America and would be dedicated exclusively for the US market.

On commencement, the oral solid facility is expected to have a capacity of 300-400 million tablets and capsules per annum. The injectable unit is estimated to have an annual capacity of 20-25 million vials and pre-filled syringes.

The high tech facility is nearing completion with 90% of the OSD line built-out currently executed. The next milestone for the facility

would be the completion of Phase II of the facility and the approval of the site by the US FDA. The Monroe facility will operate under quality by design and a continuous improvement validation model. The company has also partnered with the city of Monroe and state of North Carolina for ISO 9001 and ISO 45001 Certifications as well as Occupational Health Administration (OSHA) accreditation for all on-site employees.

a total of 15 dermatology products pending for approval with the US FDA and clearly have one of the best pipeline in terms of generic dermatology products for the US market. Our dermatology range of products will

continue to drive growth for the US generics business.

Glenmark's marketing portfolio through March 31, 2016 consists of 112 generic products authorised for distribution in

MANAGEMENT DISCUSSION & ANALYSIS



Product launches in the US

the US market. Currently, the Company has 59 applications pending in various stages of the approval process with the US FDA, of which 23 are Paragraph IV applications.

FIRST-TO-FILE OPPORTUNITY ON EZETIMIBE

Glenmark has continued to explore and leverage first-to-file opportunity for

the US market. One such upcoming opportunity is Ezetimibe the generic version of Merck-Schering Plough's cholesterol-lowering drug with the product name Zetia. The product has achieved blockbuster status (sales >USD 1.0 billion) for multiple years. Zetia is formulated as a 10mg tablet that is taken once daily with or without food and inhibits the absorption of

dietary cholesterol in the intestine. It is prescribed as a mono-therapy for patients who do not tolerate other cholesterol-lowering medications, or together in combination with statins in patients whose cholesterol is not well controlled by statins. The current market size of Zetia is approximately USD 2.4 billion.

Glenmark has a first-to-file opportunity for Zetia. In 2010, the company settled its litigation with the innovator company (Merck) which provides for a 6-month exclusivity starting December 12, 2016. Glenmark has a distribution partnership with Par Pharmaceuticals, Inc. ("Par Pharma") on Generic Ezetimibe. This is clearly one of the biggest launches for the Company in the upcoming financial year.

PRIMARY CATEGORY	ANDA's Pending with FDA	Authorised to Distribute	TOTAL	
			Product Totals	Total Market Value (USD)
Immediate Release	31	48	79	33,726,171,156
Hormones	5	20	25	2,349,238,453
Injectables	7	1	8	2,668,860,569
Dermatology	15	20	35	2,913,346,553
Others	5	13	18	1,824,266,899
TOTAL	63	102	165	43,481,883,630
P IV Filings	22	0	22	19,728,296,294

As on June 2016
USD numbers are in thousands

Source: IMS Health April 2016

REST OF THE WORLD

Glenmark's revenue from the ROW (Russia/CIS, Africa & Asia) region for the year under review was ₹ 9032.54 Mn (USD 138.28 Mn) as against ₹ 8123.29 Mn (USD 132.80 Mn) in the previous year, recording a 11.19% increase.

RUSSIA/CIS REGION

The economic environment in Russia significantly dampened the overall demand conditions for the pharma industry. Moreover the oil crisis impacted the Russian currency significantly. Thus during the year even though the Russia business grew in constant currency, our business was severely hampered during the year under review.

As per IMS MAT March 2016 data, Glenmark Russia ranked 51 in the retail segment of the market. In the dermatology segment, the company grew by 14.1% in value as per IMS whereas the overall dermatology market recorded a growth of 7.2% in value as per MAT March 2016. Glenmark now ranks 14 among all dermatology companies in Russia.



Glenmark Ukraine team

During the year, Glenmark received approvals for Glenbecar MDI, Glenspray with Azelastine NS, Caponko tabs (Capecitabine tabs), Momat Rino Advance, Deriva CMS Gel, Carbohope for injection, Erupnil Tab and Erupnil Plus Tab in Russia. In the CIS region, Glenmark received approval for Flusort F DPI for the Ukraine market. Glenmark received approvals for Deriva-C MS gel,

Glemont CT, Ascorig tabs, Momate A NS, Momat Rino NS for the Kazakhstan market and Momat Rino NS, Kerawort cream and Momat A NS 150 MD in the Ukraine market. Glenmark also received approvals for Ascorig tabs N 20 and Glencet Advance N in the Uzbekistan market.

AFRICA REGION

During the year under review, the Africa business performed well. The units of South Africa and Kenya recorded secondary sales growth of 15% and 35% respectively. During the year, Glenmark launched Linotar, Evarmiles and Ulcelocin in South Africa; Ibicar/s and Budesma in Kenya, Flusort and Budesma in Nigeria and Ibicar in Uganda and Tanzania.



Members of Glenmark South Africa team

MANAGEMENT DISCUSSION & ANALYSIS



Members of Glenmark Asia team

ASIA REGION

The Asian region rebounded strongly during the year under review. The region recorded secondary sales growth of over 25%. The units of Malaysia, Philippines and Vietnam recorded secondary sales growth of 31%, 35% and 52%

respectively. Malaysia, the largest subsidiary of the company in the Asian region launched products like Ibicar and Combiwave FB. The Philippines subsidiary launched a series of products viz. Flusort Nasal Spray, Vwash, Flusort, Glemont and Onabet while the Myanmar

subsidiary introduced Halovate and Glenlipid. The Sri Lankan subsidiary launched Combiwave SF and Flusort NS and our subsidiary in Vietnam launched Combiwave SF and Flusort. Each of the main operating subsidiaries in the region grew faster than the overall market growth.



Glenmark UK team

EUROPE FORMULATIONS

The revenue from Glenmark's Europe operations for FY 2016 was at ₹ 7170.66 Mn (USD 109.78 Mn), compared to ₹ 6445.33 Mn (USD 105.37 Mn) in the previous year, recording 11.25% growth.

During the year, Glenmark concluded licensing agreement with Celon Pharma S.A. to develop and market a generic version of GlaxoSmithKline's Seretide Accuhaler, a Fluticasone/Salmeterol dry powder inhaler, in Europe. The Company has obtained semi-exclusive marketing and distribution rights for the product in 15 European countries, including the UK, Germany, the Netherlands, Italy, Sweden, Norway and Romania, among others. It has already filed the product

in seven countries, including markets in the Nordic region as well as Germany, and the Company is in the process of filing in several other countries. Glenmark expects to launch the product in the next one to two years, subject to regulatory approval.

Glenmark's Central Eastern Europe region performed well during the year

KEY LAUNCHES DURING THE YEAR IN EUROPE

Molecule	Licensor	Launch country
Mometason Ointment	In-house	Netherlands
Tramadol-Paracetamol	In-licensed	Slovakia
Miglustat	In-licensed	Czech Republic
Rasagline	In house	Germany
Entacapaone Dopa	In-licensed	Czech Republic, Slovakia
Memantine Oral Solution	In-licensed	UK
Aripiprazole	In-licensed	Czech Republic, Slovakia, Poland
Bortezomib	In-licensed	Romania, Poland, Czech Republic, Slovakia
Mometasone NS	In-licensed	Poland, Netherlands
Losartan	In-licensed	UK
Pregabalin	In-licensed	Czech Republic, Slovakia
Entacapaone Dopa	In-licensed	Romania
Desloratidine	In house	Spain
Lansoprazole	In-licensed	UK
Omeprazole	In-licensed	UK
Panthe baby	In house	Czech Republic
Perindopril	In house	Netherlands
Clopidogrel	In house	Netherlands
Irbesartan	In-licensed	Spain
Irbesartan+HCT	In-licensed	Spain
Telmisartan HCT	In house	UK, Netherlands
Rasaglin	In house	UK
Dexamethason	In-licensed	UK
Rasaglin	In-licensed	Germany



mainly driven by launch of in-licensed products.

During the year Glenmark launched 24 products in the European region including 16 in-licensed products from several companies.

Glenmark's Western Europe Formulations business continued to perform strongly.

The Company continued to remain among the Top 50 fastest growing generic companies in Germany, outpacing the market significantly as per IMS. Glenmark ranked 14th among generic companies in the market (Rx sales value February 2016). In the Netherlands, the Company recorded good growth over the previous corresponding quarter.



MANAGEMENT DISCUSSION & ANALYSIS



Glenmark Mexico team

LATIN AMERICA

During the year under review, the Latin America business registered revenue of ₹ 7495.06 Mn (USD 114.74 Mn) as compared to ₹ 7640.00 Mn (USD 124.90 Mn), recording a decline of -1.90%.

This has been an extremely tough year for the Latin American business. Majority

of our sales in this region is generated by the Brazil and Venezuela subsidiary and the economic environment in these countries was impacted severely. The demand conditions in Brazil deteriorated due to the tough economic environment on account of weak commodity prices. During the year under review, the Brazilian Real depreciated significantly which put further pressure on the overall

Latam business. Even the Venezuela business was hit due to the low oil prices throwing the country in deep economic turmoil. In the last few years, your company was doing well in the region and the Brazilian subsidiary was close to breakeven. However in this year losses from the unit increased significantly. However in constant currency the Brazilian subsidiary still recorded double digit growth. In Venezuela we faced a completely different situation. There was good demand for medicines and we were also receiving our payment from the distribution channel but because of the foreign currency issue faced by the country we were unable to repatriate any money out of the country. Thus large amounts of money is locked up in the subsidiary in the form of cash in local currency. Because of this, we were forced to stop shipments to the country during the year under review and we are watching the situation on a constant basis.

Some product launches during the year was as follows – The Brazil subsidiary



Glenmark Brazil team

launched Levolumast in the country. This is the first time a combination of montelukast and levocetirizine was launched in the country. In the Mexico region, Glenmark launched Lasderma Airless, JAGODI (Budesonide MDI 200 mcg), MISDAPRE RAC (Montelukast 10 mg + Levocetirizine 5 mg), DIRNELID (Mometasone NS 50 mcg). The company launched Celamina Zinco, Celamina Ultra, Glemont CT 4, Acnipop and Glemont IR 10 in Peru. In Ecuador, Glenmark launched Celamina Zinco, Celamina Ultra, Combiwave; Glemont IR 10, Glemont L; Momate AZ; Momate NS, Candid Powder, Acnipop, Glemont CT 4 and Glemont CT 5.

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

Revenue from sale of API to regulated and semi-regulated markets globally was ₹ 6682.88 Mn (USD 102.31 Mn) during the year as against ₹ 6052.82 Mn (USD 98.95 Mn) for the previous year, recording 10.41% increase in terms. Glenmark successfully received acceptable status for all its API manufacturing facilities.

During the year, Glenmark successfully completed inspection of the Ankleshwar facility by the Mexican Health agency (COFEPRIS). The business continued to record strong sales for products like Lercanidipine, Amiodarone and Olmesartan.

APIs are the principal ingredients for finished dosages and are also known as bulk actives or bulk drugs. APIs become formulations when the dosage is administered by using additional inactive ingredients either in oral forms such as tablets, capsules, dry syrups or liquid orals or in sterile forms like injectable dry powder vials or liquid injectables. In addition to fulfilling captive API requirements, the



Company also markets and supplies its API products to leading generic manufacturers in the US, Europe and Japan. Glenmark's API product portfolio comprises Lercanidipine, Amiodarone, Rosuvastatin, Linezolid, Perindopril, Adapalene and Atovaquone, among others. As at March 31, 2016, the Company has filed over 190 DMFs in various markets, including 87 DMFs for the US market. As at March 31, 2016, the Company had filed over 65 DMFs for the US market.

OUTLOOK

Despite the challenging economic situation in most emerging markets including the volatile currencies, Glenmark continues to remain positive on the long term growth prospects in key emerging markets. The focus in emerging markets will be to continuously invest in product pipeline namely the areas of dermatology, respiratory and the oncology segment. While Glenmark will contain its new investments in emerging markets it will continuously focus on building the product pipeline in these

therapy areas. The US remains the most important market for Glenmark and the organisation continues to invest significantly in this market. All the incremental R&D resources are being invested in the US market and this region will be a key driver for growth in the future. On the generics front, Glenmark will continuously file products in the area of dermatology and injectables including complex injectables. On the discovery front, the pipeline is progressing well with 7 molecules in clinical or pre-clinical development. The company will also continue with its approach of out-licensing its molecules. Your organisation has done a good job in balancing the pipeline with novel biologics molecules and small molecules as compared to a few years when the pipeline was made up of only small molecules. Going ahead, the organisation will continue to lay equal emphasis on small molecules as well as biologics and will continue to focus on discovering primarily first-in-class molecules globally for unmet medical needs.

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 COMMERCIALY SUCCESSFUL NEW PRODUCTS

Risk description: Risk that R&D will not deliver commercially successful new products

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

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

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

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

Mitigating activities include

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

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

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

ENSURING PRODUCT QUALITY

Risk description: Risk to the patient or consumer as a result of the failure by the Company, its contractors or suppliers

to comply with good manufacturing practice regulations in commercial manufacturing or through inadequate governance of quality through product development

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

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

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

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

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

Mitigating activities include

The Company has adopted a single Quality Management System (QMS) that defines Corporate quality standards and systems for the business units associated with Pharmaceuticals products & 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.

SUPPLY CHAIN CONTINUITY

Risk description: Risk of interruption of product supply

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

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

Materials and services provided by third-party suppliers are necessary for the commercial production of our products, including specialty chemicals, commodities and components necessary for the manufacture and packaging of many of the Company's pharmaceutical products. Some of the third-party services procured, for example, services provided by clinical research organisations to support development of key products, are very important to the operation of the Company's businesses. The clinical trial processes should strictly adhere to GCP standards in terms of quality, safety, procedures and other standards. Clinical trial service provider may lack in adhering to GCP standards.

Although the Company undertakes business continuity planning, single sourcing for certain components, bulk active materials, finished products, and services creates a risk of failure of supply

RISK MANAGEMENT

in the event of regulatory non-compliance or physical disruption at the manufacturing sites.

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

Mitigating activities include

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

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

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

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

PRODUCT PRICING

Risk description: Risk that the Company may fail to secure adequate pricing for its products or existing regimes of pricing laws and regulations become more unfavourable. Pharmaceutical products are subject to price controls or pressures and other restrictions in many markets, around the world. Some governments intervene directly in setting prices. For example, In India, the government enforces price control through bringing the products under DPCO. In addition, in some markets, major purchasers of pharmaceutical products have the economic power to exert substantial pressure on prices or the terms of access to formularies. Difficult economic conditions, particularly in the major markets in Europe, could increase the pricing pressures on the Company's pharmaceutical products. Some markets follow the reference pricing for fixation of the price of the products. The price depends on the home market price or the price where the product was launched. The Company cannot accurately predict whether existing controls, pressures or restrictions will increase or whether new controls,

pressures or restrictions will be introduced. Such measures may materially and adversely affect the Company's ability to introduce new products profitably and its financial results.

Mitigating activities include

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

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Risk description: Risks arising from non-compliance with laws and regulations affecting the Company

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

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

Historically, there have been more stringent regulatory requirements in developed markets. However, in recent years, emerging markets have been increasing their regulatory expectations based on their own national interpretations of US and EU standards. Stricter regulatory controls heighten the risk of changes in product profile or withdrawal by regulators on the basis of post-approval concerns over product safety, which could reduce revenues and result in product recalls and product liability lawsuits. There is also greater regulatory scrutiny, on advertising and promotion and in particular on direct-to-consumer advertising.

Mitigating activities include

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

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

The Company's head of Regulatory oversees the activities of the Regulatory Team which includes promoting compliance with regulatory requirements and 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. Due to the economic uncertainty in emerging markets there has been a huge devaluation of the currency in certain geographies in which the Company operates. Certain geographies have imposed restrictions on the imports as well as the remittances outside the country. In addition, the Company operates across a wide range of markets and these markets have the potential to encounter natural disasters that could impact business operations.

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

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

declines in asset prices may result in a lower return on the Company's financial investments.

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

Mitigating activities include

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

COMPLIANCE WITH FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

Risk description: Risk associated with financial reporting and disclosure and changes to accounting standards

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

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

Mitigating activities include

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

COMPLIANCE WITH TAX LAW

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

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

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

RISK MANAGEMENT

debt, could impact the Company's effective tax rate and materially and adversely affect its financial results.

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

Mitigating activities include

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

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

COMPLIANCE WITH ANTI-BRIBERY AND CORRUPTION LEGISLATION

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

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

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

Mitigating activities include

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

POTENTIAL LITIGATION

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

The Company operates globally in complex legal and regulatory

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

PRODUCT LIABILITY LITIGATION

Pre-clinical and clinical trials are conducted during the development of potential pharmaceutical to determine the safety and efficacy of the products for use by humans following approval by regulatory authorities. Notwithstanding the efforts the Company makes to determine the safety of its products through regulated 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 includes accurate documentation of the exercise of careful medical governance.

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

support for Pharmaceuticals R&D, is an integral component of the system.

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

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

MANAGING ENVIRONMENTAL, HEALTH, SAFETY AND SUSTAINABILITY COMPLIANCE

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

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

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

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

Mitigating activities include

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

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

REVENUE CONCENTRATION

Risk Description: Risk of Product/ Revenue concentration

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

Mitigating activities include

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

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.

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 and Company 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 Department of Chemical Technology in Mumbai. She has also completed the General Management from the Harvard Business School in Boston. She has over 28 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 43 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 Inno Think 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 41 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 LexInde, Mumbai. He is involved in legal advisory services to various multinational and domestic corporations on restructuring, debt finance, joint ventures, acquisition/mergers, etc.

Mr. Milind Sarwate (Non-Executive Independent Director)

Mr. Milind Sarwate is a Chartered Accountant, a Cost Accountant and a Company Secretary, and was also a CII-Fulbright Fellow at Carnegie Mellon University. He has over 32 years of experience in finance, human resources, strategic planning, business development and product supply across various sectors, primarily consumer products and services, in groups such as Marico and Godrej. He is the founder and Chief Executive Officer of Increate Value Advisors LLP.

BOARD'S REPORT

Your Directors have pleasure in presenting their 38th Annual Report and Audited Accounts of the Company for the year ended 31 March 2016.

FINANCIAL RESULTS

₹ in Million

2015 - 2016		2014 - 2015		Particulars	2015 - 2016		2014 - 2015	
Standalone					Consolidated			
Indian GAAP	Indian GAAP				Indian GAAP	Indian GAAP	Indian GAAP	Indian GAAP
18,729.35	13,811.94			Profit before Finance Costs, Depreciation & Taxes	14,538.58		10,341.02	
362.24	301.89			Less: Finance Costs	1,788.85		1,901.50	
1,121.01	1,194.60			Less: Depreciation and amortization	2,517.63		3,004.07	
2,561.79	2,240.20			Less: Tax (Current Year & Deferred Tax)	3,033.01		3,340.70	
14,684.31	10,075.25			Profit after Tax	7,199.09		2,094.75	

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

DIVIDEND

Your Directors recommend a Dividend of 200% (₹ 2 per equity share of ₹ 1 each) to be appropriated from the profits of the year 2015 - 2016 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 ₹ 679.20 million (including dividend tax).

RESULTS OF OPERATIONS

On Standalone basis the Company achieved gross revenue of ₹ 62,307.81 million and the Standalone operating profit before finance costs, depreciation & tax was ₹ 18,729.35 million as compared to ₹ 13,811.94 million in the previous year.

On Consolidated basis the Company achieved a gross revenue of ₹ 75,799.99 million and the Consolidated operating profit before finance costs, depreciation & tax was ₹ 14,538.58 million as compared to ₹ 10,341.02 million in the previous year.

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 Mr. Surjan Singh Rauthan, Partner of M/s. MARK & Associates Company Secretaries LLP, on our compliance with Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Indian Stock Exchanges. This certificate is attached to the Report on Corporate Governance.

DIRECTORS

Mr. Rajesh Desai retires by rotation at ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors have recommended his re-appointment for

consideration of the Shareholders. The term of appointment of Mr. Rajesh Desai as Whole-time Director ends on 8 November 2016 on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 12 May 2016 has re-appointed Mr. Rajesh Desai as Whole-time Director designated as Executive Director for the further period of one year w.e.f. 9 November 2016 subject to approval of shareholders at ensuing Annual General Meeting of the Company.

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. N. B. Desai resigned as a Board Member w.e.f. 1 June 2015 due to his old age and health conditions. The Board placed on record its sincere appreciation for his valuable guidance and contribution during his tenure as a Board Member.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee had appointed Mr. Milind Sarwate, as an Additional Director of the Company w.e.f. 29 October 2015.

In accordance with Section 161 of the Companies Act, 2013, Mr. Milind Sarwate holds office upto the date of the ensuing Annual General Meeting of the Company and being eligible offers his candidature for appointment as Director. The Company has received a notice from a member proposing his appointment as a Director of the Company. His appointment will be in the category of Non-Executive Independent Director for a term of five years i.e. upto 28 October 2020 and not liable to retire by rotation. A resolution seeking your approval for his appointment as Director in the category of Non-Executive Independent Director has been included at Item no. 7 in the Notice of the forthcoming Annual General Meeting of the Company.

BOARD'S REPORT

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As per Section 129(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Consolidated Financial Statements of the Company and all its subsidiaries for the year ended 31 March 2016 prepared in accordance with International Financial Reporting Standards and Indian Generally Accepted Accounting Principles as permitted by SEBI forms a part of the Annual Report. Further in terms of the first proviso of Section 129(3) of the Act and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, a statement containing the salient features, performance and financial position of the subsidiaries in the prescribed Form AOC-1 is appended herewith as Annexure I to the Report.

During the F.Y. 2015-16

- Three new step-down subsidiaries were incorporated which are as under:
 - Viso Farmaceutica S.L., Spain
 - Glenmark Specialty S.A.; Switzerland
 - Glenmark Pharmaceuticals Distribution S.R.O.; Czech Republic
- Glenmark Generics Finance S.A., Switzerland got absorbed by way of a side step merger with Glenmark Holding S.A., Switzerland.

The policy for determining material subsidiaries may be accessed on the Company's website at the link:

http://www.glenmarkpharma.com/UITemplate/PDF/Policy_on_Material_Subsiidiary.pdf

The Audited Accounts of the subsidiaries together with its Board's Report and Auditors' Report are available for inspection of members on any working day at the Corporate Office of the Company between 11 a.m. to 1 p.m.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is provided in a separate section and forms a part of this report.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2, is appended as Annexure II to this report.

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

- Trilegal, a firm in which one of the Directors of the Company is a partner and the Company has paid to them ₹ 1.33 million for availing professional services;

The policy on materiality of related party transactions and dealing with related party transactions may be accessed on the company's website at the link:

http://www.glenmarkpharma.com/UITemplate/PDF/Policy_on_Related_Party_Transactions_and_its_Materiality_Glenmark.pdf

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The Auditors, M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N), were appointed as Auditors in the last (37th) Annual General Meeting for a term of five years i.e., till the conclusion of the 42nd Annual General Meeting of the Company which was subject to ratification at every Annual General Meeting till the conclusion of 41st Annual General Meeting. A resolution seeking your ratification has been included as Item No. 5 of the Notice convening the Annual General Meeting.

The Auditors Report does not contain any qualification, reservation or adverse remarks.

Cost Auditors

Your Directors, on the recommendation of the Audit Committee have re-appointed Sevekari, Khare & Associates (Registration No. 000084) as Cost Auditors to audit the cost records of the Company for the Financial Year 2016-2017 at a remuneration of ₹ 1.27 million.

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited. In terms of the provisions of the Companies Act, 2013, the remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking your ratification has been included as Item No. 6 of the Notice convening the Annual General Meeting. The Cost Audit Report for the Financial Year 2014-15 has been filed on 29 September 2015.

Secretarial Auditor

The Board had appointed M/s. MARK & Associates Company Secretaries LLP, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the financial year

ended 31 March 2016 is appended herewith as Annexure III to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

CHANGES IN CAPITAL STRUCTURE

Issue of shares on exercise of Employees' Stock Options:

During the year, we allotted 45,800 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.

Issue of Shares Pursuant to Merger

17,803 equity shares of the face value of ₹ 1 each fully paid-up issued to the public shareholders of Glenmark Generics Limited (GGL) pursuant to the Merger of GGL with the Company.

Issue of Shares on Preferential Basis

The Company had issued 1,08,00,000 equity shares of the face value of ₹ 1 each fully paid-up to Aranda Investments (Mauritius) Pte Ltd. on a preferential basis pursuant to the provisions of Section 62 of Companies Act, 2013 and other applicable provisions, if any.

As a result of the above, the outstanding issued, subscribed and paid-up equity shares increased from 27,12,94,553 to 28,21,58,156 shares as at 31 March 2016.

Employee Stock Option Scheme

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

No employee was issued Stock Options during the year. As on 31 March 2016, 34,500 options were cancelled and 84,500 options are 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.

Further, the Board of Directors of the Company at its meeting held on 12 May 2016 has approved, subject to the shareholders' approval and other necessary approvals, a new Scheme 'Glenmark Pharmaceuticals Limited - Employee Stock Options Scheme 2016' ("ESOS 2016") under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, Regulations, etc. for the purposes of granting options to the permanent employees of the Company and its subsidiaries, as applicable. Approval of the shareholders in this regard is being sought at the ensuing Annual General Meeting of the Company.

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.

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

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

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 197(12) of the Companies Act, 2013 read together with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure VI to this report.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is appended herewith as Annexure forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The report on the CSR activities undertaken by the Company in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 including the composition of the CSR Committee is appended herewith as Annexure VII to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is appended herewith as Annexure VIII to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sections 134(3) (c) and 134 (5) of the Companies Act, 2013, 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

BOARD'S REPORT

at 31 March 2016 and of the profit of the Company for the year ended 31 March 2016;

- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BOARD PERFORMANCE EVALUATION

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

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

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, changes in the regulatory environment, etc.

The familiarization programme may be accessed on the Company's website at the link:
http://www.glenmarkpharma.com/UITemplate/PDF/Familiarisation_Programme_for_Independent_Directors.pdf

AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178(4) of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 our policy on the appointment of Directors including Independent Directors,

Key Managerial Personnel (KMP) and senior management and the policy on remuneration of the Directors, KMP and other employees provides a referendum based on which the Human Resource Management Team plans and strategises their recruitment plans for the strategic growth of the Company.

The Nomination & Remuneration Policy may be accessed on the company's website at the link:
http://www.glenmarkpharma.com/UITemplate/PDF/Nomination_and_Remuneration_Policy.pdf

GREEN INITIATIVE

The Ministry of Corporate Affairs had 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 they take necessary steps for registering same so that you can also become a part of the initiative and contribute towards a Greener environment.

RISK MANAGEMENT POLICY

The Company has put in place an Enterprise Risk Management Policy. The Risk register is updated at regular intervals. The details of risk management have been included in the Management Discussion and Analysis Report, which forms a part of this Report.

HUMAN RESOURCES

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

GENERAL

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year under review, 4 complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 out of which 3 complaints have been resolved and 1 is under investigation.

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: 12 May 2016

ANNEXURE I
FORM NO. AOC-1
Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures

PART 'A' Subsidiaries

Sr. No.	Name of the Company	Glenmark Impex L.L.C	Glenmark Farnaceutica Ltda.	Glenmark Philippines Inc.	Glenmark Pharmaceuticals (Nigeria) Ltd.	Glenmark Pharmaceuticals Dominican SRL	Glenmark Pharmaceuticals (Malaysia) SDN. BHD	Glenmark South Africa (Pty) Ltd.	Glenmark South Africa (Pty) Ltd.	Glenmark Pharmaceuticals (Australia) Pty S.A. Switzerland Ltd.	Glenmark Pharmaceuticals Holding S.A.	Glenmark Pharmaceuticals SK SRO	Glenmark Pharmaceuticals SRO	Glenmark Pharmaceuticals S.R.L.	Glenmark Pharmaceuticals (Europe) R&D Ltd.	Glenmark Pharmaceuticals Colombia SAS	Glenmark Pharmaceuticals Peru S.A.C	Glenmark Pharmaceuticals Distribution SRO	Glenmark Specialty S.A.
1	Share Capital	902.00	10416.19	116.70	208.97	0.19	97.72	0.77	0.00	70.44	3428.24	2599.55	0.43	143.00	339.09	88.09	449.54	27.55	1118.20
2	Reserves	728.47	(9288.80)	48.72	(127.91)	(0.26)	13.50	673.94	(450.08)	(70.51)	(9804.85)	8936.66	34.39	871.14	(74.73)	129.67	(248.07)	0.20	(23.27)
3	Total Assets	3337.44	1900.40	313.57	419.88	0.00	579.93	674.71	341.72	0.23	9706.67	57925.66	291.35	4157.49	807.13	262.52	303.36	1724.32	1107.16
4	Total Liabilities	1706.97	773.01	148.15	338.82	0.07	468.71	0.00	791.80	0.30	16083.28	46389.45	256.53	3143.35	542.77	44.76	101.89	1686.57	12.23
5	Investment (except in case of investment in subsidiaries)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Turnover	2987.92	1947.20	436.37	183.14	0.00	598.54	0.01	534.73	0.00	17629	608.51	518.80	3721.06	699.82	504.32	168.81	0.00	0.00
7	Profit before Tax	(744.88)	(1250.73)	16.35	(40.28)	(0.04)	13.92	(0.12)	(62.18)	(0.65)	(3430.15)	(1247.39)	13.24	962.13	26.33	33.92	(41.13)	0.00	(84.52)
8	Provision for Tax	(116.57)	0.00	5.55	(2.14)	0.00	4.11	0.00	(15.23)	0.00	0.10	4.64	(508.73)	26.35	(2.75)	(3.01)	(8.19)	0.00	0.00
9	Profit after Tax	(628.31)	(1250.73)	10.80	(38.14)	(0.04)	9.81	(0.12)	(46.95)	(0.65)	(3430.15)	(1247.49)	8.60	1470.86	(2.02)	36.67	(32.94)	0.00	(84.52)
10	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Currency	RUB	BRL	PHP	NGN	DOP	RM	ZAR	ZAR	AUD	USD	EURO	CZK	RON	GBP	COP	PEN	CZK	USD
12	Exchange Rate (₹)																		
	Closing Rate	0.990	18.380	1.435	0.329	1.431	16.883	4.453	4.453	50.685	66.099	75.067	2.773	16.769	94.969	0.022	19.668	2.773	66.099
	Average Rate	1.030	18.335	1.411	0.326	1.444	16.171	4.778	4.778	48.062	65.323	72.127	2.656	16.174	98.441	0.021	19.323	2.656	65.323

Contd...

Sr. No.	Name of the Company	Glenmark Pharmaceuticals (Thailand) Co. Ltd.																	
		Glenmark Therapeutics Inc., USA	Glenmark Pharmaceuticals Egypt S.A.E.	Glenmark Pharmaceuticals SP Z.O.O.	Glenmark Pharmaceuticals Distributors SP Z.O.O.	Glenmark Pharmaceuticals F.Z.E.	Glenmark Pharmaceuticals Mexico, SA DE CV	Glenmark Pharmaceuticals Venezuela, CA	Glenmark Pharmaceuticals Uruguay SA	Glenmark Pharmaceuticals Europe Ltd.	Glenmark Pharmaceuticals Inc., USA (Formerly known as Glenmark Generics Inc., USA)	Glenmark Generics S.A. Argentina	Glenmark Pharmaceuticals B.V.	Glenmark Arzneimittel GmbH	Glenmark Generics Canada Inc.	Glenmark Pharmaceuticals (Kenya) Limited	Glenmark Therapeutics AG	Viso Pharmaceuticals S.L.	Glenmark Pharmaceuticals (Thailand) Co. Ltd.
1	Share Capital	495.85	356.16	39.42	27.50	12.93	1353.38	627.12	517.30	518.09	2804.15	2970.91	1.15	3.19	46.19	97.18	5.73	0.21	7.99
2	Reserves	(409.16)	(333.83)	189.25	64.73	122.68	(1093.03)	1302.77	146.31	(157.06)	5422.72	(2181.70)	2.92	50.89	(29.96)	302.4	(5.79)	(6.58)	(13.88)
3	Total Assets	134.61	101.61	298.76	573.63	156.22	557.35	3686.38	664.00	1498.79	23191.14	947.71	38.95	1783.22	35.22	607.42	3.05	33.79	10.70
4	Total Liabilities	47.92	79.28	70.09	481.40	20.61	297.00	1756.49	0.99	1137.76	14964.27	158.50	34.88	1729.14	18.99	480.00	3.11	40.16	16.59
5	Investment (except in case of investment in subsidiaries)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Turnover	100.52	67.01	560.28	835.33	185.36	516.24	4628.48	0.00	3707.16	25244.16	716.22	27.61	1776.89	0.00	610.39	0.00	13.83	5.12
7	Profit before tax	7.74	(52.95)	32.53	36.62	37.49	(81.68)	1289.63	(0.78)	(53.74)	1332.33	(269.38)	0.06	25.47	(26.51)	45.28	(3.54)	(8.44)	(4.15)
8	Provision for tax	3.45	0.00	6.15	7.58	0.00	26.69	514.43	0.05	(16.91)	535.27	0.00	0.03	7.05	(10.64)	14.37	0.06	(2.11)	(0.38)
9	Profit after tax	4.29	(52.95)	26.38	29.04	37.49	(108.37)	755.20	(0.83)	(36.83)	797.06	(269.38)	0.03	18.42	(15.86)	30.91	(3.60)	(6.39)	(3.77)
10	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Currency	USD	EGP	PLN	PLN	AED	MXN	VEF	USD	GBP	USD	AFS	EURO	EURO	CAD	KSH	USD	EUR	THB
12	Exchange Rate (₹)	66.099	7.426	17.600	17.600	18.040	3.955	0.265	66.099	94.969	66.099	4.521	75.057	75.057	50.967	0.641	66.099	75.057	1.876
	Closing Rate	65.323	8.302	17.056	17.056	17.840	3.831	6.532	65.323	98.441	65.323	6.335	72.127	72.127	49.852	0.640	65.323	72.127	1.864
	Average Rate																		

Note: The reporting period for all the subsidiaries is 31 March 2016 and the extent of holding is 100% except Glenmark Pharmaceuticals (Thailand) Co. Ltd. where the holding is 49%.

PART - 'B' Associates and Joint Ventures

Name of the Joint Venture

1) Latest Audited Balance Sheet date

2) Shares of the Joint Venture held by the Company on the year end:

Number

Amount of investment in the Joint Venture

Extent of holding %

3) Description of how there is significant influence

4) Reason why the Joint Venture is not consolidated

5) Net worth attributable to Shareholding as per latest Audited Balance Sheet

6) Profit / Loss for the year

(i) Considered in Consolidation (after inter Company adjustment)

(ii) not considered in Consolidation

Nil

For and on Behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Cheryann Pinto
Executive Director

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance Officer

Place: Mumbai
Date: 12 May 2016

ANNEXURES TO BOARD'S REPORT

ANNEXURE II

Form No. AOC-2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2016, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - a) Name of the related party and nature of relationship: Glenmark Pharmaceuticals Inc., USA (Formerly Glenmark Generics Inc., USA); Subsidiary
 - b) Nature of contracts/ arrangements/ transactions: Sale-Materials & Services
 - c) Duration of the contracts/ arrangements/ transactions: Ongoing
 - d) Salient terms of the contracts or arrangements or transactions including the value,if any: Based on Transfer Pricing Guidelines; ₹ 22,043.77 Million.
 - e) Date(s) of approval by the Audit Committee/ Board: Not applicable; Since the contract was entered in the ordinary course of business and is on arm's length basis.
 - f) Amount paid as advances: Nil

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

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

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

To,

The Members

Glenmark Pharmaceuticals Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period ended on 31 March 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (share based Employee Benefits) Regulations, 2014 notified on 28 October 2014.
 - e) During the Audit Period the Company has not issued or allotted any debt securities, hence the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

ANNEXURES TO BOARD'S REPORT

- g. During the Audit Period the Company has not delisted any Securities, hence, provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable;
- h. During the Audit Period the Company has not bought back any Securities, hence, provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are not applicable.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015;
- iii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE), National Stock Exchange (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) Drugs and Cosmetics Act, 1940
- b) Drugs and Magic remedies (Objectionable Advertisement) Act, 1954
- c) Narcotic Drugs and Psychotropic Substances Act, 1985
- d) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- e) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
- f) Poisons Act, 1919
- g) Petroleum Act, 1934
- h) Drugs (Control) Act, 1950
- i) Drugs (Price Control) Order, 2013
- j) Food Safety and Standards Act, 2006
- k) Labour laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.
- l) Acts prescribed under Environmental Protection
- m) Acts as prescribed under Direct Tax and Indirect Tax
- n) Labour Welfare Act of respective States
- o) Laws prescribed under Trademarks, Copyright and Patent Acts
- p) Local Laws as applicable to various offices and plants

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the company has issued 1,08,00,000 (one crore eight lakhs) fully paid-up equity shares of Re.1.00 (Rupee one only) each at a price of ₹ 875.00 (Rupees eight hundred and seventy five only) per equity share including premium of ₹ 874.00 (Rupees eight hundred and seventy four only) per equity share aggregating to ₹ 945,00,00,000 (Rupees nine hundred and forty five crores only) on a preferential allotment basis and no other event/ action have taken place which is having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **MARK & ASSOCIATES COMPANY SECRETARIES LLP**

Surjan Singh Rauthan

Partner

FCS No. 4807

COP No. 3233

Place: Mumbai

Date: 12 May 2016

ANNEXURES TO BOARD'S REPORT

ANNEXURE IV

Disclosures Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

EMPLOYEE STOCK OPTION SCHEME

The Company had formulated an Employee Stock Option Scheme (ESOS/Scheme) in 2003 to enable the employees and whole-time Directors of Glenmark Pharmaceuticals Limited ("the Company") and its subsidiaries to participate in the future growth and financial success of the Company. The ESOS aims at achieving the twin objectives of (i) aligning employee interest to that of the shareholders; and (ii) retention of talent. The Scheme was drawn-up in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and continues to be in compliance with the extant regulations. There were no variations in the term of the options.

The Scheme was approved by the Members at their meeting held on September 26, 2003 wherein approval for issue of stock options upto 5% of the paid up share capital of the Company as on March 31, 2003 was granted. The number of stock options and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value bears to the revised face value of the equity shares of the Company after any split/consolidation/ bonus issue without affecting any other rights or obligations of the said grantees.

The ESOS are administered by the Nomination and Remuneration Committee of the Board constituted by the Company pursuant to the provisions of Section 178 of the Companies Act, 2013 ('the Administrator'). The Administrator's decisions, determinations, and interpretations will be final and binding on all eligible employees and participants under ESOS.

Exercise Price shall be the latest available closing market price of the equity shares of the Company, prior to the date of grant.

The Scheme contemplates fresh/new issue of shares by the Company.

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.

Further details/ disclosures in respect of Employee Stock Options also form a part of the Notes to accounts of financial statements in this Annual Report and also available at company's website viz: www.glenmarkpharma.com

ANNEXURE-V

Information under section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 as amended from time to time and forming part of the Directors' Report.

(A) CONSERVATION OF ENERGY-

- (i) **The steps taken or impact on conservation of energy;**
Following steps have been taken in the areas of lighting, pumps & motors, power factor, automation, refrigeration system and fuel.

Lighting

Replaced high pressure mercury lamps (HPMV) / Sodium Vapor lamps with CFL and CFL /tube lights with LED at few sites.

Newly constructed buildings/project provided with LED lamps.

Installed motion sensors for lights in wash rooms, change rooms and lobbies at few locations.

Pumps & Motors

Provided variable frequency drives (VFD) on motors to draw current based on load variation for air handling units (AHU) and chilled water pumps;

Energy efficient surface aerator installed at aeration tank of effluent treatment plant;

Reduced size of pumps installed at cooling towers to match cooling requirements;

Optimized air changes per hour as per standard requirements;

Optimized blower RPM to reduce power consumption by AHU;

Recovered hot air from dehumidifier to reduce heating requirement.

Power Factor

Installed new electrical panel to improve Power Factor at a location and now Power Factor is maintained >0.97 to 0.99 across all manufacturing, R&D sites and Head Office.

Automation

Air compressor running at 8.6 Bar changed to 7.0 Bar as required pressure of air 5 Bar only;

Boiler feed makeup water automated and de-aerator installed;

Temperature controller installed to cut-off cooling tower fans;

Installation of cyclic timer on ACs, auto on/off for air curtains;

Timers installed on pumps and exhaust fans to optimize their operating time.

Refrigeration system

Provided common header for two or more chillers to be able to service two or more areas optimally;

Removed spilt AC units after extending ducting from already operating AHU

DX AC units installed as replacement to AHU and Chiller at two different locations;

Chiller replaced with cooling tower.

Fuel

Steam condensate recovered and reused back to reduce fuel consumption for boiler operations.

AHU condensate recovered water used as makeup water for cooling water.

- (ii) **The steps taken by the company for utilizing alternate sources of energy;**
Used biodiesel in place of high speed diesel for operating boiler to generate steam in order to utilize non-conventional energy source and also reduce air emission at three locations in 2015-16.

Company installed 100 kwh solar power plant at its Research & Development Centre at Mahape, Navi Mumbai in 2015-16. Generated and used 59476 units of green power from solar panels.

Company has entered into an agreement to purchase electricity from hydro power plant in place of coal based power plant in 2015-16 for its Research & Development Centre at Mahape, Navi Mumbai through an open access under power purchase agreement as per Indian Electricity Rules 2003. Substituted 3481212 units of coal based power with hydropower (green power).

ANNEXURES TO BOARD'S REPORT

Company evaluated geothermal cooling as alternate to cooling tower at two locations and the project is under consideration.

(iii) **The capital investment on energy conservation equipment's:**

Total capital invested in 2015-16 on energy conservation equipment is ₹ 11.4 million.

B. TECHNOLOGY ABSORPTION

(i) **Efforts made towards technology adoption:**

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

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

1. Pharmaceutical Development.

Design a quality product and its manufacturing process to consistently deliver the intended performance of the product. Control specifications and manufacturing process to achieve sustained performance and quality. Dosage form selection based on suitability and intended use. Determination of aspects of drug substances, excipients, container closure system and manufacturing process those are critical to product quality and evaluation of drug substance physicochemical and biological properties. Manufacturing process improvements and product lifecycle management.

Development of immediate release, delayed release, sustained release, metered dose inhalers, dry powder inhalers, nasal sprays, topical, liquid orals, injectable formulations and various platform technologies.

Formulation development includes literature survey, compatibility studies, pre-formulation studies, formulation development of dosage forms for selected drug molecules on laboratory scale.

R&D has developed the formulations for new molecules, existing molecules and fixed dose combinations which include its standardization and technology transfer and execution at production site, evaluation of these batches against reference samples for safety, efficacy and bio-equivalence.

2. Products Have Been Developed During The Financial Year 2015-2016.

2.1 Oncology Projects

- 1) Busulfan injection.
- 2) Esomeprazole for injection.
- 3) Pantoprazole for injection.

2.2 General Category Projects

- 1) Apremilast Tablets 10 mg,20 mg &30 mg
- 2) Fenticonazole Nitrate Vaginal capsules 600 mg
- 3) Fenspiride Hydrochloride tablets 80 mg
- 4) Colistimethate Injection USP 150 mg
- 5) Phenazone&Lidocaine Hydrochloride Ear Drops

2.3 Liquid Orals

- 1) Fenspiride Syrup
- 2) Ascoril D Junior (Dextromethorphan HBr + Phenylephrine HCl + Chlorpheniramine Maleate)
- 3) Ascoril LS Junior (Levosaltamol + Ambroxol + Gaufensin)
- 4) Alex Kidzo / Ascoril Flu (Phenylephrine Hydrochloride+ Chlorpheniramine Maleate)

2.4 Derma Projects

- 1) Sertaconazole Nitrate & Mometasone Furoate Topical Solution
- 2) Candid Cool Dusting Powder 1% w/w
- 3) Fisiotiv Advance Lotion
- 4) White Soft Paraffin & Light Liquid Paraffin Cream
- 5) Kidglo Baby Body Wash
- 6) Kidglo Baby Milk Bath
- 7) Kidglo Baby Shampoo
- 8) Kidglo Baby Massage Oil
- 9) Antiaging Cream
- 10) BB [Beauty Benefits] Cream

3. 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.

3.1 New analytical test procedures were developed for various dosage forms to establish the quality and setting up specification for the release, stability testing of dosage forms and Active Pharmaceutical ingredient. These methods were validated as per International Regulatory Standards.

Evaluation of the stability under various Climatic Conditions for the indigenously developed drug product was also done as per ICH Guidelines.

This data is used as a basis to predict the shelf life as well as to prepare the stability study protocols of the products for the commercial manufacturing.

3.2 Analytical Research Activities for NCE Research

3.2.1 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 generated analytical data for establishing the quality and setting up specification for the release testing of Drug substances. The methods used to release the drug substances which are used in clinical trials, are validated as per International Regulatory Standards.

3.2.2 Physicochemical properties of new chemical entity; are established and characterization studies are conducted.

3.2.3 CMC related Dossiers, study protocols and study reports were prepared to support various pre-clinical studies and clinical trial applications with Regulatory Agencies.

3.2.4 We perform polymorphic evaluation and salt selection studies on various NCEs drug substance and drug products.

3.2.5 Reference standards of NCE were generated and supplied to CROs and manufacturing sites.

3.3 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.

- 1) 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. The targets explored in NCEs space during the year were TRPA1, mPGES-1, ROR Gamma, NOX-4, GSNOR and ITK with molecules having diverse and complex chemistry.
- 2) Compounds worked upon were GRC 17536 Potassium and its different pro-drugs and GRC 27864
- 3) Department has filed 4 provisional process patents (These are in following APIs : TeneligliptinHydrobromide, Aripiprazole, Apremilast, Lumacaftor) for the innovations made during the year.

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

Glenmark has always made continuous investment in R&D.

4.1 In India markets following Formulations were commercialized/ready for commercialization.

- 1) Fluticasone furoate nasal spray
- 2) Fluticasone propionate and Azelastine nasal spray
- 3) Bendamustine for injection 100 mg/vial
- 4) Pemetrexed For Injection 100/500 mg

ANNEXURES TO BOARD'S REPORT

- 5) Gemcitabine For Injection 200mg
- 6) Pemetrexed For Injection 500mg
- 7) Epirubicin for injection
- 8) Fosaperipitant for injection
- 9) Teneligliptin 20 mg + Metformin HCl ER 500 mg Tablets
- 10) Telmisartan 40mg + Chlorthalidone Tablets
- 11) Hair 4U F Topical Solution
- 12) Hair 4U CPX Serum
- 13) Hair 4U Conditioner
- 14) Hair 4U Shampoo
- 15) Lashield IR Sunscreen Gel
- 16) Bontress Hair Conditioner
- 17) Bontress Hair Revitalizing Shampoo
- 18) Foliglo Hair Conditioner
- 19) Bontress Hair Serum
- 20) Foliglo Everyday Shampoo
- 21) Sensur Spray
- 22) Episoft OC Cleansing Gel
- 23) Fisiotiv Cream

4.2 For Brazil /ROW markets following formulations were manufactured.

- 1) Beclomethasone pMDI (Formulation approved in Brazil)
- 2) Salmeterol and Fluticasone pMDI (Formulation approved)
- 3) Gemcitabine For Injection 200/1000mg
- 4) Oxaliplatin For Injection 50/100mg
- 5) Pemetrexed For Injection 500mg

4.3 EU market.

- 1) Etoricoxib Tablets (filed)

(ii) 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.

R & D is working the following segments.

- Antifungal molecules
- Antidiabetic products
- Antiaging products
- Antiinflammatory products
- Atihyperlipidemic products
- Antiosteoporosis products
- Antihypertensive molecules
- Sunscreens Products
- Skin Care Products
- Development of the products for the treatment in respiratory segment.
- Development of the products for the treatment of rheumatoid arthritis.
- Technology – such as micro spheres & aerosols foam Mousse.
- Development of formulations for Semi regulatory market.
- Development of formulations for Latin American market.
- Development of formulations for US market.
- Metered dose inhaler products
- Development of specialized NDDS products for Indian/ SRM.
- Nasal sprays

(iii) Information regarding technology imported during the last five years – Nil.

(iv) Expenditure on R&D

(Standalone)		(₹ in Million)	
S. No	Particulars	2015-16	2014-15
1.	Capital Expenditure	205.16	136.09
2.	Revenue Expenditure	4,349.70	2773.14
3.	Total	4,554.86	2909.23
4.	R & D Expenditure as a percentage of total turnover	7.3%	5.6%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned was ₹ 36,944.73 million and outflow was ₹ 5,539.38 million.

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Place: Mumbai
Date: 12 May 2016

ANNEXURE-VI**Disclosures required with respect to Section 197(12) of the Companies Act, 2013**

The ratio of the remuneration of each director to the median employee's remuneration (MRE) and such other details in terms of Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration of Whole-time Directors

Name	Title	% increase in the remuneration in the year ended 31 March 2016	Ratio to MRE of the employees
Mr. Glenn Saldanha	Chairman & Managing Director	30%	323.69
Mrs. Cherylann Pinto	Executive Director	30%	99.58
Mr. Rajesh Desai	Executive Director	19%	77.32

Remuneration to Non-Executive Directors

Name	Title	Ratio to MRE of the employees
Mrs. B. E. Saldanha	Non-Executive Director	1.19
Mr. J. F. Ribeiro	Non-Executive Independent Director	5.13
Mr. D. R. Mehta	Non-Executive Independent Director	4.54
Mr. N. B. Desai*	Non-Executive Independent Director	0.90
Mr. Sridhar Gorthi	Non-Executive Independent Director	3.34
Mr. Bernard Munos	Non-Executive Independent Director	1.19
Dr. Brian W. Tempest	Non-Executive Independent Director	1.19
Mr. Milind Sarwate**	Non-Executive Independent Director	1.49

*Ceased to be a Director w.e.f. 1 June 2015

** Appointed on 29 October 2015

Remuneration to other Key Managerial Personnel (KMP)

Name	Title	% increase in the remuneration in the year ended 31 March 2016
Mr. Sanjay Kumar Chowdhary	Company Secretary & Compliance Officer	18%

(i) The ratio of remuneration of each director to the median remuneration (MRE) of the employees of the Company for the financial year.

The MRE of the employees of the Company during the year ended 31 March 2016 was 0.34 million. The details are laid out in the tables above.

The remuneration of the Non-Executive Directors comprises of only sitting fees paid to them for attending the meetings of the Board and other committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

(ii) The percentage increase in remuneration of each director and KMP in the financial year

The percentage increase is mentioned in the tables above.

(iii) The percentage increase in median remuneration of the employees in the financial year

The percentage increase in the median remuneration of the employees was 14.76%.

(iv) Number of Permanent employees on the rolls of the Company

As on 31 March 2016, the Company had 10,025 permanent employees on the rolls of the Company.

(v) Relationship between average increase in Remuneration and Company Performance

The compensation philosophy at Glenmark is to provide remuneration that is market competitive and linked to performance of both the Company and the Individual.

ANNEXURES TO BOARD'S REPORT

The Consolidated revenue of the Company registered a growth of 15.38% and the operating profit (excluding exceptional items) increased by 40.04%

The average increase in remuneration of the employees is 9%.

(vi) Comparison of the remuneration of the KMP against the performance of the Company

The compensation of the KMP is as per the compensation philosophy of the Company. The remuneration is benchmarked against market and also based on the performance of the Company and the individual. Given the Company performance and performance ratings of the KMP, appropriate reward by way of merit increase and variable pay has been awarded to the KMP for the year.

(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company to the rate at which the Company came out with the last public offer

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1	Market Capitalisation	At BSE - ₹. 224118.22 million At NSE - ₹ 224329.84 million	At BSE - ₹ 213237.52 million At NSE - ₹ 213278.21 million
2	Price Earnings Ratio	15.18	21.16

The Company made an Initial Public Offer in January 2000 at a price of ₹ 200 per equity share of ₹ 10/- each. The closing price as on 31 March 2016 of the Company's equity shares of ₹ 1 each was ₹ 794.30 on BSE Limited and ₹ 795.05 on The National Stock Exchange of India Limited.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase in the remuneration for all employees other than managerial personnel was 14.76%, while the average increase in the managerial remuneration was 26%. This increase reflects the strong company performance and the direct contribution of the senior managerial personnel in driving this performance.

(ix) Comparison of the remuneration of each KMP against the performance of the Company

The information forms a part of the table and as mentioned in (v) above.

(x) The key parameters for any variable component of remuneration availed by the directors

Performance assessment is based on the Company performance, business performance and individual performance. Based on the performance assessment the variable remuneration is approved by the Nomination & Remuneration Committee and recommended to the Board for their approval within the overall limits as approved by the members.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Not Applicable

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company

We affirm that the remuneration paid is as per the remuneration policy of the Company

ANNEXURE VII

ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Glenmark's underlying belief is to make a positive contribution to the society and ensuring environment sustainability. We strive to create a healthier world and enrich lives of all our stakeholders and community at large through our CSR initiatives.

Glenmark Foundation is the CSR arm of Glenmark Pharmaceuticals Ltd. The foundation focuses on two core areas which are child health and sustainable livelihoods. The Foundation currently implements its projects through various non-governmental organisations (NGO) partners, government bodies and other social institutions.

Our Vision is "enriching lives to create a healthier and happier world" and we have identified the following focus areas for our interventions:

Child Health: Our commitment towards Child Health is to reduce infant mortality and child mortality in children between 0 to 5 years by focusing on:

- Reducing malnutrition
- Implementing immunization sanitation and hygiene programs
- Promoting preventive health care for mothers and care givers

Sustainable Livelihood: Our commitment is in the area of skill development through vocational training for the youth and helping the physically disabled regain mobility and leading a productive life by providing artificial limbs.

Access to Health Care: We are committed to donating medicines to the less privileged people who are suffering from life threatening and other diseases.

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

Promotion of Sports: Our endeavour to see India on the global map in the field of sport is through our effort in the Glenmark Aquatic Foundation.

The Board had approved the CSR policy of the Company. It can be viewed at http://www.glenmarkpharma.com/UITemplate/HtmlContainer.aspx?res=P_GLN_ABT_GCRC1

2. The Composition of the CSR Committee.

Sr. No.	Name	Designation/ Category
1	Ms. Cherylann Pinto	Chairperson - Executive Director
2	Mr. Sridhar Gorthi	Member - Independent Director
3	Mr. Rajesh Desai	Member - Executive Director

3. Average net profit of the Company for last three financial years.

₹ 7,053.57 million

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹ 141.07 million

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year; ₹ 141.07 million

(b) Amount unspent, if any; ₹ 21.84 million

(c) Manner in which the amount spent during the financial year is detailed below:

ANNEXURES TO BOARD'S REPORT

The foundation partners with NGOs and government bodies for implementing the projects in our focus areas:

Sr. No.	CSR project or activity identified	Sector	Location of the Project/ Program	Amount outlay (₹ in million) (budget) project or programs wise	Amount spent on the projects or programs (₹ in million)	Amount spent Direct or through implementing agency
i	Expenditure on projects and programs					
1	AmeriCares	Providing with hospital and dispensary facilities	Thirvallur, Tamil Nadu	1.06	1.06	Through Glenmark Foundation
2	Anubhuti Vision	Promoting education	Indore, Madhya Pradesh	0.04	0.04	Through Glenmark Foundation
3	Armman (Advancing Reduction in Mortality and Morbidity of Mothers Children And Neonates)	Reducing child mortality and improving maternal health	Mumbai, Maharashtra	2.01	2.01	Through Glenmark Foundation
4	Gram Vikas Trust	Promoting education	Bharuch, Gujarat	0.11	0.11	Through Glenmark Foundation
5	Health Care	Reducing child mortality and improving maternal health	India	6.65	6.65	Through Glenmark Foundation
6	Health Care	Reducing child mortality and improving maternal health	Bharuch, Gujarat	0.79	0.79	Through Glenmark Foundation
7	Health Care	Reducing child mortality and improving maternal health	East Sikkim, Sikkim	0.40	0.40	Through Glenmark Foundation
8	Health Care	Reducing child mortality and improving maternal health	Aurangabad, Maharashtra	0.37	0.37	Through Glenmark Foundation
9	Education Program	Promoting education	Mumbai, Maharashtra	0.80	0.80	Through Glenmark Foundation
10	Inclusive india foundation	Making available safe drinking water	Sikkim	0.43	0.43	Through Glenmark Foundation
11	Institute for Global Development	Reducing child mortality and improving maternal health	Baddi & Nalagarh, Himachal Pradesh	3.36	3.36	Through Glenmark Foundation
12	Jaymataji Ashramshala Siludi	Eradicating hunger and poverty	Bharuch, Gujarat	0.23	0.23	Through Glenmark Foundation
13	Jivan Sarita Adivasi	Eradicating hunger and poverty	Gujarat	0.05	0.05	Through Glenmark Foundation
14	Kherwadi Social Welfare Association (KSWA)	Vocational skill livelihood enhancement projects	Nashik, Maharashtra	0.49	0.49	Through Glenmark Foundation
15	Niramaya Health Foundation	Reducing child mortality and improving maternal health	Mumbai, Maharashtra	2.36	2.36	Through Glenmark Foundation
16	Om sai welfare association for the blinds	Enhancing vocation skills especially among the differently unable	Sinnar, Maharashtra	0.22	0.22	Through Glenmark Foundation
17	Pakhar Sankul	Enhancing vocation skills especially among the differently abled	Mohol, Maharashtra	0.05	0.05	Through Glenmark Foundation
18	Providing aids and appliances to the differently-able persons	Promoting health care including preventive health care	Jaipur, Rajasthan	7.50	7.50	Bhagwan Mahaveer Viklang Sahayata Samiti(Jaipur Foot)
19	Rural Education program	Promoting education	Shirpur, Maharashtra	10.00	10.00	Vardhaman Education & Welfare Society
20	Rural Education program	Promoting education	Dhule, Maharashtra	36.00	36.00	The Shirpur Education Society
21	Rural Education program	Promoting education	Maharashtra	19.00	19.00	Jayantilal Chand Charitable Trust
22	Sanitation and making available safe drinking water	Making available safe drinking water	Kurkumbh, Maharashtra	0.05	0.05	Through Glenmark Foundation
23	Savitribai Phule Mahila Ekatma Samaj Mandal	Promoting education	Aurangabad, Maharashtra	0.05	0.05	Through Glenmark Foundation
24	Shriram Development & Rehabilitation Centre for Mental Retardation	Promoting education	Kurkumbh, Maharashtra	0.07	0.07	Through Glenmark Foundation

Sr. No.	CSR project or activity identified	Sector	Location of the Project/ Program	Amount outlay (₹ in million) (budget) project or programs wise	Amount spent on the projects or programs (₹ in million)	Amount spent Direct or through implementing agency
25	Society for Integrated Development Action Research and Training (SIDART)	Reducing child mortality and improving maternal health	Jaipur, Rajasthan	1.10	1.10	Through Glenmark Foundation
26	Spandan Samaj Sewa Samiti	Reducing child mortality and improving maternal health	Khandwa, Madhya Pradesh	2.54	2.54	Through Glenmark Foundation
27	Tarcon Lee Shelter Home	Promoting education	Sikkim	0.05	0.05	Through Glenmark Foundation
28	The Mango Tree Trust	Promoting education	Bardez, Goa	0.10	0.10	Through Glenmark Foundation
29	Touching lives welfare trust	Promoting education	Mumbai, Maharashtra	0.08	0.08	Through Glenmark Foundation
30	Transform the ecosystem of swimming in India	Training to promote Olympic sports	Mumbai, Maharashtra	22.38	22.38	Glenmark Aquatic Foundation
31	Vanvasi Kalyan Ashram	Promoting health care including preventive health care	Nashik, Maharashtra	0.12	0.12	Through Glenmark Foundation
ii	Overheads administrative expenses	office	Mumbai	0.78	0.78	
	Total			119.23	119.23	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

The Company has been voluntarily carrying out CSR from Financial Year 2011 onwards. The actual spend of the Company on the CSR for this Financial Year was less than 2% of the average net profit for the last three years. The Company endeavors to increase the expenses in the coming years as more of its CSR projects are implemented.

7. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Chairperson CSR Committee

ANNEXURES TO BOARD'S REPORT

ANNEXURE VIII

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2016

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

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L24299MH1977PLC019982
- ii) **Registration Date:** 18 November 1977
- iii) **Name of the Company:** Glenmark Pharmaceuticals Limited
- iv) **Category / Sub-Category of the Company:** Company having Share Capital
- v) **Address of the Registered Office and contact details:** B/2, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400 026.
Tel No.: 91 22 4018 9999, Fax No.: 91 22 4018 9986
- vi) **Whether listed Company** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032
Tel No.: +91-40-67161500, Fax No.: +91-40-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SI. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Pharmaceuticals	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Glenmark Holding S.A.	Chemin de la Combeta 5, CH - 2300 La Chaux-de-Fonds, Switzerland	NA	Subsidiary	100	2(87)
2	Glenmark Pharmaceuticals S.A., Switzerland	Chemin de la Combeta 5, CH - 2300 La Chaux-de-Fonds, Switzerland	NA	Subsidiary	100	2(87)
3	Glenmark Farmaceutica Ltda.	Rua Frei Liberato de Gries, 548 Jd. Arpodor, Sao Paulo-SP, Brazil-CEP: 05572-210	NA	Subsidiary	100	2(87)
4	Glenmark Pharmaceuticals SRO	City Towers, Hvezdova 1716/2b, 140 78 Praha 4, Czech Republic	NA	Subsidiary	100	2(87)
5	Glenmark Pharmaceuticals SK SRO	Tomasikova 64, 83101, Bratislava, Slovak Republic	NA	Subsidiary	100	2(87)
6	Glenmark Pharmaceuticals S.R.L	Baneasa Business Technology Park, Bucuresti-Ploiesti Road 42-44, Building B-2, 1st Floor, 1st District, Bucharest, Romania	NA	Subsidiary	100	2(87)
7	Glenmark Pharmaceuticals (Europe) R & D Ltd.	Laxmi House, 2B Draycott Avenue, Kenton, Middlesex HA3 0BU, U.K.	NA	Subsidiary	100	2(87)
8	Glenmark Therapeutics Inc., USA	750 Corporate Drive, Mahwah, NJ 07430	NA	Subsidiary	100	2(87)
9	Glenmark Pharmaceuticals SP Z.O.O.	ul. Osmariska 14, 02-823 Warszawa, Poland	NA	Subsidiary	100	2(87)
10	Glenmark Distributors SP Z.O.O.	ul. Osmariska 14, 02-823 Warszawa, Poland	NA	Subsidiary	100	2(87)
11	Glenmark South Africa (Pty) Ltd.	Unit 7/8 York House, Tybalt Place, 185 Howick Close, Waterfall Office Park, Bekker Road, Vorna Valley, MIDRAND, 1686 P O Box 5537, Halfway House 1685	NA	Subsidiary	100	2(87)
12	Glenmark Pharmaceuticals South Africa (Pty) Ltd.	Unit 7/8 York House, Tybalt Place, 185 Howick Close, Waterfall Office Park, Bekker Road, Vorna Valley, MIDRAND, 1686 P O Box 5537, Halfway House 1685	NA	Subsidiary	100	2(87)
13	Glenmark Impex L.L.C.	Bolshaya Tulskeya street, Build. 10/9, Off-9509/9510, Moscow 115191, Russia	NA	Subsidiary	100	2(87)
14	Glenmark Pharmaceuticals (Nigeria) Ltd.	Suite- A&C ,1st Floor , Block – B , Motorways Centre, Motorways Avenue , Alausa Ikeja , Lagos	NA	Subsidiary	100	2(87)
15	Glenmark Dominicana SRL	Av San Vicente de Paul, Esq Puerto Rico, Bldg Baro Plaza, Suite 13, Alma Rosa I, Santo Domingo Province, Town East, Dominican Republic	NA	Subsidiary	100	2(87)
16	Glenmark Pharmaceuticals (Australia) Pty Ltd.	Suite 202B, 350 George Street, Sydney NSW 2000 Australia	NA	Subsidiary	100	2(87)
17	Glenmark Pharmaceuticals (Malaysia) SDN. BHD	Suite 12B-23, Level 12B, Wisma Zelan, No.1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000, Kuala Lumpur. Malaysia	NA	Subsidiary	100	2(87)

ANNEXURES TO BOARD'S REPORT

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18	Glenmark Philippines Inc.	Unit 310, Lapandey Center, 2263 Chinho Roces Ave, Makati City, Philippines.	NA	Subsidiary	100	2(87)
19	Glenmark Pharmaceuticals Egypt S.A.E.	22, Soliman Azmy street, from AbdelHamid Badawy street, in front of ALShams Squash building, Heliopolis	NA	Subsidiary	100	2(87)
20	Glenmark Pharmaceuticals F.Z.E.	PO Box 262812, JAFZA Views - 18, Office - 1309, Dubai, United Arab Emirates.	NA	Subsidiary	100	2(87)
21	Glenmark Uruguay SA	Avenida 18 de Julio, 117, 5th Flr, City of Montevideo, Rep. of Uruguay	NA	Subsidiary	100	2(87)
22	Glenmark Pharmaceuticals Mexico, SA DE CV	Av. Insurgentes Sur No. 1685, Piso 9 Despacho 903, Col Guadalupe Inn. Mexico D.F. 01020	NA	Subsidiary	100	2(87)
23	Glenmark Pharmaceuticals Peru S.A.C.	Av La Encalada 1388, Oficina 902, Monterrico-Surca	NA	Subsidiary	100	2(87)
24	Glenmark Pharmaceuticals Venezuela, CA	Office 31 located at Torre Kyra, Av. Francisco de Miranda, 4th Avenue of Campo Alegre, Caracas	NA	Subsidiary	100	2(87)
25	Glenmark Pharmaceuticals Colombia SAS	Avenida 82, No.10-62, P.S. Bogota, Curdinamarco	NA	Subsidiary	100	2(87)
26	Glenmark Pharmaceuticals Europe Ltd.	Laxmi House, 2B Draycott Avenue, Kenton, Middlesex HA3 0BU, U.K.	NA	Subsidiary	100	2(87)
27	Glenmark Pharmaceuticals Inc., USA	750 Corporate Drive, Mahwah, NJ 07430	NA	Subsidiary	100	2(87)
28	Glenmark Generics S.A. Argentina	Av. Córdoba 950 Floor 10th ZIP - C1054AAV	NA	Subsidiary	100	2(87)
29	Glenmark Pharmaceuticals B.V.	De Waterman 15B / 4891 TL Rijsbergen/ The Netherlands	NA	Subsidiary	100	2(87)
30	Glenmark Arzneimittel GmbH	Sitz Grodenzell, Industriestrasse 31, 18194 Grobenzeoo	NA	Subsidiary	100	2(87)
31	Glenmark Pharmaceuticals Canada INC.	371, Queen Street, Suit 400, Fredericton, New Brunswick, E3B 1B1	NA	Subsidiary	100	2(87)
32	Glenmark Pharmaceuticals (Kenya) Limited	5th Floor, Nine West Building, Westland, Nairobi.	NA	Subsidiary	100	2(87)
33	Glenmark Therapeutics AG	Wellenruti 581, 9053 Teufena AR Switzerland	NA	Subsidiary	100	2(87)
34	Glenmark Pharmaceuticals Distribution SRO	Hvězdova 1716/2b, Nusle, 140 78 Praha 4, ID No. 047 27 339	NA	Subsidiary	100	2(87)
35	Glenmark Specialty S.A.	CH-2300 La Chaux-de-Fonds, Avenue Leopold-Robert 37, Switzerland	NA	Subsidiary	100	2(87)
36	Viso Farmaceutica S.L	Ribera del Loira 46, Campo de las Naciones, 28042 Madrid, Spain	NA	Subsidiary	100	2(87)
37	Glenmark Pharmaceuticals (Thailand) Co. Ltd.	1350/84 Thaironk Tower Building, 8th Floor, Phatthanakarn Road, Suanluang, Bangkok. Thailand	NA	Subsidiary	49	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDER	No. of Shares held at the Beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
Individual /HUF	2804884	-	2804884	1.03	2892837	-	2892837	1.03	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	128241936	-	128241936	47.27	128241936	-	128241936	45.45	-1.82
Sub-Total A(1) :	131046820	-	131046820	48.30	131134773	-	131134773	46.48	-1.82
(2) FOREIGN									
Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
Total A = A(1) + A(2)	131046820	-	131046820	48.30	131134773	-	131134773	46.48	-1.82
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
Mutual Funds/UTI	6155484	-	6155484	2.27	5851066	-	5851066	2.07	-0.20
Financial Institutions/Banks	10478004	-	10478004	3.86	9767918	-	9767918	3.46	-0.40
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors/FPI	94168569	-	94168569	34.71	102598088	-	102598088	36.36	1.65
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	110802057	-	110802057	40.84	118217072	-	118217072	41.89	1.05
2. NON-INSTITUTIONS									
Bodies Corporate	5009525	3000	5012525	1.85	6354101	3000	6357101	2.25	0.41
Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	13336409	912362	14248771	5.25	14438002	860004	15298006	5.42	0.17
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	6437685	1200000	7637685	2.82	6607402	1200000	7807402	2.77	-0.05
Others									
Foreign Bodies	1462	-	1462	-	-	-	-	-	-0.00
H U F	354312	-	354312	0.13	402427	-	402427	0.14	0.01
Directors	222026	30000	252026	0.09	205526	-	205526	0.07	-0.02
Non-Resident Indians	1146822	71400	1218222	0.45	1264517	10600	1275117	0.45	-
Clearing members	432573	-	432573	0.16	642969	-	642969	0.23	0.07
Trusts	288100	-	288100	0.11	817763	-	817763	0.29	0.18
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :	27228914	2216762	29445676	10.85	30732707	2073604	32806311	11.63	0.77
Total B = B(1) + B(2) :	138030971	2216762	140247733	51.70	148949779	2073604	151023383	53.52	1.82
C. SHARES HELD BY CUSTODIANS FOR GDRS AND ADRS									
GRAND TOTAL (A+B+C) :	269077791	2216762	271294553	100.00	280084552	2073604	282158156	100.00	0.00

ANNEXURES TO BOARD'S REPORT

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Saldanha Family Trust	128241936	47.27	-	128241936	45.45	-	-1.82
2	Cherylann Pinto	676800	0.25	-	685238	0.24	-	-0.01
3	B. E. Saldanha	926137	0.34	-	983722	0.35	-	0.01
4	Glenn Saldanha	749947	0.28	-	768277	0.28	-	0.00
5	Robin Joseph Pinto	446000	0.16	-	449600	0.16	-	0.00
6	Neha Saldanha	6000	0.00	-	6000	0.00	-	0.00
TOTAL		131046820	48.30	-	131134773	46.48	-	-1.82

(iii) Change in Promoters Shareholding

Sl. No.		Shareholding at the beginning of the year		Increase/ (Decrease)	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1	Saldanha Family Trust					
	At the beginning of the year	128241936	47.27			
	At the end of the year				128241936	45.45
2	Glenn Saldanha					
	At the beginning of the year	749947	0.28			
	Purchase of shares from the open market on 3 November 2015			10100		
	Purchase of shares from the open market on 9 December 2015			8230		
	At the end of the year				768277	0.28
3	Cherylann Pinto					
	At the beginning of the year	676800	0.25			
	Purchase of shares from the open market on 3 November 2015			5075		
	Purchase of shares from the open market on 9 December 2015			3363		
	At the end of the year				685238	0.24
4	B. E. Saldanha					
	At the beginning of the year	926137	0.34			
	Purchase of shares from the open market on 10 September 2015			10050		
	Purchase of shares from the open market on 4 November 2015			11625		
	Purchase of shares from the open market on 5 November 2015			30290		
	Purchase of shares from the open market on 6 November 2015			620		
	Purchase of shares from the open market on 15 February 2016			5000		
	At the end of the year				983722	0.35

Sl. No.		Shareholding at the beginning of the year		Increase/ (Decrease)	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
5	Robin Pinto					
	At the beginning of the year	446000	0.16			
	Purchase of shares from the open market on 18 September 2015			1000		
	Purchase of shares from the open market on 4 November 2015			500		
	Purchase of shares from the open market on 9 December 2015			1500		
	Purchase of shares from the open market on 14 December 2015			500		
	Purchase of shares from the open market on 11 February 2016			100		
	At the end of the year				449600	0.16
6	Neha Saldanha					
	At the beginning of the year	6000	0.00			
	At the end of the year				6000	0.00
	TOTAL				131134773	46.48

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	6663228		1-Apr-15			6663228	2.46%
				22-May-15	-321344	Sale	6341884	2.25%
				29-May-15	-12038	Sale	6329846	2.24%
				19-Jun-15	-41604	Sale	6288242	2.23%
				3-Jul-15	-417268	Sale	5870974	2.08%
				10-Jul-15	-431658	Sale	5439316	1.93%
				17-Jul-15	-635369	Sale	4803947	1.70%
				24-Jul-15	-301906	Sale	4502041	1.60%
				31-Jul-15	-114897	Sale	4387144	1.55%
				9-Oct-15	-165974	Sale	4221170	1.50%
				16-Oct-15	-75000	Sale	4146170	1.47%
				23-Oct-15	-226813	Sale	3919357	1.39%
				30-Oct-15	-15697	Sale	3903660	1.38%
				12-Feb-16	265919	Purchase	4169579	1.48%
				19-Feb-16	667518	Purchase	4837097	1.71%
				26-Feb-16	145299	Purchase	4982396	1.77%
				4-Mar-16	155751	Purchase	5138147	1.82%
		5138147	1.82%	31-Mar-16			5138147	1.82%

ANNEXURES TO BOARD'S REPORT

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GIF MAURITIUS LIMITED	4323947		1-Apr-15			4323947	1.59%
				19-Jun-15	-101539	Sale	4222408	1.50%
				3-Jul-15	-68137	Sale	4154271	1.47%
				21-Aug-15	-558930	Sale	3595341	1.27%
				28-Aug-15	-144089	Sale	3451252	1.22%
				6-Nov-15	-287571	Sale	3163681	1.12%
				20-Nov-15	-129764	Sale	3033917	1.08%
				4-Dec-15	-118345	Sale	2915572	1.03%
				15-Jan-16	-124358	Sale	2791214	0.99%
				22-Jan-16	-61896	Sale	2729318	0.97%
				2729318	0.97%	31-Mar-16		2729318
3	EMERGING MARKETS GROWTH FUND, INC.	2921721		1-Apr-15			2921721	1.08%
				10-Apr-15	-435739	Sale	2485982	0.92%
				17-Apr-15	-121724	Sale	2364258	0.87%
				24-Apr-15	-313260	Sale	2050998	0.76%
				2-May-15	-51740	Sale	1999258	0.74%
				8-May-15	-363650	Sale	1635608	0.60%
				5-Jun-15	-53182	Sale	1582426	0.56%
				12-Jun-15	-27518	Sale	1554908	0.55%
				19-Jun-15	-63153	Sale	1491755	0.53%
				17-Jul-15	-210589	Sale	1281166	0.45%
				24-Jul-15	-184981	Sale	1096185	0.39%
				31-Jul-15	-20286	Sale	1075899	0.38%
				7-Aug-15	-25656	Sale	1050243	0.37%
				13-Nov-15	95000	Purchase	1145243	0.41%
		4-Dec-15	-386000	Sale	759243	0.27%		
		29-Jan-16	-187034	Sale	572209	0.20%		
		391111	0.14%	31-Mar-16		391111	0.14%	
4	GENERAL INSURANCE CORPORATION OF INDIA	2767449		1-Apr-15			2767449	1.02%
				17-Apr-15	-43287	Sale	2724162	0.97%
				24-Apr-15	-24162	Sale	2700000	0.96%
				19-Jun-15	-24000	Sale	2676000	0.95%
				26-Jun-15	-26000	Sale	2650000	0.94%
				21-Aug-15	-40000	Sale	2610000	0.93%
				28-Aug-15	-10000	Sale	2600000	0.92%
				16-Oct-15	-87059	Sale	2512941	0.89%
				23-Oct-15	-112941	Sale	2400000	0.85%
				15-Jan-16	100000	Purchase	2500000	0.89%
				26-Feb-16	30000	Purchase	2530000	0.90%
				4-Mar-16	70000	Purchase	2600000	0.92%
		2600000	0.92%	31-Mar-16		2600000	0.92%	

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	OPPENHEIMER DEVELOPING MARKETS FUND	8983891		1-Apr-15			8983891	3.31%
				26-Jun-15	-337080	Sale	8646811	3.06%
				30-Jun-15	-180755	Sale	8466056	3.00%
				3-Jul-15	-373817	Sale	8092239	2.87%
				10-Jul-15	-739012	Sale	7353227	2.61%
				17-Jul-15	-470806	Sale	6882421	2.44%
				11-Sep-15	-470420	Sale	6412001	2.27%
				26-Feb-16	164974	Purchase	6576975	2.33%
				4-Mar-16	596261	Purchase	7173236	2.54%
				11-Mar-16	225161	Purchase	7398397	2.62%
				18-Mar-16	120518	Purchase	7518915	2.66%
				31-Mar-16			7518915	2.66%
				7518915	2.66%			
6	T. ROWE PRICE EMERGING MARKETS STOCK FUND	2975455		1-Apr-15			2975455	1.10%
				10-Apr-15	48011	Purchase	3023466	1.11%
				22-May-15	310061	Purchase	3333527	1.18%
				19-Jun-15	81298	Purchase	3414825	1.21%
				10-Jul-15	51496	Purchase	3466321	1.23%
				14-Aug-15	83628	Purchase	3549949	1.26%
				21-Aug-15	-157861	Sale	3392088	1.20%
				28-Aug-15	-48575	Sale	3343513	1.18%
				4-Sep-15	-332727	Sale	3010786	1.07%
				27-Nov-15	270529	Purchase	3281315	1.16%
				4-Dec-15	329227	Purchase	3610542	1.28%
				11-Dec-15	-55646	Sale	3554896	1.26%
				22-Jan-16	90971	Purchase	3645867	1.29%
				29-Jan-16	27643	Purchase	3673510	1.30%
				31-Mar-16	-81462	Sale	3592048	1.27%
		3592048	1.27%					
7	STICHTING PENSIOENFONDS ABP	2863811		1-Apr-15			2863811	1.06%
				15-May-15	197082	Purchase	3060893	1.13%
				29-May-15	-180797	Sale	2880096	1.02%
				19-Jun-15	45897	Purchase	2925993	1.04%
				17-Jul-15	-523601	Sale	2402392	0.85%
				24-Jul-15	-50579	Sale	2351813	0.83%
				31-Jul-15	-842433	Sale	1509380	0.53%
				21-Aug-15	-1509380	Sale	0	0.00%
				31-Mar-16			0	0.00%
				0	0			
8	MACQUARIE BANK LIMITED	2264075		1-Apr-15			2264075	0.83%
				10-Apr-15	-50745	Sale	2213330	0.82%
				24-Apr-15	-29377	Sale	2183953	0.81%
				2-May-15	-19700	Sale	2164253	0.80%
				29-May-15	-14100	Sale	2150153	0.76%
				24-Jul-15	-5700	Sale	2144453	0.76%
				21-Aug-15	-39515	Sale	2104938	0.75%

ANNEXURES TO BOARD'S REPORT

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				28-Aug-15	-58479	Sale	2046459	0.73%
				4-Sep-15	-136136	Sale	1910323	0.68%
				11-Sep-15	-2395	Sale	1907928	0.68%
				25-Sep-15	-203895	Sale	1704033	0.60%
				2-Oct-15	-12100	Sale	1691933	0.60%
				9-Oct-15	-71500	Sale	1620433	0.57%
				16-Oct-15	-3250	Sale	1617183	0.57%
				23-Oct-15	-750	Sale	1616433	0.57%
				6-Nov-15	-8000	Sale	1608433	0.57%
				13-Nov-15	-40500	Sale	1567933	0.56%
				20-Nov-15	-78650	Sale	1489283	0.53%
				27-Nov-15	-500	Sale	1488783	0.53%
				4-Dec-15	-2500	Sale	1486283	0.53%
				25-Dec-15	-1760	Sale	1484523	0.53%
				31-Dec-15	-5000	Sale	1479523	0.52%
				22-Jan-16	-3000	Sale	1476523	0.52%
				5-Feb-16	-323925	Sale	1152598	0.41%
				12-Feb-16	-5000	Sale	1147598	0.41%
				19-Feb-16	-64500	Sale	1083098	0.38%
				26-Feb-16	-335500	Sale	747598	0.26%
				4-Mar-16	-192000	Sale	555598	0.20%
				11-Mar-16	-74500	Sale	481098	0.17%
		481098	0.17%	31-Mar-16			481098	0.17%
9	CREDIT SUISSE (SINGAPORE) LIMITED	2155243		1-Apr-15			2155243	0.79%
				10-Apr-15	112297	Purchase	2267540	0.84%
				17-Apr-15	3717	Purchase	2271257	0.84%
				24-Apr-15	-9257	Sale	2262000	0.83%
				2-May-15	-6000	Sale	2256000	0.83%
				8-May-15	6812	Purchase	2262812	0.83%
				15-May-15	620	Purchase	2263432	0.83%
				22-May-15	-115000	Sale	2148432	0.76%
				29-May-15	4222	Purchase	2152654	0.76%
				5-Jun-15	33846	Purchase	2186500	0.78%
				12-Jun-15	18999	Purchase	2205499	0.78%
				19-Jun-15	3153	Purchase	2208652	0.78%
				26-Jun-15	-65705	Sale	2142947	0.76%
				10-Jul-15	145666	Purchase	2288613	0.81%
				17-Jul-15	291334	Purchase	2579947	0.91%
				24-Jul-15	420	Purchase	2580367	0.91%
				7-Aug-15	-8947	Sale	2571420	0.91%
				14-Aug-15	175000	Purchase	2746420	0.97%
				21-Aug-15	392989	Purchase	3139409	1.11%
				28-Aug-15	198652	Purchase	3338061	1.18%
				4-Sep-15	-492451	Sale	2845610	1.01%
				11-Sep-15	3792	Purchase	2849402	1.01%

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				25-Sep-15	14250	Purchase	2863652	1.01%
				9-Oct-15	-378250	Sale	2485402	0.88%
				16-Oct-15	-596250	Sale	1889152	0.67%
				23-Oct-15	-312000	Sale	1577152	0.56%
				30-Oct-15	-617304	Sale	959848	0.34%
				6-Nov-15	-170845	Sale	789003	0.28%
				20-Nov-15	-8000	Sale	781003	0.28%
				4-Dec-15	6483	Purchase	787486	0.28%
				31-Dec-15	15000	Purchase	802486	0.28%
				1-Jan-16	-5000	Sale	797486	0.28%
				8-Jan-16	19554	Purchase	817040	0.29%
				15-Jan-16	4575	Purchase	821615	0.29%
				22-Jan-16	-475	Sale	821140	0.29%
				19-Feb-16	-437000	Sale	384140	0.14%
				26-Feb-16	-54979	Sale	329161	0.12%
				4-Mar-16	-40000	Sale	289161	0.10%
				11-Mar-16	984	Purchase	290145	0.10%
				18-Mar-16	17909	Purchase	308054	0.11%
				25-Mar-16	24607	Purchase	332661	0.12%
		343161	0.12%	31-Mar-16	10500	Purchase	343161	0.12%
10	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	2536148		1-Apr-15			2536148	0.93%
				10-Apr-15	4500	Purchase	2540648	0.94%
				17-Apr-15	-7426	Sale	2533222	0.93%
				24-Apr-15	308720	Purchase	2841942	1.05%
				2-May-15	825	Purchase	2842767	1.05%
				8-May-15	-1009149	Sale	1833618	0.68%
				15-May-15	-330000	Sale	1503618	0.55%
				22-May-15	2240	Purchase	1505858	0.53%
				29-May-15	-85445	Sale	1420413	0.50%
				5-Jun-15	-880	Sale	1419533	0.50%
				12-Jun-15	-61000	Sale	1358533	0.48%
				19-Jun-15	-150135	Sale	1208398	0.43%
				26-Jun-15	-55362	Sale	1153036	0.41%
				30-Jun-15	-1140	Sale	1151896	0.41%
				3-Jul-15	11565	Purchase	1163461	0.41%
				10-Jul-15	-9850	Sale	1153611	0.41%
				17-Jul-15	12018	Purchase	1165629	0.41%
				24-Jul-15	45600	Purchase	1211229	0.43%
				31-Jul-15	15250	Purchase	1226479	0.43%
				14-Aug-15	136160	Purchase	1362639	0.48%
				21-Aug-15	-23590	Sale	1339049	0.47%
				28-Aug-15	-102748	Sale	1236301	0.44%
				4-Sep-15	-469846	Sale	766455	0.27%
				11-Sep-15	500	Purchase	766955	0.27%
				18-Sep-15	-1252	Sale	765703	0.27%
				25-Sep-15	-353940	Sale	411763	0.15%

ANNEXURES TO BOARD'S REPORT

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				2-Oct-15	-2921	Sale	408842	0.14%
				9-Oct-15	-17145	Sale	391697	0.14%
				16-Oct-15	38690	Purchase	430387	0.15%
				23-Oct-15	59670	Purchase	490057	0.17%
				30-Oct-15	-8724	Sale	481333	0.17%
				6-Nov-15	10463	Purchase	491796	0.17%
				20-Nov-15	-6458	Sale	485338	0.17%
				27-Nov-15	-3281	Sale	482057	0.17%
				4-Dec-15	49693	Purchase	531750	0.19%
				11-Dec-15	112568	Purchase	644318	0.23%
				18-Dec-15	8725	Purchase	653043	0.23%
				25-Dec-15	42834	Purchase	695877	0.25%
				31-Dec-15	-14346	Sale	681531	0.24%
				1-Jan-16	21000	Purchase	702531	0.25%
				8-Jan-16	98875	Purchase	801406	0.28%
				15-Jan-16	16166	Purchase	817572	0.29%
				22-Jan-16	4105	Purchase	821677	0.29%
				29-Jan-16	11020	Purchase	832697	0.30%
				5-Feb-16	-26948	Sale	805749	0.29%
				12-Feb-16	-99500	Sale	706249	0.25%
				19-Feb-16	-160146	Sale	546103	0.19%
				26-Feb-16	1681	Purchase	547784	0.19%
				4-Mar-16	6420	Purchase	554204	0.20%
				11-Mar-16	1889	Purchase	556093	0.20%
				18-Mar-16	10112	Purchase	566205	0.20%
				25-Mar-16	3331	Purchase	569536	0.20%
		574407	0.20%	31-Mar-16	4871	Purchase	574407	0.20%
11	ARANDA INVESTMENTS (MAURITIUS) PTE LTD.			17-May-15	10800000	Purchase	10800000	3.83%
				22-May-15	150000	Purchase	10950000	3.88%
				12-Jun-15	311010	Purchase	11261010	3.99%
		11261010	3.99%	31-Mar-16			11261010	3.99%
12	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND			3-Apr-15	2029036	Purchase	2029036	0.75%
				1-May-15	5236	Purchase	2034272	0.75%
				8-May-15	5950	Purchase	2040222	0.75%
				26-Jun-15	372841	Purchase	2413063	0.86%
				14-Aug-15	-5950	Sale	2407113	0.85%
				21-Aug-15	-14280	Sale	2392833	0.85%
				28-Aug-15	-27846	Sale	2364987	0.84%
				4-Sep-15	-38080	Sale	2326907	0.82%

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				11-Sep-15	-19992	Sale	2306915	0.82%
				25-Sep-15	-5236	Sale	2301679	0.82%
				2-Oct-15	-15708	Sale	2285971	0.81%
				18-Dec-15	-11628	Sale	2274343	0.81%
				25-Dec-15	-5742	Sale	2268601	0.80%
				15-Jan-16	-15778	Sale	2252823	0.80%
				22-Jan-16	-7872	Sale	2244951	0.80%
				5-Feb-16	-28135	Sale	2216816	0.79%
				12-Feb-16	-11095	Sale	2205721	0.78%
				26-Feb-16	-11982	Sale	2193739	0.78%
				4-Mar-16	-12918	Sale	2180821	0.77%
				11-Mar-16	6280	Purchase	2187101	0.78%
				18-Mar-16	-7344	Sale	2179757	0.77%
				25-Mar-16	-11919	Sale	2167838	0.77%
		2167838	0.77%	31-Mar-16			2167838	0.77%
13	NEW HORIZON OPPORTUNITIES MASTER FUND			9-Oct-15	3500	Purchase	3500	0.00%
				16-Oct-15	691500	Purchase	695000	0.25%
				23-Oct-15	630000	Purchase	1325000	0.47%
				30-Oct-15	630000	Purchase	1955000	0.69%
				6-Nov-15	175000	Purchase	2130000	0.75%
		2130000	0.75%	31-Mar-16			2130000	0.75%
14	GOVERNMENT OF SINGAPORE			29-Jan-16	2835371	Purchase	2835371	1.00%
				5-Feb-16	145786	Purchase	2981157	1.06%
				12-Feb-16	35230	Purchase	3016387	1.07%
				4-Mar-16	2577	Purchase	3018964	1.07%
				11-Mar-16	-1354	Sale	3017610	1.07%
		3053273	1.08%	31-Mar-16	35663	Purchase	3053273	1.08%
15	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL			25-Mar-16	2981433	Purchase	2981433	1.06%
		2981433	1.06%	31-Mar-16			2981433	1.06%

ANNEXURES TO BOARD'S REPORT

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding at the beginning of the year	Date	Increase/ (Decrease)	Reason	Cumulative shareholding during the year			
					No. of Shares	% of total shares of the Company		
A DIRECTORS								
1	Glenn Saldanha Chairman & Managing Director	749947	0.28	1-Apr-15				
				3-Nov-15	10100	Purchase from Open Market	760047	0.27
				9-Dec-15	8230	Purchase from Open Market	768277	0.27
				31-Mar-16			768277	0.27
2	Cherylann Pinto Director-Corporate Affairs	676800	0.25	1-Apr-15				
				3-Nov-15	5075	Purchase from Open Market	681875	0.24
				9-Dec-15	3363	Purchase from Open Market	685238	0.24
				31-Mar-16			685238	0.24
3	Rajesh Desai Executive Director	175667	0.06	1-Apr-15				
				9-Jun-15	-6500	Sale	169167	0.06
				11-Jun-15	-5000	Sale	164167	0.06
				2-Dec-15	-5000	Sale	159167	0.06
				31-Mar-16			159167	0.06
4	B. E. Saldanha Non Executive Director	926137	0.34	1-Apr-15				
				10-Sep-15	10050	Purchase from Open Market	936187	0.33
				4-Nov-15	11625	Purchase from Open Market	947812	0.34
				5-Nov-15	30290	Purchase from Open Market	978102	0.35
				6-Nov-15	620	Purchase from Open Market	978722	0.35
				15-Feb-16	5000	Purchase from Open Market	983722	0.35
				31-Mar-16			983722	0.35
5	J. F. Ribeiro Non-Executive Independent Director	45800	0.02		-		45800	0.02
6	N. B. Desai* Non-Executive Independent Director	30000	0.01		-		30000	0.01
7	Sridhar Gorthi Non-Executive Independent Director	559	0.00		-		559	0.00

Sl. No.	Shareholding at the beginning of the year	Date	Increase/ (Decrease)	Reason	Cumulative shareholding during the year	
					No. of Shares	% of total shares of the Company
8	D R Mehta Non-Executive Independent Director	-	-	-	-	-
9	Milind Sarwate ** Non-Executive Independent Director	-	-	-	-	-
10	Brian Tempest Non-Executive Independent Director	-	-	-	-	-
11	Bernard Munos Non-Executive Independent Director	-	-	-	-	-
B KEY MANAGERIAL PERSONNEL						
1	Sanjay Kumar Chowdhary Company Secretary & Compliance Officer	2150	0.00	1-Apr-15		
				13-Apr-15	-50	Sale
				24-Apr-15	-100	Sale
				31-Mar-16		
					2100	0.00
					2000	0.00
					2000	0.00

* Ceased to be a director w.e.f. 1 June 2015

** Appointed as a Director w.e.f. 29 October 2015.

ANNEXURES TO BOARD'S REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Million)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1 Principal Amount	366.88	3,109.12	-	3,476.00
2 Interest Due but not Paid				-
3 Interest Accrued but not due		3.04		3.04
Total (1 + 2 + 3)	366.88	3,112.16	-	3,479.04
Change in Indebtedness during the financial year				
Addition		4,609.80		4,609.80
Reduction	211.62			211.62
Net Change	(211.62)	4,609.80		4,398.19
Indebtedness at the end of the Financial Year				
1 Principal Amount	155.26	7,718.92	-	7,874.19
2 Interest Due but not Paid				-
3 Interest Accrued but not due		6.66		6.66
Total (1 + 2 + 3)	155.26	7,725.58	-	7,880.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Million)

SI No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Glenn Saldanha	Mrs. Cherylann Pinto	Mr. Rajesh Desai	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	80.24	27.00	20.75	127.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.31	3.52	3.15	23.98
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	10.91	2.85	2.01	9.08
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	108.46	33.37	25.91	167.74
	Ceiling as per the Act				1,993.72

B. Remuneration to other directors:

(₹ in Million)

Particulars of Remuneration	Name of Directors								Total Amount
	Mrs. B. E. Saldanha	Mr. N. B. Desai*	Mr. J. F. Ribeiro	Mr. Sridhar Gorthi	Mr. D. R. Mehta	Dr. Brian W. Tempest	Mr. Bernard H. Munos	Mr. Milind Sarwate**	
1. Independent Directors									
• Fee for attending board / committee meetings	0	0.30	1.72	1.12	1.52	0.40	0.40	0.50	5.96
• Commission	0	0	0	0	0	0	0	0	0
• Others, please specify	0	0	0	0	0	0	0	0	0
Total (1)	0	0.30	1.72	1.12	1.52	0.40	0.40	0.50	5.96
2. Other Non-Executive Directors									
• Fee for attending board / committee meetings	0.40	0	0	0	0	0	0	0	0.40
• Commission	0	0	0	0	0	0	0	0	0
• Others, please specify	0	0	0	0	0	0	0	0	0
Total (2)	0.40	0	0	0	0	0	0	0	0.40
Total = (1+2)	0.40	0.30	1.72	1.12	1.52	0.40	0.40	0.50	6.36
Overall Ceiling as per the Act									181.25

*Ceased to be a director w.e.f. 1 June 2015

**Appointed as an additional director w.e.f. 29 October 2015

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Sanjay Kumar Chowdhary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.14	2.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.49	0.49
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify	0	0
	Total	2.63	2.63

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Ten Directors, of whom, three are executive, and seven 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	6	-	2	1
Mrs. Cherylann Pinto	Executive Promoter Group	Daughter of Mrs. B. E. Saldanha and Sister of Mr. Glenn Saldanha	5	-	2	2
Mr. Rajesh Desai	Executive	None	6	-	-	3
Mrs. B. E. Saldanha	Non-Executive Promoter Group	Mother of Mr. Glenn Saldanha and Mrs. Cherylann Pinto	4	-	-	-
Mr. D. R. Mehta	Non-Executive Independent	None	6	5	3	7
Mr. Bernard Munos	Non-Executive Independent	None	4	-	-	-
Mr. J. F. Ribeiro	Non-Executive Independent	None	6	1	3	-
Dr. Brian W. Tempest	Non-Executive Independent	None	4	3	5	3
Mr. Sridhar Gorthi	Non-Executive Independent	None	5	1	1	4
Mr. N. B. Desai*	Non-Executive Independent	None	2	-	-	-
Mr. Milind Sarwate**	Non-Executive Independent	None	2	5	8	7

Includes Directorship(s) in Indian Companies. The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

Membership/Chairmanship of the Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Share Transfer Committee and Operations Committee of all Public Limited Companies have been considered.

* Ceased to be a director w.e.f. 1 June 2015. Only 3 meetings were held during his tenure.

** Appointed as an additional director w.e.f. 29 October 2015.

b) Details of Board Meetings and Attendance:

During the Financial Year ended 31 March 2016; Six board meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	6 April 2015	10	6
2	17 April 2015	10	6
3	29 May 2015	10	9
4	30 July 2015	9	9
5	29 October 2015	10	10
6	28 January 2016	10	10

- 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. B. E. Saldanha, Mrs. Cherylann Pinto, Mr. Rajesh Desai, Mr. J. F. Ribeiro and Dr. Brian W. Tempest attended the last Annual General Meeting of the Company held on 22 September 2015.
- 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.

Familiarisation programmes for Board Members:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes are presented to the Directors.

The policy on familiarisation programmes as stated above are also available on the website of the Company and can be accessed at the weblink:

http://www.glenmarkpharma.com/UITemplate/PDF/Familiarisation_Programme_for_Independent_Directors.pdf

REPORT ON CORPORATE GOVERNANCE

Meetings of Independent Directors:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

One meeting of the Independent Directors was held during the year.

3. BOARD COMMITTEES:

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formed the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee.

1. Audit Committee:

- The Company has a qualified and independent Audit Committee which has been formed in pursuance of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. 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.
 - f) The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
 - g) Review and monitor the auditor's independence and performance and effectiveness of audit process.
 - h) Examination of the financial statement and the auditor's report thereon.
 - i) Approval or any subsequent modification of transactions of the Company with related parties.
 - j) Scrutiny of inter-corporate loans and investments.
 - k) Valuation of undertakings or assets of the Company, wherever it is necessary.
 - l) Evaluation of internal financial controls and risk management systems.
 - m) Monitoring the end use of funds raised through public offers and related matters.
 - n) Establishment and monitoring of the vigil mechanism / whistle blower policy.

Any other duties/ terms of reference for the Audit Committee which are incidental / necessary for the fulfillment of the above mentioned terms of reference would be deemed to be under the purview of the Audit Committee.

- Details of the composition and attendance of Members of the Audit Committee during the fiscal year 2016 are as follows:

Four Audit Committee Meetings were held during the year – 28 May 2015, 29 July 2015, 28 October 2015 and 27 January, 2016.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	4	4	Chairman w.e.f. 29 July, 2015	Independent Director
Mr. N. B. Desai #	1	1	Chairman upto 31 May 2015	Independent Director
Mr. Sridhar Gorthi	4	2	Member	Independent Director
Mr. Milind Sarwate*	1	1	Member	Independent Director
Mrs. B. E. Saldanha**	2	-	Member	Non Executive 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, 2013 read together with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

* Appointed as Member w.e.f. 29 October 2015.

** Appointed as Member w.e.f. 29 May 2015 & Ceased to be a Member w.e.f. 29 October 2015. Two meetings were held during her tenure.

Ceased to be a Chairman/Member w.e.f. 01 June 2015.

2. Stakeholder's Relationship Committee:

- The committee has the mandate to review and redress shareholder grievances including complaints related to non-receipt of securities/share certificate, non-receipt of balance sheet, non-receipt of declared dividends, etc. 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 Stakeholder's Relationship Committee Meetings during the fiscal year 2016:

Four Stakeholder's Relationship Committee meetings were held during the year – 29 May 2015, 30 July 2015, 29 October 2015 and 28 January 2016.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	4	4	Chairman	Independent Director
Mr. Glenn Saldanha*	1	1	Member	Executive Director
Mrs. Cherylann Pinto	4	4	Member	Executive Director
Mr. D. R. Mehta**	4	4	Member	Independent Director
Mr. Milind Sarwate#	1	1	Member	Independent Director

*Ceased to be Member w.e.f. 30 July 2015. One meeting was held during his tenure.

**Appointed as Member w.e.f. 6 April 2015.

#Appointed as Member w.e.f. 29 October 2015.

- The Details of complaints received and resolved during the year ended 31 March 2016 are as follows:

No. of complaints	2015-2016	2014-2015
Received	95	56
Resolved	95	56
Pending	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

- Name and Designation of Compliance Officer:
Mr. Sanjay Kumar Chowdhary, Company Secretary & Compliance Officer
Ph No.: 91 22 40189999
E-mail ID: complianceofficer@glenmarkpharma.com
- The Company's Registrars, Karvy Computershare Pvt. 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:

- The purpose of this 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.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
 - The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
 - Devise a policy on Board diversity.
 - Formulate criteria for evaluation of Independent Directors and the Board.
- Details of Composition and Attendance of the Members of Nomination and Remuneration Committee during the fiscal year 2016:

Four Nomination and Remuneration Committee meetings were held during the year-29 May 2015, 30 July 2015, 29 October 2015 and 28 January 2016.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. J. F. Ribeiro	4	4	Chairman	Independent Director
Mr. Glenn Saldanha	4	4	Member	Executive Director
Mr. D. R. Mehta*	4	4	Member	Independent Director
Mr. Sridhar Gorthi	4	3	Member	Independent Director
Mr. Milind Sarwate**	1	1	Member	Independent Director

* Appointed as Member w.e.f. 6 April 2015.

** Appointed as Member w.e.f. 29 October 2015.

- Compensation Policy:

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

- Board Performance Evaluation:

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

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

4. Risk Management Committee:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks as also identify business opportunities.

Details of composition and attendance of the Members of Risk Management Committee during the fiscal year 2016:

Two Risk Management Committee meetings were held during the year - 10 February, 2016 and 23 March, 2016.

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Glenn Saldanha	2	1	Chairman	Executive Director
Mr. Rajesh Desai	2	2	Member	Executive Director
Mr. D. R. Mehta *	2	2	Member	Independent Director

* Appointed as a Member w.e.f. 6 April 2015

4. REMUNERATION OF DIRECTORS:

Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees forms an integral part of Board's Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

- The 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 2016

(₹ in Million)

Sr. No.	Name of Director	Salaries	Retirement benefits/other reimbursements	Commission	Sitting Fees	Total
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
1	Mr. Glenn Saldanha	80.24	17.31	10.91	-	108.46
2	Mrs. Cherylann Pinto	27.00	3.52	2.85	-	33.37
3	Mr. Rajesh Desai	20.75	3.15	2.01	-	25.91
4	Mrs. B. E. Saldanha	-	-	-	0.40	0.40
5	Mr. D. R. Mehta	-	-	-	1.52	1.52
6	Mr. Bernard Munos	-	-	-	0.40	0.40
7	Mr. J. F. Ribeiro	-	-	-	1.72	1.72
8	Dr. Brian W. Tempest	-	-	-	0.40	0.40
9	Mr. Sridhar Gorthi	-	-	-	1.12	1.12
10	Mr. Milind Sarwate*	-	-	-	0.50	0.50
11	Mr. N. B. Desai**	-	-	-	0.30	0.30
	Total	127.99	23.98	15.77	6.36	174.10

Note:

Sitting fees of ₹ 1.12 million of Mr. Sridhar Gorthi was paid to Trilegal on his behalf.

*Appointed as an Additional Director w.e.f. 29 October 2015.

**Ceased to be Director w.e.f. 01 June 2015.

REPORT ON CORPORATE GOVERNANCE

Shareholding of the Non-Executive/Independent Directors in the Company as on 31 March 2016:

Name of the Director	Equity Shares (Nos.)
Mrs. B. E. Saldanha	9,83,722
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. Milind Sarwate	NIL

5. DISCLOSURES BY MANAGEMENT:

- 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.
- 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.
- 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.
- The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

During the period under review, the Company had not entered into any material transaction with any of its related parties.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 31(d) of Standalone Financial Statements, forming part of the Annual Report.

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

All related party transactions are negotiated on an armslength basis, and are intended to further the Company's interests.

The policy on material subsidiary as stated above are also available on the website of the Company and can be accessed at the weblink http://www.glenmarkpharma.com/UITemplate/PDF/Policy_on_Material_Subsiidiary.pdf

The policy on Related Party Transactions as stated above are also available on the website of the Company and can be accessed at the weblink http://www.glenmarkpharma.com/UITemplate/PDF/Policy_on_Related_Party_Transactions_and_its_Materiality_Glenmark.pdf

Adoption of Mandatory and Non-Mandatory Requirements

The Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The status on the compliance with the non-mandatory recommendation in the SEBI Regulations is as under:

- The Company's Standalone Financial Statement for the year ended 31 March 2016 are unqualified.
- The Internal Auditor reports directly to the Audit Committee in all functional matters.
- The Company follows a robust process of communicating with the shareholders which has been explained later in the Report under "Means of Communication".

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 2013	2 August 2013 at 11 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	None
31 March 2014	25 July 2014 at 11 a.m.	Sunville Banquet & Conference Hall, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	Yes
31 March 2015	22 September 2015 at 11.00 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 requisite majority of members by way of e-voting and e-poll.

Special Resolution(s) passed through Postal Ballot during the year:

- (a) Pursuant to the provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, the members of the Company had approved for issue of Securities not exceeding USD 500 million, by passing a Special Resolution through postal ballot effective 25 January 2016.

Resolution Required:			Special					
Whether promoter/promoter group are interested in the agenda/ resolution			No					
Category	Mode of Voting	No. of Shares Held# (1)	No. of Votes polled\$ (2)	% of Votes Polled on Outstanding shares (3)=[(2)/(1)*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-voting	-	131,129,173	100.00	131,129,173	0	100.00	0
	Postal Ballot	-	0	0	0	0	0	0
	Total	131,129,173	131,129,173	100.00	131,129,173	0	100.00	0
Public -Institutions	E-voting	-	78,226,494	65.17	74,357,660	3,868,834	95.05	4.95
	Postal Ballot	-	748,832	0.62	748,832	0	100.00	0
	Total	120,034,381	78,975,326	65.79	75,106,492	3,868,834	95.10	4.90
Public-Non Institutions	E-voting	-	2,411,292	7.78	2,411,155	137	99.99	0.01
	Postal Ballot	-	26,111	0.08	25,397	714	97.27	2.73
	Total	30,992,602	2,437,403	7.86	2,436,552	851	99.97	0.03
Total		282,156,156	212,541,902	75.33	208,672,217	3,869,685	98.18	1.82

REPORT ON CORPORATE GOVERNANCE

- (b) The members of the Company had approved for creation of charge or mortgage over assets of the Company under Section 180(1)(a) of the Companies Act, 2013, by passing a Special Resolution through postal ballot effective 25 January 2016.

Resolution Required:			Special					
Whether promoter / promoter group are interested in the agenda/ resolution			No					
Category	Mode of Voting	No. of Shares Held# (1)	No. of Votes polled\$ (2)	% of Votes Polled on Outstanding shares (3)=[(2)/(1)*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-voting	-	131,129,173	100.00	131,129,173	0	100.00	0
	Postal Ballot	-	0	0	0	0	0	0
	Total	131,129,173	131,129,173	100.00	131,129,173	0	100.00	0
Public -Institutions	E-voting	-	77,029,866	64.17	75,767,187	1,262,679	98.36	1.64
	Postal Ballot	-	748,832	0.62	748,832	0	100.00	0
	Total	120,034,381	77,778,698	64.80	76,516,019	1,262,679	98.38	1.62
Public -Non Institutions	E-voting	-	2,411,292	7.78	2,411,056	236	99.99	0.01
	Postal Ballot	-	24,876	0.08	24,062	814	96.73	3.27
	Total	30,992,602	2,436,168	7.86	2,435,118	1,050	99.96	0.04
Total		282,156,156	211,344,039	74.90	210,080,310	1,263,729	99.40	0.60

voting rights are in proportion to shares held as on December 11, 2015.

\$ only valid votes polled are mentioned.

As per the consolidated results of Postal Ballot & E-voting on special resolutions nos. (a) and (b) corresponding to respective items of the Postal Ballot Notice, have been passed by requisite majority.

7. EXTRAORDINARY GENERAL MEETING (EGM)

Extraordinary General Meeting was held on 13 May 2015 for seeking approval of the Members for issue of shares on a preferential basis under Chapter VII of the SEBI (ICDR) Regulations to Aranda Investments (Mauritius) Pte Ltd.

8. 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 2016, 99.26% 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 2016:

Description	No. of Shares holders	Shares held	% to Equity
Company Promoters	21	131,134,773	46.48
Foreign Institutional Investor	246	59,550,681	21.11
Resident Individuals	74,826	22,661,390	8.03
Foreign Portfolio Investors	253	43,047,407	15.26
Indian Financial Institutions	19	9,039,558	3.20
Bodies Corporates	1,006	6,323,853	2.24

Description	No. of Shares holders	Shares held	% to Equity
Mutual Funds	82	5,851,066	2.07
Non-Resident Indians	2,266	1,275,117	0.45
H U F	1,481	402,427	0.14
Employees	77	368,668	0.13
Banks	18	728,360	0.26
Directors	7	205,526	0.07
Clearing Members	148	642,969	0.23
Foreign Nationals	15	75,350	0.03
Trusts	19	817,763	0.29
Non-Banking Finance	11	33,248	0.01
TOTAL	80,495	282,158,156	100.00

Distribution Schedule as on 31 March 2016:

Sr. No.	Category (No. of shares) From - To	No. of Shareholders	% of No. of Shareholders	No. of Shares	% of Total Equity
1	1- 5000	79,538	98.81	12,383,235	4.39
2	5001 - 10000	301	0.37	2,212,919	0.78
3	10001 - 20000	188	0.23	2,701,532	0.96
4	20001 - 30000	78	0.10	1,920,366	0.68
5	30001 - 40000	44	0.05	1,558,628	0.55
6	40001 - 50000	34	0.04	1,528,457	0.54
7	50001 - 100000	75	0.09	5,255,114	1.86
8	100001 And Above	237	0.29	254,597,905	90.23
	TOTAL	80,495	100.00	282,158,156	100.00

- **Date, Time and Venue of the Ensuing Annual General Meeting:**
Annual General Meeting shall be held on 12 August 2016 at 11.30 am at Sunville Banquet & Conference Hall, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
- **Date of declaration of dividend:**
A dividend of ₹ 2/- per share has been recommended by the Board of Directors on 12 May 2016 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 2016	July 2016
Financial reporting for the second quarter ending 30 September 2016	October 2016
Financial reporting for the third quarter ending 31 December 2016	January 2017
Financial results for the year ending 31 March 2017	May 2017

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 each 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 125 of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

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 IEPF
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
31.03.2014	25.07.2014	25.08.2014	24.08.2021	23.09.2021
31.03.2015	22.09.2015	22.10.2015	21.10.2022	20.11.2022

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.

9. 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 the Financial Express and Lok Satta newspapers.

The Financial Statements as stated above are also available on the website of the Company and can be accessed at the weblink http://www.glenmarkpharma.com/GLN_DWL/FinancialResultDownload.aspx?res=P_GLN_INV_FNR

- **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 web site: 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's website is updated periodically to include information on new developments and business opportunities of your Company.

10. 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.

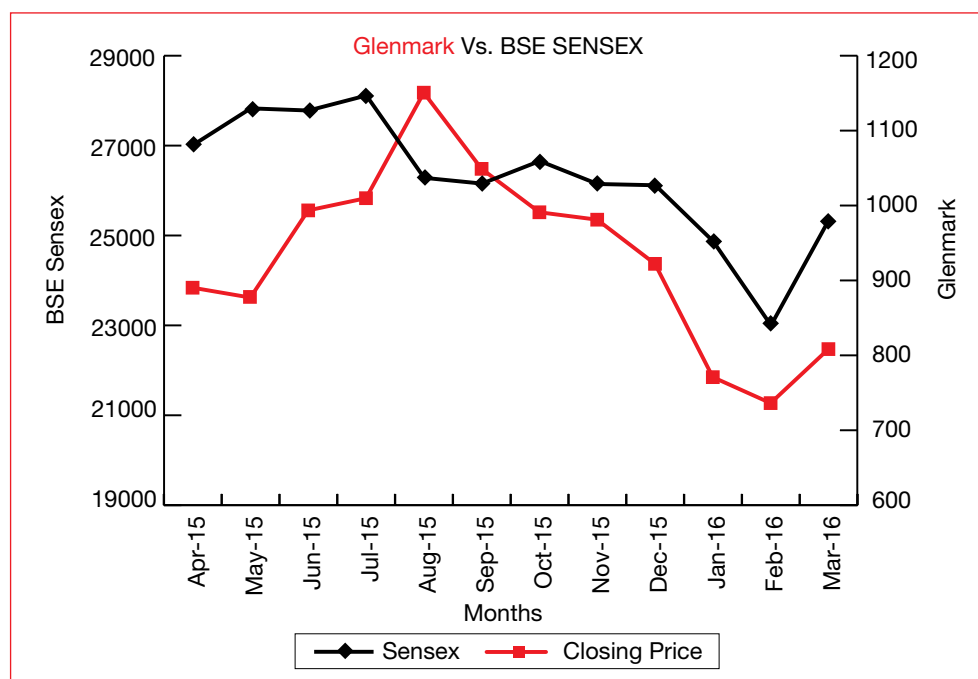
Stock Exchange	Stock Codes / Symbols	ISIN
Bombay Stock Exchange	532296	INE935A01035
National Stock Exchange	GLENMARK	INE935A01035

- Listing fees for the year – 2016-2017 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)
April-15	940.00	783.00	2,794,957	940.75	900.15	26,890,103
May-15	929.90	807.00	1,760,698	929.50	888.55	17,113,609
June-15	1015.60	820.00	2,295,234	1016.20	983.00	23,198,207
July-15	1105.00	929.05	1,506,410	1101.70	1085.00	21,675,824
August-15	1261.95	976.50	2,800,930	1262.90	1172.95	47,235,329
September-15	1156.65	970.60	1,472,395	1157.80	1105.65	18,414,984
October-15	1074.90	928.05	1,412,376	1074.90	1046.60	17,306,634
November-15	998.90	923.50	807,578	1000.00	970.45	11,922,922
December-15	995.75	850.20	1,033,796	995.95	981.40	14,584,575
January-16	954.45	728.50	1,176,790	954.00	727.70	18,388,642
February-16	806.35	671.50	1,361,814	806.80	671.10	15,191,013
March-16	820.00	732.00	239,188	838.00	730.70	11,613,239

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



REPORT ON CORPORATE GOVERNANCE

11. 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.

12. PLANT LOCATIONS:

The Company's plants are located at:

FORMULATIONS

- E 37, MIDC Industrial Area, D Road, Satpur, Nasik – 422 007 Maharashtra
- Plot No. 7 & 9, Colvale Industrial Estate, Bardez – 403 115, Goa
- Unit - I, Village Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan, HP - 174 101
- Unit - II, Village Bhattanwala, PO Rajpura, Teh Nalagarh, Dist. - Solan, HP - 174 101
- Unit - III, Village Kishanpura, Baddi-Nalagarh Road, Dist. - Solan, HP - 174 101
- Plot No. 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454 775, Madhya Pradesh
- 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
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra
- 4147 Goldmine Road, Monroe, NC 28110, USA

API

- 3109 – C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch – 393 002, Gujarat
- Plot No 163- 165/170 – 172, Chandramouli Industrial Estate, Mohol Bazarpath, Solapur – 413 213, Maharashtra
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune – 413 802, Maharashtra
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat

R & D CENTRES

- Plot No. A 607, TTC Industrial Area, MIDC Mahape, Vashi, Navi Mumbai – 400 705, Maharashtra
- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland
- Plot No. C 152, MIDC Sinnar Industrial Area, Malegaon, Dist. - Nasik – 422 113, Maharashtra
- Plot No. M4, Taloja industrial area, MIDC Taloja, Taluka Panvel. 410 208, Dist. - Raigad, Maharashtra

CLINICAL RESEARCH CENTRES

- Plot No. D 508, TTC Industrial Estate, MIDC, Turbhe, Navi Mumbai – 400 705, Maharashtra

13. OUTSTANDING GDR'S / ADR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS EXERCISED, DATE AND LIKELY IMPACT ON EQUITY:

- During the Financial Year 2015-2016, 34,500 options were cancelled, 45,800 options were exercised and no new options were issued under Employees Stock Options scheme viz. ESOS' 2003. As of 31 March 2016, 84,500 options were outstanding and are due for exercise on the following dates:

ESOS' 03	
Date	Number of Options
31 December 2016	6,000
24 September 2016	36,000
12 April 2016	2,500
30 March 2017	40,000

- 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.

14. 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:

- There are no clearing charges in the hands of the investor / recipient, the same are borne by the Company;
- Risk as to fraudulent encashment of the dividend warrants, loss / interception of dividend warrants in transit, are eliminated;
- 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;
- 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 filed in to registrars for updating of records.

15. CODE FOR PREVENTION OF INSIDER TRADING:

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

16. 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. Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032
Telephone	(022) 40189999	+91-40-67161500
Fax No.	(022) 40189986	+91-40-23420814
E-mail	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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2016.

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 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: 12 May 2016

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 31 March, 2016, 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 Chapter IV of Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations 2015, 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 Stakeholders Relationship 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 **MARK & ASSOCIATES**
Company Secretaries LLP

Surjan Singh Rauthan
Partner

Membership No. FCS-4807
COP-3233

Place: Mumbai
Date: 12 May 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Glenmark Pharmaceuticals Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Glenmark Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone financial statements dealt with by this report are in agreement with the books of account;

- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 12 May 2016 as per Annexure B expressed unqualified opinion.
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 28 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place : Mumbai
Date : 12 May 2016

ANNEXURE A

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF GLENMARK PHARMACEUTICALS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/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.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

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	Disallowed expenditure on development of new product u/s 35(2AB)*	49.23	-	A.Y. 2005-06	Hon'ble High Court at Mumbai
Income Tax Act, 1961	Disallowance for income added to MAT book profit.	0.82	-	A.Y. 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Transfer Pricing Adjustment	12.47	7.00	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Transfer Pricing Adjustment	9.84	-	A.Y. 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Transfer Pricing Adjustment, disallowance of sales promotion expenses, and allocation of interest and R&D expenses to tax holiday units	65.96	29.40	A.Y. 2011-12 & A.Y. 2012-13	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Rejection of C Forms	2.89	-	F.Y. 2007-08	Deputy Commissioner of Commercial Taxes (Appeal), Gujarat

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
Central Sales Tax Act, 1956	Rejection of C Forms	1.24	-	F.Y. 2011-12	Addl. Commissioner of Commercial Taxes (Appeal), Goa
The Goa VAT Act 2005	Disallowance of Input Tax Credit	5.36	-	F.Y. 2011-12	Addl. Commissioner of Commercial Taxes (Appeal), Goa
The Central Excise Act 1944	Levy of penalty for non submission of proof of export	10.00	-	April 2003 to Sept 2007	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Central Excise Act 1944	Levy of penalty for non submission of proof of export*	16.31	-	April 2003 to Sept 2007	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Central Excise Act 1944	Disallowance of Rebate Claims	0.59	0.59	F.Y. 2009-10	Jt. Secretary, Dept of Revenue, Ministry of Finance
The Central Excise Act 1944	Disallowance of Rebate Claims*	17.19	17.19	F.Y. 2010-11	Jt. Secretary, Dept of Revenue, Ministry of Finance
The Central Excise Act 1944	Disallowance of CENVAT Credit	2.76	0.28	April 2009 to March 2012	Commissioner of Central Excise (Appeal), Mumbai
The Finance Act 1994	Demand of Service Tax under reverse charge mechanism	29.68	-	April 2004 to April 2006	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Central Excise Act 1944	Excise duty demanded on domestic clearance of certain products	14.18	14.18	Jun 2005 to Dec 2009	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Central Excise Act 1944	Excise duty demanded on domestic clearance of certain products*	7.99	7.99	Jan 2010 to Mar 2011	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
The Central Excise Act 1944	Disallowance of Rebate Claims	5.48	5.48	Apr 2008 to Mar 2011	Jt. Secretary, Dept. of Revenue, Ministry of Finance
The Central Excise Act 1944	Disallowance of CENVAT Credit	1.44	1.44	April 2009 to March 2011	Commissioner of Central Excise (Appeal), Mumbai
The Central Excise Act 1944	Disallowance of Rebate Claims for third party products	6.23	6.23	December 2013 to December 2015	Commissioner of Central Excise (Appeal), Mumbai

* 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.

** A.Y./F.Y. – Assessment year / Financial year

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.
- (xv) Based on the representation provided by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place: Mumbai

Date: 12 May 2016

ANNEXURE B

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF GLENMARK PHARMACEUTICALS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

1. In conjunction with our audit of the standalone financial statements of Glenmark Pharmaceuticals Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place: Mumbai

Date: 12 May 2016

BALANCE SHEET

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

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	282.16	271.29
(b) Merger consideration, pending allotment	1A	-	0.02
(c) Reserve and surplus	2	72,575.35	49,249.22
		72,857.51	49,520.53
2. Non-current liabilities			
(a) Deferred tax liabilities (net)	3	1,570.61	1,323.97
(b) Other long-term liabilities	4	46.95	1,219.21
		1,617.56	2,543.18
3. Current liabilities			
(a) Short-term borrowings	5	7,874.18	3,475.99
(b) Trade payables	6		
Total outstanding dues to micro, small and medium enterprises		-	-
Total outstanding dues to creditors other than micro, small and medium enterprises		16,259.54	15,667.86
(c) Other current liabilities	7	2,416.08	3,786.99
(d) Short-term provisions	8	1,552.94	1,513.80
		28,102.74	24,444.64
TOTAL		102,577.81	76,508.35
II ASSETS			
1. Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		13,219.24	11,524.84
(ii) Intangible assets		1,037.90	781.94
(iii) Capital work-in-progress		2,609.32	2,864.77
(iv) Intangible assets under development		151.31	77.12
		17,017.77	15,248.67
(b) Non-current investments	10	18,584.25	16,595.18
(c) Long-term loans and advances	11	20,586.81	8,546.31
(d) Other non-current assets	12	223.86	138.63
		56,412.69	40,528.79
2. Current assets			
(a) Inventories	13	9,680.01	7,366.32
(b) Trade receivables	14	30,576.55	24,408.31
(c) Cash and bank balances	15	863.66	485.47
(d) Short-term loans and advances	16	3,900.75	3,511.09
(e) Other current assets	17	1,144.15	208.37
		46,165.12	35,979.56
TOTAL		102,577.81	76,508.35

The accompanying notes from 1 to 45 form an integral part of these financial statements.

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

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date: 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

STATEMENT OF PROFIT AND LOSS

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

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
I REVENUE FROM OPERATIONS (GROSS)	18	62,030.82	51,677.30
Less: Excise duty		895.84	821.28
Revenue from operations (net)		61,134.98	50,856.02
II Other income	19	1,172.83	849.41
III Total Revenue (I + II)		62,307.81	51,705.43
IV EXPENSES:			
Cost of materials consumed	20	17,905.71	15,640.26
Purchases of stock-in-trade	21	2,199.75	1,739.54
Changes in inventories of finished goods, work-in-process and stock-in-trade	22	(735.51)	(696.53)
Employee benefit expenses	23	7,716.28	6,622.54
Finance costs	24	362.24	301.89
Depreciation and amortisation expenses	25	1,121.01	1,194.60
Other expenses	26	16,492.23	12,900.31
Total expenses		45,061.71	37,702.61
V Profit before exceptional items and tax (III - IV)		17,246.10	14,002.82
VI Exceptional items		-	1,687.37
VII Profit before tax (V - VI)		17,246.10	12,315.45
VIII Tax expense:			
(1) Current tax		3,746.14	2,801.69
(2) Minimum Alternate Tax Credit (Entitlement) / utilisation		(1,430.99)	(526.92)
(3) Deferred tax charge / (credit)		246.64	(34.57)
		2,561.79	2,240.20
IX Profit for the year (VII - VIII)		14,684.31	10,075.25
X Earnings per equity share (in ₹):	29		
(1) Basic		52.31	37.14
(2) Diluted		52.30	37.13

The accompanying notes from 1 to 45 form an integral part of these financial statements.

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

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

per **Ashish Gupta**
Partner
Membership Number: 504662

Place: Mumbai
Date: 12 May 2016

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Rajesh Desai
Executive Director

Cherylann Pinto
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

CASH FLOW STATEMENT

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	17,246.10	12,315.45
Adjustments for:		
Depreciation and amortisation expenses	1,121.01	1,194.60
Interest expense	362.24	301.89
Interest income	(671.49)	(275.75)
Income from investments - dividends	(8.81)	(9.45)
Loss / (Profit) on sale of fixed assets	8.02	24.74
Provision for bad and doubtful debts	109.03	308.53
Provision for gratuity and compensated absence	172.17	166.62
Unrealised foreign exchange (gain) / loss	(474.56)	(658.86)
Operating profit before working capital changes	17,863.71	13,367.77
Adjustments for changes in working capital:		
- Increase in trade receivables	(5,744.18)	(9,743.05)
- Increase in other receivables	(1,308.23)	(1,051.28)
- Increase in inventories	(2,313.69)	(1,575.17)
- Increase / (Decrease) in trade and other payables	(1,195.00)	2,857.51
Cash generated from operations	7,302.61	3,855.78
- Taxes paid (net of refunds)	(3,755.06)	(2,404.70)
Net cash generated from operating activities	3,547.55	1,451.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work-in-progress)	(3,436.98)	(2,409.81)
Proceeds from sale of fixed assets	4.86	68.09
Investments in subsidiaries	(1,926.01)	(811.95)
Loans and advances to subsidiaries, net	(10,306.92)	(1,458.96)
Increase in restricted cash	0.22	(7.16)
Share application money paid	(204.44)	(82.47)
Interest received	404.49	747.86
Dividend received	8.81	9.45
Net cash used in investing activities	(15,455.97)	(3,944.95)

CASH FLOW STATEMENT

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from fresh issue of		
- Share capital including securities premium	9,354.95	20.34
Proceeds /(repayment) of long-term borrowings	(615.52)	615.52
Proceeds /(repayment) of short-term borrowings	4,734.85	(357.47)
Proceeds from working capital facilities	(211.60)	352.18
Interest paid	(358.62)	(323.47)
Dividend paid (including dividend distribution tax)	(678.53)	(631.04)
Net cash (used in) / generated from financing activities	12,225.53	(323.94)
Net increase / (decrease) in cash and cash equivalents	317.11	(2,817.81)
Opening balance of cash and cash equivalents	420.18	1,057.62
Add: On account of amalgamation [Refer note 1A]	-	2,184.56
Exchange fluctuation on cash and cash equivalent	5.14	(4.19)
Closing balance of cash and cash equivalents	742.43	420.18
Cash and cash equivalents comprise of:		
Cash on hand	7.75	6.30
Deposits (less than 3 months)	150.00	-
Balances with banks in current accounts and exchange earner's foreign currency (EEFC) accounts	584.68	413.88
	742.43	420.18

Note:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 'Cash Flow Statements' specified in the accounting standards as prescribed under section 133 of the Companies Act, 2013, (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014.
- Figures in bracket indicate cash outflow.

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

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date: 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount
(I) Authorised				
Equity Shares of ₹ 1 each	2,370,000,000	2,370.00	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	271,294,553	271.29	271,223,653	271.22
Add: Issued during the year				
- Under the Employee Stock Option Scheme, 2003 (ESOS)	45,800	0.05	70,900	0.07
- Preferential issue (refer note VI below)	10,800,000	10.80	-	-
- Allotted on account of Amalgamation (for consideration other than cash) (refer note - 1A)	17,803	0.02	-	-
At the end of the year	282,158,156	282.16	271,294,553	271.29
(II) List of shareholders holding more than 5% shares	As at 31 March 2016		As at 31 March 2015	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Saldanha Family Trust	45.45	128,241,936	47.27	128,241,936

(III) As at 31 March 2016, 84,500 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.

(IV) Rights, Preference and restriction on shares

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

(V) In the period of five years immediately preceding 31 March 2016, the Company has not allotted any shares as fully paid-up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

(VI) The Company in its meeting of Preferential Issue Committee of the Board of Directors held on 19 May 2015, has allotted 10,800,000 Equity Shares of the face value of ₹ 1/- each at a price of ₹ 875 per equity share to Aranda Investments (Mauritius) Pte Limited, on preferential basis in terms of Chapter VII of SEBI (ICDR) Regulations and the applicable sections of the Companies Act, 2013.

(VII) Employee Stock Option Scheme, 2003 (ESOS)

The Company has formulated an Employee Stock Option Scheme ('ESOS') 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:

Particulars	2016		2015	
	Number*	weighted average Price*(₹)	Number*	weighted average Price*(₹)
Outstanding at 1 April	164,800	296.03	282,100	301.53
Granted	-	-	-	-
Forfeited/cancelled	(34,500)	405.79	(46,400)	343.45
Exercised	(45,800)	242.97	(70,900)	286.87
Outstanding as at 31 March	84,500	279.99	164,800	296.03

NOTES TO FINANCIAL STATEMENTS

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

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

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

Particulars	31 March 2016	31 March 2015
Share price (₹)*	215.85 – 480.40	120.85 – 480.40
Exercise price (₹)*	215.85 – 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- 26 months	1- 42 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.

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit after taxation	14,684.31	10,075.25
Less: Additional employee compensation based on fair value	-	3.08
Proforma Profit after taxation	14,684.31	10,072.17
Basic Earning per Share (EPS)		
Number of shares	280,727,485	271,263,190
Basic EPS as reported (in ₹)	52.31	37.14
Proforma Basic EPS as reported (in ₹)	52.31	37.13
Diluted Earning per Share (EPS)		
Number of shares	280,786,476	271,357,683
Diluted EPS as reported (in ₹)	52.30	37.13
Proforma Diluted EPS as reported (in ₹)	52.30	37.12

NOTE 1 A MERGER CONSIDERATION, PENDING ALLOTMENT

Particulars	As at 31 March 2016	As at 31 March 2015
17,803 equity shares of the face value of ₹ 1 each fully paid-up to be issued to the public shareholders of Glenmark Generics Limited (GGL) pursuant to the merger of GGL with the Company	-	0.02
	-	0.02

Pursuant to the Scheme of Amalgamation ("the Scheme") of Glenmark Generics Ltd. (GGL) and Glenmark Access Ltd. (GAL) with Glenmark Pharmaceuticals Ltd. (the Company) approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 20 March 2015, effective from 1 April 2014 (the Appointed Date as per the Scheme). The Company on 16 June 2015 has allotted 17,803 equity shares of the face value of ₹ 1 each as fully paid-up to the public shareholders of GGL in the ratio of 4 equity shares of ₹ 1 each of the Company for every 5 equity shares of ₹ 10 each held in GGL. As the GAL was a wholly owned subsidiary of the Company, no equity shares were exchanged to effect the amalgamation in respect thereof. The shares held by the Company in GGL and GAL were cancelled.

NOTES TO FINANCIAL STATEMENTS

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

NOTE 2 RESERVES AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
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 reserve		
At the beginning of the year	7,506.87	7,486.60
Add: Premium on issue of shares pursuant to conversion of ESOS	11.08	20.27
Add: Premium on preferential issue (refer note 1(VI))	9,439.20	-
Less: Issue expenses incurred for preferential issue	(106.18)	-
At the end of the year	16,850.97	7,506.87
General reserve		
At the beginning of the year	1,384.18	2,898.89
Less: Adjusted on account of amalgamation (refer note 1A)	-	1,514.71
At the end of the year	1,384.18	1,384.18
Surplus in statement of profit and loss		
At the beginning of the year	40,157.17	18,202.51
Add: Addition on account of amalgamation (refer note 1A)	-	12,535.52
Add: Profit for the year	14,684.31	10,075.25
Net profit available for appropriation	54,841.48	40,813.28
Less: allocations and appropriations		
- Proposed dividend on equity shares	564.32	542.59
- Tax on proposed dividend on equity shares	114.88	113.51
- Residual dividend and dividend tax	23.08	0.01
At the end of the year	54,139.20	40,157.17
Balance carried to Balance Sheet	72,575.35	49,249.22

NOTES TO FINANCIAL STATEMENTS

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

NOTE 3 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liability relating to		
Depreciation on tangible and intangible assets	1,882.48	1,572.32
	1,882.48	1,572.32
Deferred tax assets relating to		
Provision for doubtful debts and advances	220.87	229.38
Expenses deductible in future years	91.00	18.97
	311.87	248.35
Deferred tax liabilities (net)	1,570.61	1,323.97
Amounts recorded on Amalgamation as of 1 April 2014 (Refer note 1A)		
Deferred tax liability relating to		
Depreciation on tangible and intangible assets	-	1,018.56
	-	1,018.56
Deferred tax assets relating to		
Provision for doubtful debts and advances	-	4.25
Expenses deductible in future years	-	19.95
	-	24.20
Deferred tax liabilities (net)	-	994.36

NOTE 4 OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
Security deposits	46.95	47.43
Liability for legal obligation	-	1,171.78
Total	46.95	1,219.21

NOTE 5 SHORT-TERM BORROWINGS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Secured loans			
Loan repayable on demand from banks	(i) & (ii)	155.26	366.87
Unsecured loans			
Term loans			
From banks	(ii) & (iii)	7,718.92	3,109.12
Total		7,874.18	3,475.99

Notes:

- (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 Nashik and Research and Development centre at Sinnar, Nashik 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 facilities and term loans from banks in foreign currency as well as Indian Rupee. The interest rates range between 1.38% - 10.20% p.a. (which are repayable within twelve months).

NOTES TO FINANCIAL STATEMENTS

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

NOTE 6 TRADE PAYABLES

Particulars	As at 31 March 2016	As at 31 March 2015
Acceptances	-	693.84
Sundry creditors		
- Total outstanding dues to micro, small and medium enterprises under MSMED Act, 2006 [Refer note 32]	-	-
- Total outstanding dues to creditors other than micro, small and medium enterprises	16,027.91	12,980.14
Payable to subsidiaries	231.63	1,993.88
Total	16,259.54	15,667.86

NOTE 7 OTHER CURRENT LIABILITIES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings			
- Unsecured loans from banks		-	624.95
Sundry creditors for capital goods		619.26	976.41
Interest accrued but not due on borrowings		6.66	3.04
Unclaimed dividend	(i)	11.55	10.89
Income received in advance	(ii)	-	339.29
Advance from customers		192.26	73.79
Payable to subsidiaries		660.79	624.76
Other payables			
- Statutory dues		286.57	232.61
- Liability for expenses		638.99	510.66
- Current portion of liability for legal obligation		-	390.59
Total		2,416.08	3,786.99

Notes:

- (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- (ii) Income received in advance represents advance received from customer for future supply of materials. The Company has recognised an income of ₹ 430.43 (2015 - ₹ 344.95) in current year, which include ₹ 91.14 receivable from the customer pursuant to the agreement between the Company and the customer.

NOTE 8 SHORT-TERM PROVISIONS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Proposed dividend		564.32	542.59
Tax payable on proposed dividend		114.88	113.51
Provision for wealth tax		-	0.29
Provision for income tax (net of advance tax of ₹ 5,965.28 (2015 - ₹ 2,149.56))		581.69	652.06
Provision for gratuity and compensated absences	(i)		
- Gratuity		176.45	99.57
- Compensated absences		115.60	105.78
Total		1,552.94	1,513.80

Note:

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 9 FIXED ASSETS

(i) Tangible assets

Particulars	Freehold land	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total
COST									
Balance at 1 April 2014	51.46	105.77	1,575.28	211.40	3,327.98	461.84	147.61	44.18	5,925.52
- Acquisition on account of amalgamation (refer note 1A)	-	293.47	1,913.17	361.49	1,833.83	281.94	3,182.57	7.23	7,873.70
- Additions	-	-	97.41	2.18	919.18	64.34	401.19	4.76	1,489.06
- Disposals / Transfer	-	-	(18.02)	-	(58.78)	(4.82)	(42.35)	(5.23)	(129.20)
Balance at 1 April 2015	51.46	399.24	3,567.84	575.07	6,022.21	803.30	3,689.02	50.94	15,159.08
- Additions	-	4.76	691.16	34.88	1,659.04	87.90	12.66	0.30	2,490.70
- Disposals / Transfer	(1.19)	1.18	(2.83)	2.41	3,482.84	(0.99)	(3,545.86)	-	(64.44)
Balance as at 31 March 2016	50.27	405.18	4,256.17	612.36	11,164.09	890.21	155.82	51.24	17,585.34
ACCUMULATED DEPRECIATION									
Balance at 1 April 2014	-	5.85	175.25	41.18	858.41	305.78	127.00	20.35	1,533.82
- Acquisition on account of amalgamation (refer note 1A)	-	25.43	218.34	33.97	293.88	94.91	784.60	4.04	1,455.17
- Depreciation charge for the year	-	7.05	105.03	4.12	316.20	68.05	219.78	6.19	726.42
- Disposals / Transfer	-	-	(40.62)	-	(7.36)	(2.27)	(28.16)	(2.76)	(81.17)
Balance at 1 April 2015	-	38.33	458.00	79.27	1,461.13	466.47	1,103.22	27.82	3,634.24
- Depreciation charge for the year	-	7.04	63.45	10.08	582.30	74.31	9.49	5.89	752.56
- Disposals / Transfer	-	0.02	(0.36)	0.30	960.55	(0.99)	(980.20)	(0.02)	(20.70)
Balance as at 31 March 2016	-	45.39	521.09	89.65	3,003.98	539.79	132.51	33.69	4,366.10
NET CARRYING VALUE									
As at 31 March 2015	51.46	360.91	3,109.84	495.80	4,561.08	336.83	2,585.80	23.12	11,524.84
As at 31 March 2016	50.27	359.79	3,735.08	522.71	8,160.11	350.42	23.31	17.55	13,219.24

(ii) Intangible assets

Particulars	Computer software	Brands	Product marketing rights	Product know-how	Total
COST					
Balance at 1 April 2014	221.96	350.07	82.65	-	654.68
- Acquisition on account of amalgamation (refer note 1A)	60.14	-	-	1,555.48	1,615.62
- Additions	38.92	104.52	-	452.48	595.92
- Disposals / Transfer	(5.53)	-	-	-	(5.53)
Balance at 1 April 2015	315.49	454.59	82.65	2,007.96	2,860.69
- Additions	621.27	-	-	3.14	624.41
- Disposals / Transfer	-	-	-	-	-
Balance as at 31 March 2016	936.76	454.59	82.65	2,011.10	3,485.10
ACCUMULATED AMORTISATION					
Balance at 1 April 2014	128.47	350.07	82.65	-	561.19
- Acquisition on account of amalgamation (refer note 1A)	18.20	-	-	1,035.38	1,053.58
- Amortisation charge for the year	44.80	104.52	-	318.86	468.18
- Disposals / Transfer	(4.20)	-	-	-	(4.20)
Balance at 1 April 2015	187.27	454.59	82.65	1,354.24	2,078.75
- Amortisation charge for the year	245.54	-	-	122.91	368.45
- Disposals / Transfer	-	-	-	-	-
Balance as at 31 March 2016	432.81	454.59	82.65	1,477.15	2,447.20
NET CARRYING VALUE					
As at 31 March 2015	128.22	-	-	653.72	781.94
As at 31 March 2016	503.95	-	-	533.95	1,037.90

Borrowing costs capitalised during the year amounts to ₹ Nil (2015 - ₹ 23.47)

Addition to fixed assets includes capital expenditure of ₹ 205.16 (2015 - ₹ 136.09) incurred at approved R & D centres.

NOTES TO FINANCIAL STATEMENTS

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

(iii) Capital work-in-progress

Particulars	As at 31 March 2016	As at 31 March 2015
Building, plant and machinery	2,609.32	2,864.77

(iv) Intangible assets under development

Particulars	As at 31 March 2016	As at 31 March 2015
Marketing rights and software	151.31	77.12

NOTE 10 NON-CURRENT INVESTMENTS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Long-term investments - At Cost - (fully paid-up except otherwise stated)			
Trade investments			
Unquoted			
(i) Equity shares			
(a) Investments in subsidiary companies			
a) Glenmark Impex LLC, Russia [577,767,277 (2015 - 577,767,277) shares of RUB 1 each]		901.95	901.95
b) Glenmark Philippines Inc., Philippines [640,490 (2015 - 640,490) shares of Pesos 200 each]		116.70	116.70
c) Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria [645,114,304 (2015 - 645,114,304) shares of Naira 1 each]		208.97	208.97
d) Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia [5,686,618 (2015 - 5,686,618) shares of RM 1 each]		97.72	97.72
e) Glenmark Holding S. A., Switzerland [51,500,000 (2015 - 51,500,000) shares of CHF 1 each]	(i)	11,668.38	2,599.55
f) Glenmark Pharmaceuticals (Australia) Pty.Ltd., Australia. [2,079,002 (2015 - 2,079,002) shares of AUD 1 each]		70.44	70.44
g) Glenmark Pharmaceuticals Egypt S.A.E., Egypt [42,144,157 (2015 - 35,233,976) shares of EGP 1 each]		356.16	297.27
h) Glenmark Pharmaceuticals FZE (U.A.E) [1 (2015 - 1) shares of AED 1,000,000 each]		12.92	12.92
i) Glenmark Dominicana, SRL, Dominican Republic [153 (2015 -153) shares of RD 1000 each]		0.19	0.19
j) Glenmark Pharmaceuticals (Kenya) Limited, Kenya [1,560,400 (2015 - 1,560,400) shares of KSHS 100 each]		97.18	97.18
k) Glenmark Pharmaceuticals Venezuela, CA, Venezuela [61,868,032 (2015 - 61,868,032) shares of Bolivar 1 each]		627.12	627.12
l) Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia) [54,544 (2015 - 36,359) shares of COP 1000 each]		45.25	31.43
m) Glenmark Pharmaceuticals Peru SAC, Peru [22,304,170 (2015 -17,625,738) shares of PEN 1 each]		449.54	352.67
n) Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico [309,486,493 (2015 - 309,486,493) shares of Mexican peso 1 each]		1,353.38	1,353.38
o) Glenmark Therapeutics AG, Switzerland [100,000 (2015 - 100,000) shares of CHF 1 each]		5.73	5.73

NOTES TO FINANCIAL STATEMENTS

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

Particulars	Note	As at 31 March 2016	As at 31 March 2015
p) Glenmark Pharmaceuticals Europe Ltd., U.K. [6,285,121 (2015 - 6,285,121) shares of GBP 1 each]		578.23	578.23
q) Glenmark Generics Finance S.A., Switzerland [Nil (2015 - 160,419,000) shares of CHF 1 each]	(i)	-	9,068.83
r) Glenmark South Africa (Pty) Ltd., South Africa [113,656 (2015 - Nil) shares of ZAR 1 each]		1,044.20	-
s) Glenmark Uruguay S.A., Uruguay [201,240,258 (2015 - Nil) shares of UYU 1 each]		774.53	-
t) Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand 26,215 (2015 - Nil) ordinary shares of THB 100 each		3.72	-
(b) Investment in joint venture			
Nil [2015 - 26,215] Ordinary shares of THB 100 each of Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand		-	3.72
(c) Other investments			
289,832 (2015 - 213,032) Equity Shares of Narmada Clean Tech Ltd. of ₹ 10 each		2.89	2.13
(ii) Preference shares			
(a) Investment in joint venture			
2 (2015 - 2) Preference shares of THB 100 each of Glenmark Pharmaceuticals (Thailand) Co. Ltd.*		-	-
(b) Other investments			
1,176,471(2015 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc. of USD 0.85 each		43.56	43.56
Total		18,458.76	16,469.69
Non-trade investments			
Quoted			
(i) Equity shares			
9,000 (2015 - 9,000) Bank of India of ₹ 10 each		0.41	0.41
1,209 (2015 - 1,209) IDBI Bank Limited of ₹ 10 each		0.03	0.03
		0.44	0.44
Unquoted			
(i) Equity shares			
1 (2015 - 1) Time Share of Dalmia Resorts Limited		0.02	0.02
(ii) Preference shares			
1,250,000 (2015 - 1,250,000) 7% cumulative preference shares of ₹ 100 each fully paid-up of Marksans Pharma Ltd.		125.00	125.00
(iii) Investment in government securities			
National Savings Certificate - Sixth Issue		0.03	0.03
Total		125.49	125.49
Total		18,584.25	16,595.18
* Amount denotes less than Rupees ten thousand.			
Note:			
(i) Consequent to the merger of Glenmark Generics Ltd (GGL) with the Company, its wholly owned subsidiary in Switzerland i.e. Glenmark Generics Finance S.A. (GGFSA), became a wholly owned subsidiary of the Company in continuation of the restructuring exercise, Glenmark Holding S.A., (GHSA), a wholly owned subsidiary of the Company absorbed by way of side step merger GGFSA and took over its whole assets and liabilities. In accordance with Swiss merger act, the Capital of GGFSA was carried as Additional Paid in Capital in GHSA.			
Aggregate book value of investments			
- Quoted		0.44	0.44
- Unquoted		18,583.81	16,594.74
Aggregate market value of quoted investments		0.96	1.85

NOTES TO FINANCIAL STATEMENTS

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

NOTE 11 LONG-TERM LOANS AND ADVANCES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
<u>Unsecured, considered good</u>			
Capital advances		298.26	151.33
Security deposits		174.98	191.13
Prepaid expenses		1.59	2.66
Advance tax (net of provision ₹ 6,756.69 (2015 - ₹ 6,756.69))		56.55	118.27
Minimum Alternate Tax credit entitlement		5,582.19	4,151.20
Loans and advances to related parties	(i)	14,473.24	3,931.72
Total		20,586.81	8,546.31

Note:

(i) Refer note 37(a).

NOTE 12 OTHER NON-CURRENT ASSETS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
<u>Unsecured considered good</u>			
Share application money	(i)	223.86	82.47
Margin money		-	56.16
Total		223.86	138.63

Note:

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

NOTE 13 INVENTORIES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Raw materials		4,209.98	2,915.08
Packing materials		1,041.79	915.81
Work-in-process		2,233.18	1,812.78
Finished goods	(i)	1,559.13	1,374.07
Stock-in-trade (in respect of goods acquired for trading)	(i)	210.42	80.37
Stores and spares		425.51	268.21
Total		9,680.01	7,366.32

Note:

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

NOTE 14 TRADE RECEIVABLES

Particulars		As at 31 March 2016	As at 31 March 2015
<u>Unsecured, considered good</u>			
Outstanding for more than six months from the due date		2,914.69	2,755.86
Others		27,661.86	21,652.45
		30,576.55	24,408.31
<u>Unsecured, considered doubtful</u>			
Outstanding for more than six months from the due date		638.19	528.19
Others		-	-
		638.19	528.19
Less: Provision for doubtful receivables		(638.19)	(528.19)
Total		30,576.55	24,408.31

NOTES TO FINANCIAL STATEMENTS

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

NOTE 15 CASH AND BANK BALANCES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
(i) Cash and cash equivalents			
Balance with banks			
- Current accounts		306.26	409.46
- Exchange earner's foreign currency (EEFC) accounts		278.42	4.42
- Deposits (less than 3 months)		150.00	-
Cash on hand		7.75	6.30
(ii) Other bank balance			
- Unpaid dividend		11.55	10.89
- Margin money accounts with banks	(i)	109.68	54.40
Total		863.66	485.47

Note:

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

NOTE 16 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
Advances recoverable in cash or kind or for value to be received (Unsecured)		
- considered good	1,352.74	1,868.87
- considered doubtful	-	29.10
	1,352.74	1,897.97
Less: Provision for doubtful advances	-	(29.10)
	1,352.74	1,868.87
Unsecured considered good		
Balances with Excise authorities	1,343.38	876.68
Prepaid expenses	73.63	104.05
Advance to vendors	1,029.78	588.31
Security deposits	101.22	73.18
Total	3,900.75	3,511.09

NOTE 17 OTHER CURRENT ASSETS

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured considered good		
Export incentives recoverable	978.90	52.13
Other receivables	165.25	156.24
Total	1,144.15	208.37

NOTES TO FINANCIAL STATEMENTS

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

NOTE 18 REVENUE FROM OPERATIONS

Particulars	Note	Year ended 31 March 2016	Year ended 31 March 2015
Sale of products	(i)	58,867.47	51,344.17
Less:			
Sales tax		1,597.46	1,182.95
		57,270.01	50,161.22
Sale of services		1,799.71	652.16
Other operating revenues	(ii)	2,961.10	863.92
Total		62,030.82	51,677.30

Note:

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

(ii) Other operating revenue primarily comprises of contractual income (refer note 7 (ii)) of ₹ 430.43 (2015 - ₹ 344.95), sale of Abbreviated New Drug Applications (ANDA) of ₹ 1,044.50 (2015 - ₹ Nil) and export benefit of ₹ 1,329.95 (2015 - ₹ 368.81).

NOTE 19 OTHER INCOME

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Dividend received from others - Non-trade investments	8.81	9.45
Exchange gain (net)	463.96	210.86
Interest income	671.49	275.75
Guarantee commission	-	329.66
Miscellaneous income	28.57	23.69
Total	1,172.83	849.41

NOTE 20 COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of raw material	14,174.37	12,251.13
Consumption of packing material	3,171.27	2,838.94
Consumables	560.07	550.19
Total	17,905.71	15,640.26

NOTE 21 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Purchases of stock-in-trade	2,199.75	1,739.54
Total	2,199.75	1,739.54

NOTES TO FINANCIAL STATEMENTS

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

NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	Note	Year ended 31 March 2016	Year ended 31 March 2015
(Increase) / Decrease in inventories of finished goods, work-in-process and stock-in-trade		(735.51)	(696.53)
Total		(735.51)	(696.53)
(Increase) / Decrease in stocks			
At the end of the year			
Stock of finished goods		1,559.13	1,374.07
Stock-in-trade		210.42	80.37
Work-in-process		2,233.18	1,812.78
		4,002.73	3,267.22
At the beginning of the year	(i)		
Stock of finished goods		1,374.07	916.93
Stock-in-trade		80.37	147.84
Work-in-process		1,812.78	1,505.92
		3,267.22	2,570.69
Total		(735.51)	(696.53)
(i) Amounts recorded upon amalgamation as of 1 April 2014 (Refer note 1A)			
Stock of finished goods		-	295.48
Stock-in-trade		-	6.22
Work-in-process		-	1,382.17

NOTE 23 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	7,344.11	6,270.35
Contribution to provident and other funds	228.13	208.45
Staff welfare expenses	144.04	143.74
Total	7,716.28	6,622.54

NOTE 24 FINANCE COST

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expenses on		
- Term loan	291.31	161.13
- Others	70.93	164.23
Less: Interest capitalised	-	(23.47)
Total	362.24	301.89

NOTES TO FINANCIAL STATEMENTS

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

NOTE 25 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation on tangible assets	752.56	726.42
Amortisation on intangible assets	368.45	468.18
Total	1,121.01	1,194.60

NOTE 26 OTHER EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Labour charges	718.95	691.90
Power, fuel and water charges	955.61	884.25
Stores and spares consumed	587.68	488.27
Repairs and maintenance - plant and machinery	118.83	101.73
Repairs and maintenance - building	73.84	54.49
Repairs and maintenance - others	527.23	498.93
Rent	322.77	338.83
Other manufacturing expenses	185.83	124.71
Directors meeting fees	6.42	1.33
Legal and professional expenses	1,100.09	535.74
Selling and marketing expenses	1,151.17	1,225.91
Sales promotion expenses	2,522.80	1,387.97
Export commission	105.04	74.66
Commission on sales	124.21	66.54
Travelling expenses	1,396.47	1,376.89
Freight outward	1,583.05	1,288.98
Telephone expenses	50.07	53.40
Rates and taxes	123.17	170.15
Provision for doubtful debts	109.03	308.53
Insurance premium	65.15	63.95
Corporate Social Responsibility (CSR) expenses (refer note 44)	119.23	54.38
Electricity charges	188.20	154.77
Auditors' remuneration		
- Audit fees	12.00	11.71
- Out of pocket expenses	1.21	0.99
Loss on sale of assets	8.02	24.74
Test and Trials and Development Expenses	1,769.87	725.96
Other operating expenses	2,566.29	2,190.60
Total	16,492.23	12,900.31

NOTES TO FINANCIAL STATEMENTS

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

NOTE 27 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

The financial statements of Glenmark Pharmaceuticals Limited ("the Company") are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Amalgamation

The amalgamation had been accounted for under the "Pooling of Interests method" as prescribed under Accounting Standard -14 "Accounting for Amalgamations" and has been effected in the financial statements. Pursuant to the scheme, the difference between the net assets acquired and cost of investments of the Company together with the shares to be issued to the public shareholders of GGL has been adjusted in the general reserves.

iii) 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.

iv) 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 based on a technical evaluation. Brands/Intellectual property rights are amortised from the month of products launch/commercial production, over the estimated economic life not exceeding 10 years.

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 - 21
Vehicles	5 - 6
Office equipments, furniture and fixture	4 - 21
Intangible	
Computer software	1 - 5
Brands	5 - 10
Product marketing rights	5 - 10
Product Knowhow and development	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.

NOTES TO FINANCIAL STATEMENTS

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

v) 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.

vi) 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 a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii) Foreign currency transactions

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

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. 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.

viii) Investments

Non-current investments are stated at cost. These investments are assessed at each Balance Sheet date for conditions of diminution that are other than temporary in nature. Where such conditions exist and concluded to be other than temporary in nature, a provision is created to reduce the carrying value of investments suitably.

ix) 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.

x) 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

NOTES TO FINANCIAL STATEMENTS

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

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."

xi) 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.

xii) 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.

NOTES TO FINANCIAL STATEMENTS

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

xiii) 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.

xiv) 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.

xv) 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.

xvi) 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.

xvii) 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.

xviii) 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.

NOTES TO FINANCIAL STATEMENTS

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

NOTE 28 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Labour dispute	12.40	9.75
Disputed taxes and duties	259.65	223.92

- (a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 122.30 as overcharging liability of product “Doxovent 400 mg tab” for the period February 2010 to May 2013. The notice also envisaged a payment of ₹ 33.30 towards interest @15% p.a. on the overcharged amount up to 31 January 2014. 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. This petition has been tagged along with other petition/s filed by other pharmaceutical companies as well, pending before Supreme Court relating to the inclusion criteria of certain drugs including “Theophylline” in the schedule of the DPCO, 1995. The matters are sub-judice before the Hon’ble Court. The Hon’ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand.

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.

The Company based on legal advice, has an arguable case on merits as well as with regard to mitigation of the demand.

- (b) Merck Sharp & Dohme USA, (‘Merck’) & Others had filed a suit for patent infringement and was seeking permanent injunction in the Hon’ble High Court at Delhi to restrain the Company from manufacture and sale of Zita and Zita-Met, generic versions of Merck’s product Januvia and Janumet (Sitagliptin Phosphate Monohydrate & a combination of Sitagliptin Phosphate Monohydrate and Metformin).

The Hon’ble high court on 7 October 2015 passed an order restraining Glenmark Pharmaceuticals Ltd. from selling, distributing, marketing or exporting its anti-diabetes drugs Zita and Zita-Met, on the ground that they infringed the patent of Merck. The Court did not impose any damages on Glenmark and allowed it to dispose of its inventory through distributors and retailers.

- (c) On 10 March 2016 Ministry of Health and Family Welfare issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination (“FDC”) with immediate effect.

Several products of the Company are also covered in the notified prohibited “FDC’s”. The Company has filed five writ petitions in Hon’ble High Court of Delhi challenging the notifications issued. The Hon’ble High Court has granted interim relief to the Company by staying the notifications banning the FDC’s. The Company based on legal advice, has an arguable case on merits though the liability in this case cannot be computed.

(ii) Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2016 aggregate ₹ 710.42 (2015 - ₹ 485.18)
- (b) Estimated amount of contracts remaining to be executed on other than capital commitment, net of advances, not provided for as at 31 March 2016 aggregate ₹ 2,745.76 (2015 - ₹ 2,260.74)

NOTES TO FINANCIAL STATEMENTS

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

Particulars	As at 31 March 2016	As at 31 March 2015
(iii) Others		
(a) Guarantees		
Bank guarantees	96.82	73.82
(b) Letter of comfort on behalf of subsidiaries:		
Glenmark Distributors SP z.o.o., Poland	528.79	218.73
Glenmark Holding S. A., Switzerland	32,285.37	34,684.73
Glenmark Impex L.L.C., Russia	1,454.18	2,608.59
Glenmark Farmaceutica Ltda., Brazil	991.48	1,374.89
Glenmark Pharmaceuticals S.R.L., Romania	330.49	68.27
Glenmark Pharmaceuticals S.R.O., Czech Republic	462.69	249.98
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	132.20	-
Glenmark Generics Finance S. A., Switzerland	-	12,925.98
Glenmark Generics SA., Argentina	132.20	-
Glenmark Pharmaceuticals Europe Ltd., U.K.	660.99	-
Glenmark Pharmaceuticals Inc., USA	8,592.86	-
(c) Open letters of credit	-	827.87

NOTE 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.

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

Particulars	2015-2016	2014-2015
Profit after tax for the financial year (attributable to equity shareholders)	14,684.31	10,075.25
Reconciliation of number of shares:		
Weighted average number of shares:	No. of Shares	No. of Shares
For basic earnings per share	280,727,485	271,263,190
Add:		
Deemed exercise of options on unissued equity share capital	58,991	94,493
For diluted earnings per share	280,786,476	271,357,683
Earnings per share (nominal value ₹ 1 each)	₹	₹
Basic	52.31	37.14
Diluted	52.30	37.13

NOTES TO FINANCIAL STATEMENTS

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

NOTE 30 SEGMENT INFORMATION

Business segments

The Company is primarily engaged in a single business segment of pharmaceuticals and is managed as one entity. Its various activities manufacturing and marketing of pharmaceuticals are 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:

Particulars	2015-2016	2014-2015
Geographical segment		
India	22,030.41	18,575.83
Other than India	36,143.47	31,416.27
Total	58,173.88	49,992.10

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

Particulars	India		Others*	
	2015-2016	2015-2016	2014-2015	2014-2015
Carrying amount of segment assets	78,115.42	24,462.39	59,057.89	17,450.46
Additions to fixed assets	3,115.11	-	2,084.98	-

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 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 (refer note 10(i))
 Glenmark Pharmaceuticals S.R.L., Romania
 Glenmark Distributors SP z.o.o., Poland
 Glenmark Pharmaceuticals SP z. o.o., Poland
 Glenmark Pharmaceuticals Inc., USA (formerly known as 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 Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V., Netherlands)
 Glenmark Arzneimittel GmbH., Germany
 Glenmark Pharmaceuticals Canada Inc., Canada (formerly Known as Glenmark Generics Canada Inc., Canada)
 Glenmark Pharmaceuticals Kenya Ltd., Kenya
 Glenmark Therapeutics AG, Switzerland
 Viso Farmaceutica S.L.U, Spain
 Glenmark Specialty S.A., Switzerland
 Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic
 Glenmark Pharmaceuticals (Thailand) Co. Ltd. Thailand (w.e.f. 1 April 2015)

NOTES TO FINANCIAL STATEMENTS

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

- ii) **Investment in Joint Venture**
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand (till 31 March 2015)
 - iii) **Enterprise over which key managerial personnel exercise significant influence**
Glenmark Foundation
Glenmark Aquatic Foundation
- b) **Related party relationships where transactions have taken place during the year**
- Subsidiary Companies /Joint Venture / Enterprise over which key managerial personnel exercise significant influence**
- 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 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 SA., 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 Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)
 - Glenmark Pharmaceuticals s.r.o., Czech Republic
 - Glenmark Therapeutics Inc., USA
 - Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
 - Glenmark Dominicana SA., Dominican Republic
 - Glenmark Pharmaceuticals SP z. o.o., Poland
 - 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 Generics Finance S. A., Switzerland
 - Glenmark Specialty S. A., Switzerland
 - Glenmark Foundation
 - Glenmark Aquatic Foundation
- c) **Key Management Personnel**
- Mr. Glenn Saldanha (Chairman & Managing Director)
 - Mrs. Cherylann Pinto (Executive Director)
 - Mr. Rajesh Desai (Executive Director)
 - Mr. Sanjay Kumar Chowdhary (Company Secretary & Compliance Officer)

NOTES TO FINANCIAL STATEMENTS

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

d) Transactions with related parties during the year

Particulars	2015-2016	2015-2016	2014-2015	2014-2015
Subsidiary company				
1. Sale of materials & services		29,765.62		25,731.60
Glenmark Pharmaceuticals S.A., Switzerland - (services)	746.41		634.05	
Glenmark Pharmaceuticals S.A., Switzerland	37.89		-	
Glenmark Farmaceutica Ltda., Brazil	166.40		163.51	
Glenmark Philippines Inc., Philippines	193.81		148.78	
Glenmark Impex L.L.C., Russia	1,512.85		2,253.92	
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	93.34		87.79	
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	127.02		105.78	
Glenmark Pharmaceuticals Venezuela., C.A, Venezuela	553.60		1,824.34	
Glenmark Pharmaceuticals Peru SAC., Peru	74.34		34.22	
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	4.80		-	
Glenmark Pharmaceuticals Kenya Ltd., Kenya	215.34		213.94	
Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	4.19		0.73	
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	121.06		164.91	
Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia	306.36		301.36	
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)	22,043.77		17,790.19	
Glenmark Pharmaceuticals S.R.O., Czech Republic	273.92		255.84	
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	2,255.80		1,752.24	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	1.73		-	
Glenmark Specialty S.A., Switzerland - (services)	1,032.99		-	
2. Other Operating Income				
Glenmark Pharmaceuticals S.A., Switzerland		1,044.50		-
3. Purchase of materials & services		551.72		420.45
Glenmark Generics SA., Argentina	40.94		6.57	
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	269.24		216.14	
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)	59.58		43.48	
Glenmark Therapeutics Inc., USA	25.95		36.28	
Glenmark Pharmaceuticals FZE., United Arab Emirates	104.05		82.99	
Glenmark Pharmaceuticals S.R.O., Czech Republic	-		1.33	
Glenmark Pharmaceuticals SP z. o.o., Poland	-		1.04	
Glenmark Farmaceutica Ltda., Brazil	-		32.62	
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	2.37		-	
Glenmark Impex L.L.C., Russia	49.59		-	
4. Investment in share capital		1,988.31		6,728.09
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	-		15.26	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	58.89		49.49	
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	-		388.11	
Glenmark Pharmaceuticals Peru SAC., Peru	96.87		-	
Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	13.82		10.63	
Glenmark Pharmaceuticals Venezuela., C.A, Venezuela	-		112.54	
Glenmark Uruguay S.A., Uruguay	774.53		-	

NOTES TO FINANCIAL STATEMENTS

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

Particulars	2015-2016	2015-2016	2014-2015	2014-2015
Glenmark South Africa (Pty) Ltd., South Africa	1,044.20		-	
Glenmark Holding S.A., Switzerland (Loan Converted to Equity)	-		1,802.44	
Glenmark Generics Finance S.A., Switzerland (Loan Converted to Equity)	-		4,349.62	
5. Share Application Money		223.86		82.47
Glenmark Pharmaceuticals Venezuela, C.A, Venezuela	57.05		19.39	
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico	127.49		-	
Glenmark Pharmaceuticals Peru SAC., Peru	39.30		40.23	
Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	-		9.22	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		13.61	
Glenmark Dominicana, SRL, Dominican Republic	0.02		0.02	
6. Sale of fixed assets to		32.74		3.02
Glenmark Pharmaceuticals Kenya Ltd., Kenya	-		3.02	
Glenmark Pharmaceuticals Inc., USA	25.71		-	
Glenmark Impex L.L.C., Russia	7.03		-	
7. Loan given to		13,952.71		6,877.91
Glenmark Holding S.A., Switzerland	13,907.35		6,369.63	
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	-		2.69	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	45.36		10.79	
Glenmark Generics Finance S.A., Switzerland	-		494.80	
8. Loan repaid by		3,139.77		5,340.02
Glenmark Holding S.A., Switzerland	3,139.77		5,329.22	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		10.80	
9. Interest income		643.02		263.44
Glenmark Holding S.A., Switzerland	458.84		143.43	
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	4.48		4.23	
Glenmark Pharmaceuticals Kenya Ltd., Kenya	15.82		14.88	
Glenmark Pharmaceuticals (Thailand) Co Ltd., Thailand	0.54		0.46	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	3.34		0.41	
Glenmark Generics Finance S.A., Switzerland	-		100.03	
Glenmark Pharmaceuticals Venezuela, C.A, Venezuela	160.00		-	
10. Expenses paid on behalf of Glenmark Pharmaceuticals Ltd., India		2,501.85		1,544.23
Glenmark Impex L.L.C., Russia	702.97		40.42	
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	115.59		26.56	
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	107.98		79.84	
Glenmark Pharmaceuticals s.r.o., Czech Republic	2.06		6.38	
Glenmark Generics SA., Argentina	-		0.28	
Glenmark Pharmaceuticals SP Z.o.o., Poland*	-		-	
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	-		4.30	
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)	1,530.63		1,347.72	
Glenmark Pharmaceuticals S.A., Switzerland	-		0.74	
Glenmark Farmaceutica Ltda., Brazil	37.21		5.30	
Glenmark Pharmaceuticals Kenya Ltd., Kenya	-		32.14	
Glenmark Pharmaceuticals S.R.L., Romania	-		0.55	
Glenmark Pharmaceuticals B.V., Netherlands	0.09		-	
Glenmark Therapeutics Inc., USA	5.32		-	

NOTES TO FINANCIAL STATEMENTS

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

Particulars	2015-2016	2015-2016	2014-2015	2014-2015
11. Expenses paid on behalf of		99.72		23.65
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	-		4.25	
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	1.32		1.01	
Glenmark Pharmaceuticals s.r.o., Czech Republic	12.70		12.63	
Glenmark Pharmaceuticals S. A., Switzerland	-		1.31	
Glenmark Therapeutics Inc., USA	-		2.61	
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)	85.05		-	
Glenmark Farmaceutica Ltda., Brazil	0.65		1.65	
Glenmark Generics SA., Argentina	-		0.19	
Glenmark Pharmaceuticals SP Zoo, Poland*	-		-	
12. Reimbursement of Representative office expenses to Glenmark Impex L.L.C., Russia		3.55		42.67
13. Other Income from		-		329.66
Glenmark Holding S.A., Switzerland	-		225.04	
Glenmark Pharmaceuticals s.r.o., Czech Republic	-		3.24	
Glenmark Farmaceutica Ltda., Brazil	-		1.66	
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	-		0.59	
Glenmark Distributors SP z.o.o., Poland	-		4.42	
Glenmark Pharmaceuticals S.R.L., Romania	-		2.61	
Glenmark Impex L.L.C., Russia	-		17.97	
Glenmark Generics Finance S.A., Switzerland	-		74.13	
14. Contribution paid for CSR activities to		45.52		23.50
Glenmark Foundation	23.82		18.40	
Glenmark Aquatic Foundation	21.70		5.10	
Remuneration		170.77		133.30
Key Management Personnel				
Mr. Glenn Saldanha	108.46		83.65	
Mrs. Cherylann Pinto	33.37		25.64	
Mr. Rajesh Desai	25.91		21.73	
Mr. Sanjay Kumar Chowdhary (Related party as per Companies Act, 2013)	2.63		2.22	
Others				
Mrs. B. E. Saldanha	0.40		0.06	

NOTES TO FINANCIAL STATEMENTS

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

e) Related party balances

Particulars	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015
Receivable/(Payable) from/ (to) subsidiary companies/enterprise		34,023.98		14,207.15
Glenmark Farmaceutica Ltda., Brazil	142.97		278.85	
Glenmark Philippines Inc., Philippines	114.37		102.15	
Glenmark Pharmaceuticals S.A., Switzerland	1,403.19		463.78	
Glenmark Holding S.A., Switzerland	14,224.64		3,237.88	
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	330.39		224.79	
Glenmark Impex L.L.C., Russia	1,670.16		1,328.30	
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	132.14		109.43	
Glenmark Pharmaceuticals FZE., United Arab Emirates	(85.62)		(63.54)	
Glenmark Generics SA., Argentina	0.22		(4.55)	
Glenmark Pharmaceuticals Venezuela, C.A, Venezuela	1,648.61		1,531.20	
Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia	410.15		333.64	
Glenmark Pharmaceuticals Peru SAC., Peru	43.51		19.75	
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	551.07		677.94	
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	(129.56)		(63.23)	
Glenmark Pharmaceuticals Inc., USA (Formerly known as Glenmark Generics Inc., USA)	13,459.04		5,556.58	
Glenmark Pharmaceuticals s.r.o., Czech Republic	135.49		171.36	
Glenmark Therapeutics Inc., USA	(16.08)		(21.35)	
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic	(0.16)		(0.15)	
Glenmark Distributors SP z.o.o., Poland	(0.15)		4.42	
Glenmark Pharmaceuticals S.R.L., Romania	(0.04)		6.54	
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	13.35		7.57	
Glenmark Uruguay S.A., Uruguay	(660.79)		(624.76)	
Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	4.96		0.72	
Glenmark Pharmaceuticals Kenya Ltd., Kenya	462.28		336.94	
Glenmark Pharmaceuticals SP Z.o.o., Poland	(0.01)		(1.08)	
Glenmark Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V.), Netherlands	-		(2.26)	
Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico	111.32		91.78	
Glenmark Generics Finance S.A., Switzerland	-		507.75	
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	48.94		-	
Glenmark Foundation	(1.00)		(2.30)	
Glenmark Aquatic Foundation	10.59		(1.00)	

* Amount denotes less than Rupees ten thousand.

NOTE 32 OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM SCALE 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 is required to be given.

NOTES TO FINANCIAL STATEMENTS

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

NOTE 33 LEASES

The Company has taken on lease / leave and licence godowns / residential & office premises, computers 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 ₹ 104.75 (2015 - ₹ 105.42) towards deposit and unadjusted advance rent is recoverable from the lessors.
- iii) The Company has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years.
- iv) Future obligations on non-cancellable operating lease.

Particulars	31 March 2016	31 March 2015
Minimum lease payments		
Due within one year	180.02	174.35
Due later than one year but not later than five years	501.03	597.48
Due later than five years	-	-
Total	681.05	771.83

NOTE 34 TAXATION

Provision for current taxation for the Company of ₹ 3,746.14 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 ₹ 1,430.99 for the current year has been recognised as MAT Credit Entitlement.

NOTES TO FINANCIAL STATEMENTS

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

NOTE 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.

2. Charge to the Profit and Loss Account based on contributions:

Particulars	2015-2016	2014-2015
Provident fund and other fund	215.64	194.65
	215.64	194.65

3. Disclosures for defined benefit plan and other long-term employee benefits based on actuarial reports as on 31 March, 2016:

Particulars	2015-2016		2014-2015	
	Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(i) Change in defined benefit obligation				
Opening defined benefit obligation	331.71	220.85	195.93	127.23
Add: On account of amalgamation	-	-	45.29	52.39
Current service cost	51.18	50.18	44.76	37.48
Interest cost	26.61	17.72	22.34	16.65
Actuarial loss / (gain)	43.44	(2.47)	51.66	35.28
Benefits paid	(35.94)	(49.53)	(28.27)	(48.18)
Closing defined benefit obligation	417.00	236.75	331.71	220.85
(ii) Change in fair value of assets				
Opening fair value of plan assets	232.14	115.07	178.27	73.68
Add: on account of amalgamation	-	-	23.21	23.65
Expected return on plan assets	20.95	10.39	17.53	8.47
Actuarial gain/(loss)	(12.63)	(4.21)	13.13	2.43
Contributions by employer	0.09	(0.10)	-	6.84
Benefits paid	-	-	-	-
Closing fair value of plan assets	240.55	121.15	232.14	115.07
(iii) Reconciliation of present value of defined benefit obligation and the fair value of assets				
Present value of funded obligations as at year end	417.00	236.75	331.71	220.85
Fair value of plan assets as at year end	(240.55)	(121.15)	(232.14)	(115.07)
Funded liability / (asset) recognised in the Balance sheet	176.45	115.60	99.57	105.78
(iv) Expenses recognised in the Statement of Profit and Loss				
Current service cost	51.18	50.18	44.76	37.48
Interest on defined benefit obligation	26.61	17.72	22.34	16.65
Expected return on plan assets	(20.95)	(10.39)	(17.53)	(8.47)
Net actuarial loss / (gain) recognised in the current year	56.07	1.74	38.53	32.86
Total expenses	112.91	59.25	88.10	78.52

NOTES TO FINANCIAL STATEMENTS

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

Particulars	2015-2016		2014-2015	
	Gratuity (Funded plan)	Compensated absences (Funded plan)	Gratuity (Funded plan)	Compensated absences (Funded plan)
(v) Actual return on plan assets				
Expected return on plan assets	20.95	10.39	17.53	8.47
Actuarial gain/(loss) on plan assets	(12.63)	(4.21)	13.13	2.43
Actual return on plan assets	8.32	6.18	30.66	10.90
(vi) Asset information				
Administered by Birla Sunlife Insurance Co. Ltd., HDFC Life and LIC of India	100%	100%	100%	100%
(vii) Principal actuarial assumptions used				
Discount rate (p.a.)	7.70%	7.70%	8.00%-8.03%	8.00%-8.03%
Expected rate of return on plan assets (p.a.)	8.75%	8.75%	8.03%-9.00%	8.03%-9.00%
Salary Escalation rate (%)	3.00%	3.00%	3.75%-5.00%	3.75%-5.00%
(viii) Experience analysis				
Actuarial (gain)/loss on change in assumptions	(15.09)	(9.98)	29.96	17.93
Experience (gain)/loss on liabilities	58.53	7.51	21.70	17.35
Actuarial (gain)/loss on obligation	43.44	(2.47)	51.66	35.28
(ix) Current and non-current liability				
Current liability	176.45	115.60	99.57	105.78
Non-current liability	-	-	-	-

(x) Expected employer's contribution for the next year is ₹ 416.97 for Gratuity and Compensated absences.

(xi) 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
2015-16	417.00	240.55	(176.45)
2014-15	331.71	232.14	(99.57)
2013-14	195.93	178.27	(17.66)
2012-13	182.58	164.83	(17.75)
2011-12	169.78	149.24	(20.54)

The experience adjustment relating to Gratuity is summarised as follows:

Particulars	On plan liability (gain)/loss	On plan assets gain/(loss)
2015-16	58.53	(12.63)
2014-15	21.70	13.13
2013-14	3.38	(0.90)
2012-13	19.24	2.16
2011-12	0.38	(5.65)

NOTES TO FINANCIAL STATEMENTS

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

NOTE 36 PRODUCTION, SALES AND STOCK

(a) Sale of products

Particulars	2015-2016 Value	2014-2015 Value
Class of goods		
Injectibles	3,347.68	2,229.01
Liquid Orals	4,535.53	3,888.44
Lotions and Externals	2,923.15	2,656.37
Ointments and Creams	7,838.44	6,757.71
Solids and Powders	684.74	467.52
Tablets and Capsules	32,227.73	29,113.13
Aerosol Spray	560.17	526.72
Inhaler Capsules	160.06	98.06
Bulk Drug	6,055.54	5,324.85
Others	534.43	282.36
Total	58,867.47	51,344.17

1. Sales are net of sales returns, gross of sales tax and excise duty.

(b) Finished goods purchased (includes samples)

Particulars	2015-2016 Value	2014-2015 Value
Class of goods		
Injectibles	520.89	394.37
Liquid Orals	65.23	88.34
Lotions and Externals	34.54	68.22
Ointments and Creams	82.85	76.47
Tablets and Capsules	1,168.76	898.34
Aerosol Spray	10.34	6.21
Solids and Powder	43.37	22.08
Bulk Drugs	79.66	124.26
Others	194.11	61.25
Total	2,199.75	1,739.54

(c) Materials consumed

Particulars	2015-2016 Value	2014-2015 Value
Products		
Pravastatin Sodium USP (NP Site2)	647.29	706.30
Gabapentin Usp Milled (Hikal)	695.76	591.53
Mupirocin Calcium USP	455.06	161.57
Naproxen USP (intermediate site change)	438.75	146.70
Oxcarbazepine Usp + In - House	245.98	314.04
Teneligliptin Hydrobromide Hydrate IH	207.03	0.92
2-butyl-3-(3,5-diiodo-4-hydroxybenzoyl)	199.77	309.59
Tert-Butyl (2S)-4-Oxo-Thia-Carboxylate	190.33	14.94
Silver Nitrate	171.43	361.63
Cefixime IP	138.06	150.01
Others	14,516.25	12,883.03
Total	17,905.71	15,640.26

NOTES TO FINANCIAL STATEMENTS

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

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

Particulars	2015-2016 Value	2015-2016 Percentage	2014-2015 Value	2014-2015 Percentage
Materials				
Imported materials	3,866.03	22.29	3,599.24	23.85
Indigenously procured	13,479.61	77.71	11,490.83	76.15
	17,345.64	100.00	15,090.07	100.00
Consumable stores and spares				
Imported	-	-	-	-
Indigenously procured	560.07	100.00	550.19	100.00
	560.07	100.00	550.19	100.00

(e) Inventories of finished goods (manufactured)

Particulars	Opening Stock		Closing Stock	
	2015-2016 Value	2014-2015 Value	2015-2016 Value	2014-2015 Value
Class of goods				
Injectibles	27.14	25.82	47.42	27.14
Liquid Orals	138.11	95.98	121.70	138.11
Lotions & Externals	78.85	62.67	84.87	78.85
Ointments and Creams	372.84	112.14	402.18	372.84
Solids and Powders	22.38	12.31	23.19	22.38
Tablets and Capsules	610.56	278.48	744.49	610.56
Aerosol Spray	40.06	22.21	97.34	40.06
Inhaler Capsules	3.89	4.59	30.85	3.89
Bulk Drugs	24.06	-	5.76	24.06
Others	56.18	7.25	1.33	56.18
Total	1,374.07	621.45	1,559.13	1,374.07

(f) Inventories of finished goods (traded)

Particulars	Opening Stock		Closing Stock	
	2015-2016 Value	2014-2015 Value	2015-2016 Value	2014-2015 Value
Class of goods				
Injectibles	25.45	25.83	62.35	25.45
Liquid Orals	1.60	4.86	5.61	1.60
Lotions & Externals	6.95	2.71	5.85	6.95
Ointments and Creams	1.77	2.58	5.25	1.77
Solids and Powders	-	-	3.22	-
Tablets and Capsules	33.14	101.55	99.41	33.14
Aerosol Spray	0.16	0.51	0.70	0.16
Bulk Drugs	9.67	-	13.43	9.67
Others	1.63	3.58	14.60	1.63
Total	80.37	141.62	210.42	80.37

NOTES TO FINANCIAL STATEMENTS

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

NOTE 37

DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT AND SECTION 186(4) OF COMPANIES ACT, 2013

Particulars	Maximum amount outstanding during the year		As at	
	2015-2016	2014-2015	31 March 2016	31 March 2015
a) Loans and advances to subsidiaries / enterprise				
Glenmark Holding S.A., Switzerland	14,651.27	4,114.11	14,224.64	3,237.88
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria	58.94	53.53	58.91	53.53
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand	8.55	7.57	8.55	7.57
Glenmark Pharmaceuticals Kenya Ltd., Kenya	132.25	124.99	132.20	124.99
Glenmark Generics Finance S.A., Switzerland	507.75	4,678.11	-	507.75
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	48.97	-	48.94	-
			14,473.24	3,931.72
b) Receivable from subsidiary companies				
Glenmark Pharmaceuticals S.A., Switzerland			1,403.19	463.78
Glenmark Farmaceutica Ltda., Brazil			142.97	297.11
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria			271.49	171.25
Glenmark Philippines Inc., Philippines			114.37	102.15
Glenmark Impex L.L.C., Russia			1,670.16	1,328.30
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa			132.14	109.43
Glenmark Pharmaceuticals Venezuela., C.A, Venezuela			1,648.61	1,531.20
Glenmark Pharmaceuticals Peru SAC., Peru			43.51	19.75
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)			551.07	752.55
Glenmark Pharmaceuticals s.r.o., Czech Republic			135.49	171.36
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic			-	-
Glenmark Distributors SP z.o.o., Poland			-	4.42
Glenmark Pharmaceuticals S.R.L., Romania			-	6.54
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand			4.80	-
Glenmark Pharmaceuticals Kenya Ltd., Kenya			330.09	211.95
Glenmark Pharmaceuticals Colombia SAS, Colombia (formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)			4.96	0.72
Glenmark Pharmaceuticals Mexico S.A. DE C.V. Mexico			111.32	91.78
Glenmark Pharmaceuticals Malaysia Sdn.Bhd., Malaysia			410.15	333.64
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)			13,459.04	7,301.21
Glenmark Generics SA., Argentina			0.22	0.21
c) Payable to subsidiaries				
Glenmark Pharmaceuticals FZE., United Arab Emirates			85.62	63.54
Glenmark Farmaceutica Ltda., Brazil			-	18.27
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)			129.56	63.23
Glenmark Therapeutics Inc., USA			16.08	21.35
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic			0.16	0.15
Glenmark Generics SA., Argentina			-	4.76
Glenmark Pharmaceuticals Inc., USA (formerly known as Glenmark Generics Inc., USA)			-	1,744.63
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)			-	74.61
Glenmark Uruguay S.A., Uruguay			660.79	624.76
Glenmark Pharmaceuticals B.V., Netherlands (formerly known as Glenmark Generics B.V., Netherlands)			-	2.26
Glenmark Pharmaceuticals SP z.o.o., Poland			0.01	1.08
Glenmark Distributors SP z.o.o., Poland			0.15	-
Glenmark Pharmaceuticals S.R.L., Romania			0.04	-

NOTES TO FINANCIAL STATEMENTS

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

d) Movement of shares during the year

Particulars	No. of Shares in Million			
	As at 1 April 2015	Invested during the Year	Sold during the Year	Balance as at 31 March 2016
Investments in Subsidiary Companies - Unquoted - non trade				
Glenmark Pharmaceuticals Colombia SAS, Colombia	0.04	0.02	-	0.06
Glenmark Pharmaceuticals Egypt S.A.E., Egypt	35.23	6.91	-	42.14
Glenmark Pharmaceuticals Peru SAC., Peru	17.63	4.68	-	22.31
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa	-	0.11	-	0.11
Glenmark Uruguay S.A., Uruguay	-	201.24	-	201.24

NOTE 38 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	31 March 2016	31 March 2015
Trade receivable, loans & advances and Exchange earner's foreign currency (EEFC) accounts	USD	555.61	319.18
	EUR	2.32	3.00
	RUB	2,081.45	463.69
	GBP	5.99	8.59
Trade payable & loans from banks	USD	126.35	157.42
	EUR	4.00	5.37
	GBP	1.37	2.45

NOTE 39 RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Company expensed ₹ 4,349.70 (2015 - ₹ 2,773.14) towards research and development costs.

NOTE 40 VALUE OF IMPORTS ON CIF BASIS

Particulars	2015-2016	2014-2015
Capital goods	718.77	710.96
Materials	4,953.54	3,969.30
	5,672.31	4,680.26

NOTE 41 EARNINGS IN FOREIGN CURRENCY

Particulars	2015-2016	2014-2015
Export of goods calculated on FOB basis	33,043.52	29,720.47
Sale of Service	1,779.41	634.05
Guarantee commission	-	329.66
Interest on loan to subsidiaries	643.02	263.44
Royalty Income	2.90	6.63
Other operating income	1,474.93	344.95
Miscellaneous receipt	0.95	-
	36,944.73	31,299.20

NOTES TO FINANCIAL STATEMENTS

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

NOTE 42 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2015-2016	2014-2015
Travelling expenses	149.48	373.79
Professional and consultancy charges	540.29	370.69
Export promotional expenses and export commission	1,326.66	773.78
Salary and related expenses	329.87	931.34
Product registration expenses	780.28	297.90
Others	2,412.80	3,428.42
	5,539.38	6,175.92

NOTE 43 DIVIDEND REMITTANCE IN FOREIGN CURRENCY

Particulars	2015-2016	2014-2015
Number of non-resident shareholders	15	15
Number of equity shares held by them	62,950	103,550
Amount of dividend paid (gross), TDS ₹ nil (2015 - ₹ nil)	0.13	0.21
Year to which dividend relates	2014-2015	2013-2014

NOTE 44 NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2016:

- Gross amount required to be spent by the Company during the year ₹ 141.07 (2015 - ₹ 77.74)
- Amount spent during the year on: (by way of contribution to the trusts and projects undertaken)

Particulars	Amount paid in cash	Amount yet to be paid in cash	Total amount
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above:	-	-	-
Clean India Mission	-	-	-
Promoting Education	66.31	-	66.31
Promoting Healthcare	0.48	1.00	1.48
Promoting health care including preventive health care	8.68	-	8.68
Reducing child mortality and improving maternal health	19.57	-	19.57
Training to promote Olympic sports	21.38	-	21.38
Vocational skill livelihood enhancement projects	0.76	-	0.76
Eradicating hunger and poverty	0.28	-	0.28
Administrative expenses	0.77	-	0.77
Total	118.23	1.00	119.23

NOTE 45 PRIOR YEAR COMPARATIVES

Previous year figures have been re-grouped/re-classified wherever necessary to confirm to current year's classification.

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date: 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Glenmark Pharmaceuticals Limited

1. 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 2016, 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

2. 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') as permitted by Securities and Exchange Board of India ('SEBI'). 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

3. 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.
4. 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' judgment, 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.

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

Opinion

6. 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) issued by IASB, 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 2016;
 - 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 yearended on that date.

Other Matter

7. 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 ₹ 61,196.13 million as at 31 March 2016; total revenues (after eliminating intra-group transactions) of

₹ 45,275.15 million and net cash flows aggregating to ₹ 611.60 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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Ashish Gupta
Partner
Membership No. 504662

Place: Mumbai
Date: 12 May 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
ASSETS			
Current assets			
Cash and cash equivalents	C	8,571.21	7,637.35
Restricted cash	D	46.38	44.06
Trade receivable, net	E	24,926.46	25,117.65
Inventories	F	15,677.60	12,690.39
Short-term financial assets	G	312.11	265.89
Other current assets	G	9,562.49	7,477.40
Total current assets		59,096.25	53,232.74
Non-current assets			
Property, plant and equipment, net	H	24,622.85	20,569.49
Intangible Assets	I	14,452.42	12,134.93
Goodwill	J	574.80	579.70
Non-current tax assets		115.78	185.24
Deferred tax assets	N	11,739.66	9,730.60
Restricted cash	D	74.85	77.39
Long-term financial assets	CC	349.75	364.97
Total non-current assets		51,930.11	43,642.32
Total assets		111,026.36	96,875.06
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Trade payable	K	20,065.79	20,456.67
Current tax liabilities		732.78	926.01
Short-term borrowings	M	7,874.18	3,476.00
Current portion of long term borrowings	L	7,133.91	8,779.52
Other liabilities	K	2,465.75	2,320.24
Short-term financial liabilities	K	1,112.57	567.65
Provisions	K	632.64	586.81
Total current liabilities		40,017.62	37,112.90
Non-current liabilities			
Long-term borrowings	L	24,872.97	25,743.80
Other liabilities	K	722.95	1,171.78
Long-term financial liabilities	DD	46.95	47.44
Deferred tax liabilities	N	2,666.42	2,797.65
Total non-current liabilities		28,309.29	29,760.67
Total liabilities		68,326.91	66,873.57
Stockholders' equity			
Share Capital	O	282.16	271.29
Merger consideration, pending allotment		-	0.02
Share premium		17,293.47	7,949.37
Stock compensation reserve		14.44	308.46
Statutory reserve		201.00	201.00
Currency translation reserve		(12,460.10)	(9,453.65)
Retained earnings		37,371.49	30,726.87
		42,702.46	30,003.36
Non-controlling interest		(3.01)	(1.87)
Total stockholders' equity		42,699.45	30,001.49
Total liabilities and stockholders' equity		111,026.36	96,875.06

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N/N500013

For and on behalf of the Board of Directors

per **Ashish Gupta**

Partner

Membership Number: 504662

Glenn Saldanha

Chairman & Managing Director

Cherylann Pinto

Executive Director

Place: Mumbai

Date : 12 May 2016

Rajesh Desai

Executive Director

Sanjay Kumar Chowdhary

Company Secretary & Compliance officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONSOLIDATED INCOME STATEMENT

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
REVENUES			
Operating Revenue	P	76,339.61	66,297.52
Other income	Q	280.42	204.64
Total Revenues		76,620.03	66,502.16
EXPENSES			
Materials consumed	R	19,875.15	18,248.42
Changes in inventories of finished goods and work-in-process		(1,401.60)	(2,552.03)
Purchase of products for sale		5,139.97	3,647.98
Employee costs	S	13,781.95	12,024.10
Other expenses	T	24,772.64	24,703.87
Depreciation, amortisation and impairment	H, I & J	2,691.42	2,599.80
Total Expenses		64,859.53	58,672.14
Operating profit		11,760.50	7,830.02
Finance income		75.80	14.31
Finance costs		1,788.85	1,901.50
Profit before tax		10,047.45	5,942.83
Taxes			
Current tax expenses	N	5,145.96	3,650.09
Deferred tax benefit	N	(2,117.56)	(2,459.66)
Total Tax expenses		3,028.40	1,190.43
Profit for the year		7,019.05	4,752.40
Profit for the year attributable to:			
Non-controlling interest		(1.93)	(0.70)
Equity shareholders of Glenmark Pharmaceuticals Limited		7,020.98	4,753.10
Earnings per equity share (in ₹):			
Basic	Y	25.01	17.52
Diluted	Y	25.00	17.52

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

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

per **Ashish Gupta**
Partner
Membership Number: 504662

Place: Mumbai
Date : 12 May 2016

For and on behalf of the Board of Directors

Glenn Saldanha
Chairman & Managing Director

Rajesh Desai
Executive Director

Cherylann Pinto
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
PROFIT FOR THE YEAR		7,019.05	4,752.40
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Components of Defined Employee benefit cost (net of tax)		9.59	(105.04)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	O	(3,006.45)	(3,614.67)
Other comprehensive income for the year		(2,996.86)	(3,719.71)
Total comprehensive income for the year		4,022.19	1,032.69
Total comprehensive income attributable to:			
Non-controlling interest		(1.93)	(0.70)
Equity shareholders of Glenmark Pharmaceuticals Limited		4,024.12	1,033.39

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

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date : 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

Particulars	Equity attributable to shareholders of Glenmark Pharmaceuticals Limited								Non-controlling interest	Total stockholders' equity
	Share capital – No. of shares	Share capital - Amount and Merger consideration pending allotment	Share premium	Stock compensation reserve	Statutory reserve	Currency Translation reserve	Retained earnings	Total attributable to owners of the parent company		
Balance as at 1 April 2015	271,294,553	271.31	7,949.37	308.46	201.00	(9,453.65)	30,726.87	30,003.36	(1.87)	30,001.49
Dividends paid	-	-	-	-	-	-	(679.18)	(679.18)	-	(679.18)
Shares issued under Employee Stock Option ("ESOP") Scheme	45,800	0.05	11.08	-	-	-	-	11.13	-	11.13
Preferential issue of shares	10,800,000	10.80	9,439.20	-	-	-	-	9,450.00	-	9,450.00
Issue expenses related to preferential issue of shares	-	-	(106.18)	-	-	-	-	(106.18)	-	(106.18)
Merger consideration shares allotment	17,803	-	-	-	-	-	-	-	-	-
Employee share based compensation	-	-	-	(294.02)	-	-	294.02	-	-	-
Transactions with owners	10,863,603	10.85	9,344.10	(294.02)	-	-	(385.16)	8,675.77	-	8,675.77
Net income for the year	-	-	-	-	-	-	7,020.98	7,020.98	(1.93)	7,019.05
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(3,006.45)	(0.79)	(3,007.24)	0.79	(3,006.45)
Components of Defined Employee benefit cost	-	-	-	-	-	-	9.59	9.59	-	9.59
Total Comprehensive Income	-	-	-	-	-	(3,006.45)	7,029.78	4,023.33	(1.14)	4,022.19
Balance as at 31 March 2016	282,158,156	282.16	17,293.47	14.44	201.00	(12,460.10)	37,371.49	42,702.46	(3.01)	42,699.45

Particulars	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		
Balance as at 1 April 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
Dividends paid	-	-	-	-	-	-	(634.65)	(634.65)	-	(634.65)
Shares issued under Employee Stock Option ("ESOP") Scheme	70,900	0.07	20.27	-	-	-	-	20.34	-	20.34
Merger consideration pending allotment	-	0.02	-	-	-	-	0.20	0.22	-	0.22
Employee share based compensation	-	-	(16.28)	50.26	-	-	-	33.98	-	33.98
Transactions with owners	70,900	0.09	3.99	50.26	-	-	(634.45)	(580.11)	-	(580.11)
Net income for the year	-	-	-	-	-	-	4,753.10	4,753.10	(0.70)	4,752.40
Other Comprehensive Income:										
Exchange difference on translation of foreign operations	-	-	-	-	-	(3,614.67)	-	(3,614.67)	-	(3,614.67)
Components of Defined Employee benefit cost	-	-	-	-	-	-	(105.04)	(105.04)	-	(105.04)
Transactions with owners	-	-	-	-	-	-	(9.41)	(9.41)	-	(9.41)
Acquisition of non-controlling interest	-	-	-	-	-	-	(273.31)	(273.31)	(133.97)	(407.28)
Total Comprehensive Income	-	-	-	-	-	(3,614.67)	4,365.34	750.67	(134.67)	616.00
Balance as at 31 March 2015	271,294,553	271.31	7,949.37	308.46	201.00	(9,453.65)	30,726.87	30,003.36	(1.87)	30,001.49

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

CONSOLIDATED STATEMENT OF CASH FLOW

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
(A) CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
Profit before tax	10,047.45	5,942.83
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortisation	2,691.42	2,599.80
Employee share based compensation	-	3.08
Interest expense	1,788.85	1,901.50
Interest income	(75.80)	(14.31)
Dividend income	(8.81)	(9.45)
(Profit) / loss on sale of assets	8.03	65.96
Employee benefit obligation	193.20	182.01
Other provisions	-	47.23
Provision for doubtful debts	113.60	384.84
Unrealised exchange differences (net)	(450.38)	(435.52)
Operating profit before changes in operating assets and liabilities	14,307.56	10,667.97
Changes in operating assets and liabilities		
- (Increase) / Decrease in trade receivables	994.23	(4,009.97)
-(Increase) / Decrease in inventories	(4,338.97)	(3,544.30)
- (Increase) / Decrease in other assets	(2,480.90)	857.95
- Increase / (Decrease) in trade payable and other liabilities	(251.45)	4,023.23
Net changes in operating assets and liabilities	(6,077.09)	(2,673.09)
Income taxes paid	(4,781.99)	(3,178.13)
Net cash from operating activities	3,448.48	4,816.75
(B) CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		
Restricted cash	0.22	(44.48)
Interest received	75.76	14.31
Dividend received	8.81	9.45
Payments for purchase of property, plant and equipment and intangible assets	(8,902.72)	(5,442.75)
Proceeds from sale of property, plant and equipment	16.22	63.10
Net cash used in investing activities	(8,801.71)	(5,400.37)
(C) CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	8,981.95	11,681.96
Repayments of long-term borrowings	(13,395.41)	(6,906.58)
Proceed from short-term borrowings, net	4,523.22	31.82
Interest paid	(1,800.22)	(1,791.51)
Proceeds from issue of share capital	9,354.95	20.34
Transaction with non-controlling interest	-	(409.15)
Dividend paid (including tax on dividend)	(678.53)	(634.65)
Net cash from financing activities	6,985.96	1,992.23
Effect of exchange rate changes on cash	(698.87)	(1,719.25)
Net increase / (decrease) in cash and cash equivalents	933.86	(310.64)
Cash and cash equivalents at the beginning of the year	7,637.35	7,947.99
Cash and cash equivalents at the end of the year (refer note - C)	8,571.21	7,637.35

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N/N500013

For and on behalf of the Board of Directors

per **Ashish Gupta**

Partner

Membership Number: 504662

Glenn Saldanha

Chairman & Managing Director

Cherylann Pinto

Executive Director

Place: Mumbai

Date : 12 May 2016

Rajesh Desai

Executive Director

Sanjay Kumar Chowdhary

Company Secretary & Compliance officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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, Baddi, Nalagarh, Ankleshwar, Mohol, Kurkumbh, Sikkim, Indore, Dahej and Aurangabad. Overseas manufacturing facilities are located in Brazil, Czech Republic and Argentina.

2. GENERAL INFORMATION

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 – 400 026, 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 (‘INR’), 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 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 statement of Comprehensive Income.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 over which 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 of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the consolidated 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 off, 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 pharmaceutical 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 over the period 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income/expense in 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 Company's date of transition to IFRS

As part of its transition to IFRS, the Company 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development 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 the assets is controlled by the Group, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in 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 useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licenced to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is 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 products in 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that 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.

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.

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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 cannot 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.

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.

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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. 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
- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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.

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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 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 of the net defined benefit liability (asset) in Other Comprehensive Income.

Service costs comprise of current service cost, past service cost, as well as gains and losses on curtailment and settlements. The benefit attributable to current and past periods of service is determined using the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the benefit is attributed

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

Contingent assets are not recognised.

3.20 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

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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 judgments 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 judgment by management in selecting appropriate assumptions for calculating financial estimates, which inherently contain

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some degree of uncertainty. Management estimates are based on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the 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 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 basis 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

IFRS 9 Financial instruments: In July 2014, the International Accounting Standards Board issued the final version of IFRS 9, Financial Instruments. The standard reduces the complexity of the current rules on financial instruments as mandated in IAS 39. IFRS 9 has fewer classification and measurement categories as compared to IAS 39 and has eliminated the categories of held to

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maturity, available for sale and loans and receivables. Further it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held to maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income.

IFRS 9 replaces the 'incurred loss model' in IAS 39 with an 'expected credit loss' model. The measurement uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The standard also introduces new presentation and disclosure requirements.

The effective date for adoption of IFRS 9 is annual periods beginning on or after 1 January 2018, though early adoption is permitted. The Group has elected to early adopt the standard effective 1 April 2016 and the impact on the consolidated financial statements is not material.

IFRS 15 Revenue from Contract with Customers: In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits the use of either the retrospective or cumulative effect transition method. The effective date for adoption of IFRS 15 is annual periods beginning on or after 1 January 2017, though early adoption is permitted. In September 2015, the IASB issued an amendment to IFRS 15, deferring the adoption of the standard to periods beginning on or after 1 January 2018 instead of 1 January 2017.

In April 2016, the IASB issued amendments to IFRS 15, clarifying some requirements and providing additional transitional relief for companies. The amendments do not change the underlying principles of IFRS 15 but clarify how those principles should be applied. The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- determine whether the revenue from granting a license should be recognized at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies IFRS 15. The amendments have the same effective date as IFRS 15.

The Group is evaluating the effect of IFRS 15 on the consolidated financial statements including the transition method to be adopted and the related disclosures. The group continues to evaluate the effect of the standard on ongoing financial reporting.

IFRS 16 Leases: On 13 January 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after 1 January 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is yet to evaluate the requirements of IFRS 16 and the impact on the consolidated financial statements.

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IAS 12: In January 2016, the IASB issued amendments to IAS 12 – “Income taxes” to clarify the following:

- estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

The Company expects the adoption of these amendments will have no impact on its consolidated financial statements.

IAS 7: In January 2016, the IASB issued amendments in IAS 7- “Statement of Cash Flows” to clarify and improve information provided to users of financial statements about an entity’s financing activities.

The IASB requires that the following changes in liabilities arising from financing activities to be disclosed (to the extent necessary):

- changes from financing cash flows;
- changes arising from obtaining and losing control of subsidiaries or other businesses;
- the effect of changes of foreign exchange rates;
- changes in fair value; and
- other changes.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted. Entities need not present comparative information when they first apply the amendments.

The Company is currently evaluating the effect of this amendment on its consolidated financial statements.

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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 as of 31.03.2016	Effective Group Shareholding (%) as on	
				31.03.2016	31.03.2015
Glenmark Pharmaceuticals (Europe) R & D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	31 March	United Kingdom	GHSA	100%	100%
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	31 March	United Kingdom	GPL	100%	100%
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March	Czech Republic	GHSA	100%	100%
Glenmark Pharmaceuticals SK, S.R.O.	31 March	Slovak Republic	GP S.R.O.	100%	100%
Glenmark Pharmaceuticals S. A.	31 March	Switzerland	GHSA	100%	100%
Glenmark Holding S. A., (GHSA)	31 March	Switzerland	GPL	100%	100%
Glenmark Generics Finance S. A. (GGFSA) (Merged into GHSA effective 01.04.2015) (refer note (i))	31 March	Switzerland	GPL	-	100%
Glenmark Pharmaceuticals S.R.L	31 March	Romania	GHSA	100%	100%
Glenmark Distributors SP z.o.o.	31 March	Poland	GHSA	100%	100%
Glenmark Pharmaceuticals SP z.o.o.	31 March	Poland	GHSA	100%	100%
Glenmark Pharmaceuticals Inc., USA (Formerly known as Glenmark Generics Inc., USA)	31 March	USA	GHSA	100%	100%
Glenmark Therapeutics Inc.	31 March	USA	GHSA	100%	100%
Glenmark Farmaceutica Ltda	31 March	Brazil	GHSA	100%	100%
Glenmark Generics SA	31 March	Argentina	GHSA	100%	100%
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March	Mexico	GPL	100%	100%
Glenmark Pharmaceuticals Peru SAC	31 March	Peru	GPL	100%	100%
Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)	31 March	Colombia	GPL	100%	100%
Glenmark Uruguay S.A. (GU S.A.)	31 March	Uruguay	GPL	100%	100%
Glenmark Pharmaceuticals Venezuela, C.A	31 March	Venezuela	GPL	100%	100%
Glenmark Dominicana SRL	31 March	Dominican Republic	GPL	100%	100%
Glenmark Pharmaceuticals Egypt S.A.E.	31 March	Egypt	GPL	100%	100%
Glenmark Pharmaceuticals FZE	31 March	United Arab Emirates	GPL	100%	100%
Glenmark Impex L.L.C	31 March	Russia	GPL	100%	100%
Glenmark Philippines Inc.	31 March	Philippines	GPL	100%	100%
Glenmark Pharmaceuticals (Nigeria) Ltd.	31 March	Nigeria	GPL	100%	100%
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March	Malaysia	GPL	100%	100%
Glenmark Pharmaceuticals (Australia) Pty Ltd.,	31 March	Australia	GPL	100%	100%
Glenmark South Africa (Pty) Ltd. (GSAPL)	31 March	South Africa	GPL	100%	100%
Glenmark Pharmaceuticals South Africa (Pty) Ltd.	31 March	South Africa	GSAPL	100%	100%
Glenmark Pharmaceuticals (Thailand) Co. Ltd	31 March	Thailand	GPL	49%	49%
Glenmark Pharmaceuticals B.V. (Formerly known as Glenmark Generics B.V., Netherlands)	31 March	Netherlands	GHSA	100%	100%
Glenmark Arzneimittel Gmbh	31 March	Germany	GHSA	100%	100%
Glenmark Pharmaceuticals Canada Inc. (Formerly Known as Glenmark Generics Canada Inc.)	31 March	Canada	GHSA	100%	100%
Glenmark Pharmaceuticals Kenya Ltd.	31 March	Kenya	GPL	100%	100%
Glenmark Therapeutics AG	31 March	Switzerland	GPL	100%	100%
Viso Farmaceutica S.L.U., SPAIN	31 March	Spain	GHSA	100%	-
Glenmark Specialty SA	31 March	Switzerland	GHSA	100%	-
Glenmark Pharmaceuticals Distributor S.R.O.	31 March	Czech Republic	GHSA	100%	-

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

Note:

- (i) Merger of Glenmark Generics Finance S.A. (GGFSA) with Glenmark Holding S.A., (GHSA)

Consequent to the merger of Glenmark Generics Ltd. (GGL) with the Company, its wholly owned subsidiary in Switzerland i.e. Glenmark Generics Finance S.A. (GGFSA), became a wholly owned subsidiary of the Company. In continuation of the restructuring exercise, Glenmark Holding S.A., (GHSA), a wholly owned subsidiary of the Company absorbed by way of side step merger GGFSA and took over its whole assets and liabilities. In accordance with Swiss merger act, the Capital of GGFSA was carried as Additional Paid in Capital in GHSA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE C CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

Particulars	31 March 2016	31 March 2015
Cash in hand	10.52	8.60
Balances with banks in current /cash credit accounts and deposit accounts	8,560.69	7,628.75
	8,571.21	7,637.35

NOTE D RESTRICTED CASH

Restricted cash comprise the following:

Particulars	31 March 2016	31 March 2015
Current		
Dividend accounts	11.55	10.89
Time deposits	34.83	33.17
Total	46.38	44.06
Non-current		
Time deposits	74.85	77.39
Total	74.85	77.39

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	31 March 2016	31 March 2015
Accounts receivables	25,649.41	25,747.29
Provision for doubtful debts	(722.95)	(629.64)
Total	24,926.46	25,117.65

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 indications of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 113.60 (P.Y. ₹ 384.84) has been recorded. The movement in the allowance for credit losses can be reconciled as follows:

Particulars	31 March 2016	31 March 2015
Opening balance	629.64	267.69
Amounts written off	(20.29)	(22.89)
Impairment loss	113.60	384.84
Impairment loss reversed	-	-
Closing balance	722.95	629.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE F INVENTORIES

Inventories comprise the following:

Particulars	31 March 2016	31 March 2015
Raw materials	4,430.44	3,111.74
Packing material	1,131.79	1,020.23
Work-in-process	2,298.67	1,977.89
Stores and spares	454.41	299.06
Finished goods	7,362.29	6,281.47
Total	15,677.60	12,690.39

Inventories written down by ₹ 203.60 (P.Y. ₹ Nil)

NOTE G SHORT-TERM FINANCIAL ASSETS AND OTHER CURRENT ASSETS

Short term financial assets comprise the following:

Particulars	31 March 2016	31 March 2015
Other receivables	165.25	158.21
Short-term deposits	146.86	107.68
Total	312.11	265.89

Short term deposit represents trade deposit given in the normal course of business realisable within twelve months from the reporting date.

Other current assets comprise the following:

Particulars	31 March 2016	31 March 2015
Input taxes receivables	2,442.34	1,996.28
Advance to vendors	2,315.53	2,191.13
Prepayments and other advances	3,825.72	3,237.86
Export incentives	978.90	52.13
Total	9,562.49	7,477.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in million 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 and Machinery	Furniture and fixture	Equipment	Vehicles	Assets under construction	Total
COST										
Balance as at 1 April 2015	329.50	397.78	6,652.45	1,785.12	4,099.57	957.88	6,992.18	384.60	4,589.46	26,188.54
- Other acquisitions	50.95	5.96	1,560.55	167.52	1,526.60	118.81	1,268.47	64.07	2,630.04	7,392.97
- Disposals/Transfers	(1.20)	-	-	(125.81)	(47.02)	(13.16)	(97.77)	(49.70)	(1,926.86)	(2,261.52)
- Translation adjustment	(1.53)	0.02	(88.52)	11.11	16.90	(39.92)	54.32	(27.47)	(16.09)	(91.18)
Balance as at 31 March 2016	377.72	403.76	8,124.48	1,837.94	5,596.05	1,023.61	8,217.20	371.50	5,276.55	31,228.81
ACCUMULATED DEPRECIATION										
Balance as at 1 April 2015	-	37.44	894.21	555.19	704.88	539.42	2,746.09	141.82	-	5,619.05
- Depreciation charge for the year	-	7.04	150.67	75.13	304.18	95.89	518.75	71.61	-	1,223.27
- Disposals/Transfers	-	-	-	(125.81)	(14.83)	(10.62)	(80.81)	(44.81)	-	(276.88)
- Translation adjustment	-	0.02	4.80	1.13	5.82	(8.25)	45.18	(8.18)	-	40.52
Balance as at 31 March 2016	-	44.50	1,049.68	505.64	1,000.05	616.44	3,229.21	160.44	-	6,605.96
CARRYING VALUE										
As at 1 April 2015	329.50	360.34	5,758.24	1,229.93	3,394.69	418.46	4,246.09	242.78	4,589.46	20,569.49
As at 31 March 2016	377.72	359.26	7,074.80	1,332.30	4,596.00	407.17	4,987.99	211.06	5,276.55	24,622.85

Particulars	Freehold land	Leasehold land	Factory Building	Other Building	Plant and Machinery	Furniture and fixture	Equipment	Vehicles	Assets under construction	Total
COST										
Balance as at 1 April 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
- Other acquisitions	-	-	125.34	130.18	764.76	108.93	637.25	98.13	2,740.60	4,605.19
- Disposals/Transfers	-	-	(255.13)	255.13	(25.56)	(8.30)	(156.35)	(44.00)	(156.35)	(390.56)
- Translation adjustment	(0.96)	(0.17)	(110.36)	(69.21)	(64.21)	(8.94)	(69.58)	(73.38)	(3.72)	(400.53)
Balance as at 31 March 2015	329.50	397.78	6,652.45	1,785.12	4,099.57	957.88	6,992.18	384.60	4,589.46	26,188.54
ACCUMULATED DEPRECIATION										
Balance as at 1 April 2014	-	30.55	754.34	506.47	553.18	472.40	2,307.43	121.94	-	4,746.31
- Depreciation charge for the year	-	7.06	215.98	79.24	193.82	78.01	509.66	73.81	-	1,157.58
- Disposals/Transfers	-	-	(37.11)	37.11	(13.55)	(5.26)	(43.59)	(32.08)	-	(94.48)
- Translation adjustment	-	(0.17)	(39.00)	(67.63)	(28.57)	(5.73)	(27.41)	(21.85)	-	(190.36)
Balance as at 31 March 2015	-	37.44	894.21	555.19	704.88	539.42	2,746.09	141.82	-	5,619.05
CARRYING VALUE										
As at 1 April 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
As at 31 March 2015	329.50	360.34	5,758.24	1,229.93	3,394.69	418.46	4,246.09	242.78	4,589.46	20,569.49

Notes:

- Additions include borrowing costs capitalised of ₹ 25.50 (P.Y. ₹ 23.47). The borrowing costs have been capitalised at a weighted average rate of 5.26%.
- All depreciation and impairment charges (or reversals, if any) are included within 'depreciation, amortisation and impairment'.
- The Group's property, plant and equipment at certain locations have been pledged as security for short term borrowings disclosed under Note M.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE I INTANGIBLE ASSETS

Intangible assets comprise of recognised intangibles on acquisition and software licenses purchased. 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				
Balance as at 1 April 2015	608.72	14,886.17	333.12	15,828.01
- Additions	733.22	2,354.96	143.16	3,231.34
- Disposals/transfers	(39.75)	-	(36.45)	(76.20)
- Translation adjustment	(5.15)	668.85	9.83	673.53
Balance as at 31 March 2016	1,297.04	17,909.98	449.66	19,656.68
AMORTISATION AND IMPAIRMENT				
Balance as at 1 April 2015	371.34	3,321.74	-	3,693.08
- for the year	271.47	1,140.57	-	1,412.04
- on disposals/transfers	(39.75)	-	-	(39.75)
- Translation adjustment	(8.71)	147.60	-	138.89
Balance as at 31 March 2016	594.35	4,609.91	-	5,204.26
CARRYING VALUE				
As at 1 April 2015	237.38	11,564.43	333.12	12,134.93
As at 31 March 2016	702.69	13,300.07	449.66	14,452.42

Particulars	Computer software	Product development/ Brands	Intangibles under development	Total
COST				
Balance as at 1 April 2014	630.35	14,728.26	53.42	15,412.03
- Additions	49.77	964.60	324.21	1,338.58
- Disposals/transfers	(18.98)	(38.51)	(24.57)	(82.06)
- Translation adjustment	(52.42)	(768.18)	(19.94)	(840.54)
Balance as at 31 March 2015	608.72	14,886.17	333.12	15,828.01
AMORTISATION AND IMPAIRMENT				
Balance as at 1 April 2014	364.71	2,318.56	-	2,683.27
- for the year	68.23	1,373.99	-	1,442.22
- on disposals/transfers	(15.90)	-	-	(15.90)
- Translation adjustment	(45.70)	(370.81)	-	(416.51)
Balance as at 31 March 2015	371.34	3,321.74	-	3,693.08
CARRYING VALUE				
As at 1 April 2014	265.64	12,409.70	53.42	12,728.76
As at 31 March 2015	237.38	11,564.43	333.12	12,134.93

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 change in the competitive market, including pricing of the underlying products. In performing the impairment testing management considers various factors such as the size of the target market, competition, future possible price/volume erosion.

Discount rates

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:

As at 31 March 2016	India	USA	Latin America	Europe	Total
Intangible Assets	1,297.74	562.89	1,034.57	688.55	3,583.75
Total	1,297.74	562.89	1,034.57	688.55	3,583.75

As at 31 March 2015	India	USA	Latin America	Europe	Total
Intangible Assets	1,294.84	532.27	1,336.42	672.51	3,836.04
Total	1,294.84	532.27	1,336.42	672.51	3,836.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE J GOODWILL

The net carrying amount of goodwill can be analysed as follows:

Particulars	31 March 2016	31 March 2015
Opening balance	579.70	602.04
Acquired through business combination	-	-
Impairment loss recognised	(56.11)	-
Effect of translation adjustments	51.21	(22.34)
Closing balance	574.80	579.70

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	31 March 2016	31 March 2015
Europe	564.79	511.03
ROW	10.01	10.01
Latin America	-	58.66
Goodwill at	574.80	579.70

At the year end, the Goodwill was tested for impairment based on conditions at that date.

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 2016	31 March 2015	31 March 2016	31 March 2015
Europe & ROW	2%	2%	9.80%	10.41%
Latin America	2%	2%	8.80%	7.28%

Long-term growth rates

The long-term growth rates reflect the long-term average growth rates for the product lines and industry 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE K TRADE PAYABLE, OTHER LIABILITIES, SHORT-TERM FINANCIAL LIABILITY AND PROVISIONS

Trade payable

Particulars	31 March 2016	31 March 2015
Sundry creditors	20,065.79	19,762.83
Acceptances	-	693.84
Total	20,065.79	20,456.67

Other liabilities

Non-current

Particulars	31 March 2016	31 March 2015
Other liabilities	722.95	1,171.78
Total	722.95	1,171.78

Current liabilities

Particulars	31 March 2016	31 March 2015
Advances received from customer	192.27	73.79
Income received in advance	-	339.29
Statutory dues	594.21	770.13
Accrued expenses	1,679.27	1,137.03
Total	2,465.75	2,320.24

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	31 March 2016	31 March 2015
Employee dues	135.68	148.42
Unclaimed dividend	11.55	10.89
Interest accrued but not due	168.50	170.30
Others	796.84	238.04
Total	1,112.57	567.65

Provisions

Particulars	31 March 2016	31 March 2015
Provision for compensated absences	115.60	105.78
Provision for gratuity benefit plan	514.82	455.09
Other employee benefit obligation	2.22	25.94
Total	632.64	586.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE L LONG-TERM BORROWINGS

Long term borrowings are recorded at amortised cost comprise of:

Non-current portion of borrowings

Particulars	31 March 2016	31 March 2015
Notes payable	1.57	6.59
Term loan from banks	32,005.31	34,516.73
Total Long-term liabilities	32,006.88	34,523.32
Less: Current portion of long-term borrowings	(7,133.91)	(8,779.52)
Total	24,872.97	25,743.80

The Group has availed term loans from banks at interest rates ranging between 1.38% - 10.20% p.a.

Maturity profile of long-term borrowings

Year	31 March 2016	31 March 2015
2016	-	8,779.52
2017	7,133.91	9,122.11
2018	7,417.36	3,880.68
2019	8,442.02	7,969.70
2020	6,038.97	4,771.31
2021	2,974.62	-
Total	32,006.88	34,523.32

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	31 March 2016	31 March 2015
Short-term borrowings	7,718.92	3,109.12
Working capital facilities	155.26	366.88
Total	7,874.18	3,476.00

Working Capital Facilities are 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 1.38% - 10.20% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE N TAXES

Taxes for the year comprise the following:

Particulars	31 March 2016	31 March 2015
Current income tax expense	5,145.96	3,650.09
Deferred income tax benefit	(2,117.56)	(2,459.66)
Total	3,028.40	1,190.43

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	31 March 2016	31 March 2015
Income tax expense at tax rates applicable to individual entities	5,958.65	3,826.63
<i>Tax adjustment for tax-exempt income</i>		
- Income exempt from tax	(1,956.66)	(1,233.08)
<i>Other tax adjustments</i>		
- Additional deduction for R & D Expenditure	(1,362.79)	(836.72)
- Unrecognised tax benefit on losses of subsidiaries (net)	652.56	(612.32)
- Disallowance under income tax	389.82	92.69
- Disallowed expenditure on share based payments	-	(1.00)
- Allowances under income tax and others	(653.18)	(45.77)
Actual tax expense net	3,028.40	1,190.43

No temporary differences resulting from investments in subsidiaries 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 2015	Recognised in income statement	Recognised in Other Comprehensive Income	31 March 2016
Deferred income tax assets - Non-current				
Provision for credit losses	229.39	(6.11)	-	223.28
Unused tax losses	4,370.33	294.82	(104.09)	4,561.06
Minimum Alternative Tax credit entitlement	4,182.67	1,406.86	-	5,589.53
Depreciation and Other	592.64	(148.81)	32.36	476.19
Other financial assets	353.38	924.76	(390.91)	887.23
Employee Benefits	2.19	0.18	-	2.37
Total	9,730.60	2,471.70	(462.64)	11,739.66
Deferred income tax liabilities - Non current				
Other current assets	593.15	23.28	(491.97)	124.46
Difference in depreciation on Property, plant and equipment	2,204.50	330.86	6.60	2,541.96
Total	2,797.65	354.14	(485.37)	2,666.42
Net deferred income tax asset	6,932.95	2,117.56	22.73	9,073.24

In assessing the realisability 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 periods are reduced.

The Company's subsidiaries had losses which can be carried forward for future utilisation within a period of 3 to 7 years. These subsidiaries have been incurring losses and therefore it is considered more likely than not that the deferred tax asset arising from these carried forward net operating losses will not be realised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Deferred income taxes are not provided on undistributed earnings of ₹ 13,234.01 and ₹ 14,947.78 as at 31 March 2016 and 2015, respectively, of subsidiaries outside India, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. The Company indefinitely reinvests all the accumulated undistributed earnings of subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of its foreign subsidiaries. It is impracticable to determine the taxes payable when these earnings are remitted.

The unrecognised deferred tax assets ₹ 732.43 in 2015-16 and ₹151.12 in 2014-15.

During the year ended 31 March 2016, the Company, based on probable future taxable profit, has recognized previously unrecognised deferred tax assets of ₹ 442.27 in 2015-16 and ₹ 1,226.64 in 2014-15.

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 2,370,000,000 equity shares of ₹ 1 each.

b) Dividends

Indian statutes mandate that dividends be declared out of distributable profits in accordance with the regulations. Should the Company declare and pay dividends, such dividends are required to be paid in INR to each holder of equity shares in proportion to the number of shares held. 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 had 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 profits 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE P OPERATING REVENUE

Operating revenue comprises the following:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sale of goods and out licensing of intangible assets	75,888.88	65,934.45
Other operating revenue	430.43	344.95
Income from services	20.30	18.12
Total	76,339.61	66,297.52

NOTE Q OTHER INCOME

Other income comprises the following:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sale of scrap	156.22	150.16
Miscellaneous receipts	124.20	54.48
Total	280.42	204.64

NOTE R MATERIALS CONSUMED

Materials consumed for the year comprise the following:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of material, stores and spares	19,875.15	18,248.42
Total	19,875.15	18,248.42

NOTE S EMPLOYEE COSTS

Employee costs comprise the following:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	12,423.74	11,066.03
Contribution to provident and other funds and retirement benefits	1,084.98	689.34
Welfare expenses	273.23	268.73
Total	13,781.95	12,024.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE T OTHER EXPENSES

Other expenses comprise the following:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Labour charges	848.24	812.34
Excise duty paid	879.12	736.78
Power, fuel and water charges	965.73	894.04
Repairs and maintenance	933.81	826.93
Rent, rates and taxes	920.88	941.39
Other manufacturing expenses	357.92	316.40
Consumables	1,747.14	1,623.77
Selling and Marketing expenses	1,151.17	1,225.91
Sales promotion expenses	5,429.75	3,422.44
Travelling expenses	2,052.37	1,995.06
Freight outward	2,345.77	2,085.96
Telephone expenses	118.63	124.01
Provision for doubtful debts	113.60	384.84
Insurance	187.85	194.36
Electricity charges	238.99	197.04
Auditors remuneration	51.40	40.81
Legal and professional charges	1,574.42	1,231.01
Other operating expenses	4,855.85	7,650.78
Total	24,772.64	24,703.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in million 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	31 March 2016	31 March 2015
Current service cost	122.20	97.79
Curtailment and past service cost	-	(4.04)
Personnel expenses	122.20	93.75
Net interest on defined benefit schemes	11.35	9.41
Administration cost (excluding cost for managing plan assets)	0.40	0.34
Net periodic expense	133.95	103.50

The remeasurement components recognised in the statement of other comprehensive income for the Group’s defined benefit plans comprise the following:

Particulars	31 March 2016	31 March 2015
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	(45.85)	-
Based on adjustment of financial assumptions	17.39	159.39
Due to liability experience adjustment	4.86	(22.28)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	14.01	(32.07)
Total remeasurements recognised in the statement of other comprehensive income	(9.59)	105.04

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group’s defined benefit plans.

Particulars	31 March 2016	31 March 2015
Present value of funded obligations	1,257.52	1,131.51
Fair value of plan assets	(742.70)	(676.42)
Net defined benefit liability	514.82	455.09
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	514.82	455.09

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

Particulars	31 March 2016	31 March 2015
Beginning balance	455.09	311.85
Cost recognised in income statement	133.95	103.50
Remeasurement (gains)/losses recognised in other comprehensive income	(9.59)	105.04
Actual employer contributions	(36.03)	(36.61)
Benefits paid	(35.94)	(28.27)
Exchange differences	7.34	(0.42)
Closing balance	514.82	455.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Particulars	31 March 2016	31 March 2015
Beginning balance	1,131.51	940.63
Current service cost	122.20	97.79
Interest cost on the defined benefit obligations	34.18	36.68
Actual employee contributions	23.85	18.24
Curtailment and past service cost	-	(4.04)
Actual benefit payments	(49.23)	(92.74)
Actuarial (gains)/losses - Demographic assumptions	(45.85)	-
Actuarial (gains)/losses - Financial assumptions	17.39	159.39
Actuarial (gains)/losses - Liability experience	4.86	(22.28)
Administration cost (excluding cost for managing plan assets)	0.40	0.34
Exchange differences	18.21	(2.50)
Closing balance	1,257.52	1,131.51

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

Particulars	31 March 2016	31 March 2015
Beginning balance	676.42	628.78
Interest income on plan assets	22.83	27.27
Actual employer contributions	36.03	36.61
Actual employee contributions	23.85	18.24
Actual benefit payments	(13.29)	(64.47)
Actual return on assets (excluding interest income on plan assets)	(14.01)	32.07
Exchange differences	10.87	(2.08)
Closing balance	742.70	676.42

The Group expects to contribute ₹ 260.28 to its defined benefit plans in 2016-17.

The principal actuarial assumptions used for the defined benefit obligations at 31 March 2016 and the following year's are as follows:

Particulars	31 March 2016	31 March 2015
Discount rate (weighted average)	0.50% - 7.07%	0.90% - 8.03%
Rate of compensation increase (weighted average)	1.50% - 3.00%	2.00% - 5.00%
Inflation rate (weighted average)	0.00% - 1.00%	0.00% - 1.00%

Mortality rates have been set in accordance with current best practices in the respective countries. The average life expectancy in years on the statement of financial position date is as follows:

Particulars	31 March 2016	31 March 2015
Average life expectancy (Years)	26.37 - 53.08	20 - 53

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

Particulars	31 March 2016	31 March 2015
Assets administered by respective Insurance companies	100%	100%

A breakup of the defined benefit plan related balance sheet amounts at 31 March 2016 and 2015, is shown below.

Particulars	31 March 2016	31 March 2015
Present value of funded obligations	1,257.52	1,131.51
Fair value of plan assets	(742.70)	(676.42)
Net defined benefit liability	514.82	455.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The present value of defined benefit obligations by category of members at 31 March 2016 and 2015, is shown below:

Particulars	31 March 2016	31 March 2015
Active	10,774	10,014
Present value of funded obligations	1,257.52	1,131.51

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 2016
Discount rate + 0.25% / + 0.5% p.a.	(69.83)
Discount rate - 0.25% / - 0.5% p.a.	77.17
Rate of compensation increase + 0.25% - 0.5% p.a.	44.06
Rate of compensation increase - 0.25% - 0.5% p.a.	(40.53)

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.

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

Particulars	31 March 2016	31 March 2015
Current service cost	50.18	37.47
Personnel expenses	50.18	37.47
Net interest on defined benefit schemes	8.49	7.63
Actuarial (gains)/losses		
Based on adjustment of demographic assumptions	7.35	(3.84)
Based on adjustment of financial assumptions	(17.33)	21.77
Due to liability experience adjustment	7.51	17.35
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	3.05	(1.87)
Net periodic expense	59.25	78.51

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the consolidated financial statements for the Group's defined benefit plans.

Particulars	31 March 2016	31 March 2015
Present value of funded obligations	236.75	220.85
Fair value of plan assets	(121.15)	(115.07)
Net defined benefit liability	115.60	105.78
Being:		
Retirement benefit assets	-	-
Retirement benefit liabilities	115.60	105.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The movements in the net defined benefit liability recognised within the consolidated statement of financial position are as follows:

Particulars	31 March 2016	31 March 2015
Beginning balance	105.78	82.29
Cost recognised in income statement	59.25	78.51
Remeasurement (gains)/losses recognised in other comprehensive income	-	-
Actual employer contributions	0.10	(6.84)
Benefits paid	(49.53)	(48.18)
Closing balance	115.60	105.78

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

Particulars	31 March 2016	31 March 2015
Beginning balance	220.85	179.63
Current service cost	50.18	37.47
Interest cost on the defined benefit obligations	17.72	16.65
Actual benefit payments	(49.53)	(48.18)
Actuarial (gains)/losses - Demographic assumptions	7.35	(3.84)
Actuarial (gains)/losses - Financial assumptions	(17.33)	21.77
Actuarial (gains)/losses - Liability experience	7.51	17.35
Closing balance	236.75	220.85

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

Particulars	31 March 2016	31 March 2015
Beginning balance	115.07	97.34
Interest income on plan assets	9.23	9.02
Return on plan assets	(3.05)	1.87
Actual employer contributions	(0.10)	6.84
Closing balance	121.15	115.07

The Group expects to contribute ₹190.88 to its defined benefit plan in 2016-17.

The principal actuarial assumptions used for the defined benefit obligations at 31 March 2016 and the following year's are as follows:

Particulars	31 March 2016	31 March 2015
Discount rate (weighted average)	7.70%	8.00% - 8.03%
Rate of compensation increase (weighted average)	3.00%	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 statement of financial position date are as follows:

Particulars	31 March 2016	31 March 2015
Average life expectancy at 58 years	26.37	20 - 26.51

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

Particulars	31 March 2016	31 March 2015
Insurance contracts	100%	100%

A breakup of the defined benefit plan related balance sheet amounts at 31 March 2016 and 2015, is shown below.

Particulars	31 March 2016	31 March 2015
Present value of obligations	236.75	220.85
Fair value of plan assets	(121.15)	(115.07)
Net defined benefit liability	115.60	105.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The present value of defined benefit obligations by category of members at 31 March 2016 and 2015, is shown below:

Particulars	31 March 2016	31 March 2015
Active	10,693	9,942
Present value of obligations	236.75	220.85

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 2016
Discount rate + 0.5% p.a.	(16.76)
Discount rate - 0.5% p.a.	19.32
Rate of compensation increase + 0.5% p.a.	19.02
Rate of compensation increase - 0.5% p.a.	(16.76)

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 ₹ 215.64 (P.Y. ₹ 194.69) to the provident fund plan during the year ended 31 March 2016.

NOTE V RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Group expenditure on research and development was ₹ 8,175.90 (P.Y. ₹ 6,014.42).

NOTE W SHARE BASED EMPLOYEE REMUNERATION

Employee Stock Option Scheme, 2003 (ESOS)

The Company has formulated an Employee Stock Option Scheme ('ESOS') 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:

Particulars	2016		2015	
	Number*	weighted average Price*(₹)	Number*	weighted average Price*(₹)
Outstanding at 1 April	164,800	296.03	282,100	301.53
Granted	-	-	-	-
Forfeited/cancelled	(34,500)	405.79	(46,400)	343.45
Exercised	(45,800)	242.97	(70,900)	286.87
Outstanding as at 31 March	84,500	279.99	164,800	296.03

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in million 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:

Particulars	31 March 2016	31 March 2015
Share price (₹)*	215.85 – 480.40	120.85 – 480.40
Exercise price (₹)*	215.85 – 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 – 26 months	1 – 42 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.

Expenses recognised during the year is ₹ Nil (P.Y. - ₹ 3.08)

NOTE X RELATED PARTY TRANSACTIONS

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mr. Glenn Saldanha
Mrs. Cherylann Pinto
Mr. Rajesh Desai
Mr. Sanjay Kumar Chowdhary

Others

Mrs. B. E. Saldanha

Enterprises over which significant influence exercised by key management personnel/directors

Glenmark Foundation
Glenmark Aquatic Foundation

Summary of transactions with related parties during the year

Nature of Transaction	Year ended 31 March 2016	Year ended 31 March 2015
Contribution paid for CSR activities to		
Glenmark Foundation	23.82	18.40
Glenmark Aquatic Foundation	21.70	5.10
Transactions with key management personnel and others		
Remuneration	170.37	133.24
Director sitting fees	0.40	0.06
Closing balances		
Glenmark Foundation	(1.00)	(2.30)
Glenmark Aquatic Foundation	10.59	(1.00)

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE Y EARNINGS PER SHARE (EPS)

The basic earnings per share for the year ended 31 March 2016 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 2016	31 March 2015
Profit attributable to shareholders of Glenmark, for basic and dilutive	7,020.98	4,753.10
Weighted average number of shares outstanding during the year for Basic EPS	280,727,485	271,263,190
Effect of dilutive potential ordinary shares:		
Employee stock Options	58,991	94,493
Weighted average number of shares outstanding during the year for dilutive EPS	280,786,476	271,357,683
Basic EPS, in ₹	25.01	17.52
Diluted EPS, in ₹	25.00	17.52

NOTE Z COMMITMENTS AND CONTINGENCIES

(i) Contingent Liabilities	31 March 2016	31 March 2015
Claims against the Company not acknowledged as debts		
Disputed Income tax/ Excise duty/ Sales tax	259.65	223.92
Others	12.40	145.38

- (a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 122.30 as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹ 33.30 towards interest @15% p.a. on the overcharged amount up to 31 January 2014. 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. This petition has been tagged along with other petition/s filed by other pharmaceutical companies as well, pending before Supreme Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule of the DPCO, 1995. The matters are sub-judice before the Supreme Court. The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand. 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. The Company based on legal advice, has an arguable case on merits as well as with regard to mitigation of the demand.
- (b) Merck Sharp & Dohme USA, ('Merck') & Others had filed a suit for patent infringement and was seeking permanent injunction in the Hon'ble High Court at Delhi to restrain the Company from manufacture and sale of Zita and Zita-Met, generic versions of Merck's product Januvia and Janumet (Sitagliptin Phosphate Monohydrate & a combination of Sitagliptin Phosphate Monohydrate and Metformin). The Delhi High Court on 7 October 2015 passed an order restraining Glenmark Pharmaceuticals Ltd from selling, distributing, marketing or exporting its anti-diabetes drugs Zita and Zita-Met, on the ground that they infringed the patent of Merck. The Court did not impose any damages on Glenmark and allowed it to dispose of its inventory through distributors and retailers.
- (c) On 10 March 2016 Ministry of Health and Family Welfare issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect. Several products of the Company are also covered in the notified prohibited "FDC's". The Company has filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company by staying the notifications banning the FDC's. The Company based on legal advice, has an arguable case on merits though the liability in this case cannot be computed. In an adverse scenario, the Company would be restricted from manufacturing, selling and marketing the impacted FDC's.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2016 aggregate ₹ 1,066.32 (2015 - ₹ 485.18).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(iii) Others

Particulars	31 March 2016	31 March 2015
Bank Guarantees	96.82	73.82
Letters of Credit issued by Bankers	-	837.85
Guarantees given to third party for Office rentals	-	12.68

NOTE AA LEASES

The Group has taken on lease/ leave and licence godowns/ residential & office premises at various locations.

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

Particulars	31 March 2016	31 March 2015
Minimum lease payments		
Due within one year	486.46	465.16
Due later than one year but not later than five years	1,433.39	1,359.27
Due later than five years	58.18	69.14
Total	1,978.03	1,893.57

NOTE BB 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:

- India
- United States
- Latin America
- Europe
- 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 2016	Year ended 31 March 2015
India	26,420.17	23,542.35
USA	26,204.96	20,397.66
Latin America	7,495.06	7,640.00
Europe	7,289.66	6,744.38
Rest of the world (ROW)	8,929.76	7,973.13
Total	76,339.61	66,297.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Analysis of assets by reportable segments

As at 31 March 2016	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	19,035.87	4,052.66	747.55	679.15	107.62	24,622.85
Intangible Assets	1,953.01	974.45	1,114.13	10,355.33	55.50	14,452.42
Total	20,988.88	5,027.11	1,861.68	11,034.48	163.12	39,075.27

As at 31 March 2015	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	17,513.67	1,426.25	874.13	627.46	127.98	20,569.49
Intangible Assets	1,500.18	766.30	1,417.37	8,390.50	60.58	12,134.93
Total	19,013.85	2,192.55	2,291.50	9,017.96	188.56	32,704.42

NOTE CC 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. 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 ₹ 171.92 (P.Y. ₹ 171.15) 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 2016 :

Particulars	Loans and receivables	Available for sale	Derivative financial instruments	Total carrying value	Total fair value
Security deposits (Long-term financial assets)	176.20	-	-	176.20	176.20
Other investments (Long-term financial assets)	-	171.95	-	171.95	171.95
Restricted cash	121.23	-	-	121.23	121.23
Cash and cash equivalent	8,571.21	-	-	8,571.21	8,571.21
Trade receivables, net	24,926.46	-	-	24,926.46	24,926.46
Short-term financial assets	312.11	-	-	312.11	312.11
Others (Long-term financial assets)	1.60	-	-	1.60	1.60
Total	34,108.81	171.95	-	34,280.76	34,280.76

Given below is the summary of financial assets as categorised in IAS 39 as on 31 March 2015 :

Particulars	Loans and receivables	Available for sale	Derivative financial instruments	Total carrying value	Total fair value
Security deposits (Long-term financial assets)	193.79	-	-	193.79	193.79
Other investments (Long-term financial assets)	-	171.18	-	171.18	171.18
Restricted cash	121.45	-	-	121.45	121.45
Cash and cash equivalent	7,637.35	-	-	7,637.35	7,637.35
Trade receivables, net	25,117.65	-	-	25,117.65	25,117.65
Short-term financial assets	265.89	-	-	265.89	265.89
Others (Long-term financial assets)	-	-	-	-	-
Total	33,336.13	171.18	-	33,507.31	33,507.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE DD 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 2016:

Particulars	Trade and other payables	Total carrying value	Total fair value
Security deposits (Long-term financial liabilities)	46.95	46.95	46.95
Trade payable	20,065.79	20,065.79	20,065.79
Long-term borrowings	24,872.97	24,872.97	24,872.97
Short-term borrowings	7,874.18	7,874.18	7,874.18
Current portion of long-term borrowings	7,133.91	7,133.91	7,133.91
Short-term financial liabilities	1,112.57	1,112.57	1,112.57
Total	61,106.37	61,106.37	61,106.37

Given below is the summary of financial liabilities as categorised in IAS 39 as on 31 March 2015:

Particulars	Trade and other payables	Total carrying value	Total fair value
Security deposits (Long-term financial liabilities)	47.44	47.44	47.44
Trade payable	20,456.67	20,456.67	20,456.67
Long-term borrowings	25,743.80	25,743.80	25,743.80
Short-term borrowings	3,476.00	3,476.00	3,476.00
Current portion of long-term borrowings	8,779.52	8,779.52	8,779.52
Short-term financial liabilities	567.65	567.65	567.65
Total	59,071.08	59,071.08	59,071.08

NOTE EE RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which results from the Group's operating and investing activities. The Group's risk management is coordinated by its parent company, in close co-operation with the board of directors and the core management team of the subsidiaries, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

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

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash equivalents, 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Thus, the foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR).

US Dollar conversion rate was ₹ 62.18 at the beginning of the year and scaled to a high of ₹ 68.66 and to low of ₹ 61.86. The closing rate is ₹ 66.09. Considering the volatility in direction of strengthening dollar upto 10%, the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2016		31 March 2015	
	USD	INR	USD	INR
Short-term exposure				
Financial assets	73.13	4,834.08	192.80	12,049.75
Financial liabilities	(115.78)	(7,653.11)	(172.67)	(10,791.80)
Short-term exposure	(42.65)	(2,819.03)	20.13	1,257.95

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

Particulars	31 March 2016		31 March 2015	
	USD	INR	USD	INR
Net results for the year	4.26	281.90	(2.01)	(125.79)
Equity	-	-	-	-

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

Particulars	31 March 2016		31 March 2015	
	USD	INR	USD	INR
Net results for the year	(4.26)	(281.90)	2.01	125.79
Equity	-	-	-	-

EUR conversion rate was ₹ 66.91 at the beginning of the year and scaled to a high of ₹ 76.97 and to low of ₹ 65.82. The closing rate is ₹ 75.05. Considering the volatility in direction of strengthening EUR upto 10%, the sensitivity analysis has been disclosed at 10% movements on strengthening and weakening effect for presenting comparable movement due to currency fluctuations.

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

Particulars	31 March 2016		31 March 2015	
	EUR	INR	EUR	INR
Short-term exposure				
Financial assets	5.48	411.09	7.47	508.29
Financial liabilities	(6.93)	(519.81)	(5.52)	(375.66)
Short-term exposure	(1.45)	(108.72)	1.95	132.63
Long-term exposure				
Financial assets	-	-	-	-
Financial liabilities	(18.00)	(1,351.03)	(18.00)	(1,224.49)
Long-term exposure	(18.00)	(1,351.03)	(18.00)	(1,224.49)

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

Particulars	31 March 2016		31 March 2015	
	EUR	INR	EUR	INR
Net results for the year	1.94	145.98	1.61	109.19
Equity	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Particulars	31 March 2016		31 March 2015	
	EUR	INR	EUR	INR
Net results for the year	(1.94)	(145.98)	(1.61)	(109.19)
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.

The Group has outstanding borrowings of USD 451.68 million (P.Y. USD 581.48 million) and EUR 18 million (P.Y. EUR 18 million). In case of LIBOR/Benchmark prime lending rate (BPLR) increases by 25 basis points then such increase shall have the following impact:

Particulars	31 March 2016	31 March 2015
Net results for the year	(78.02)	(93.91)
Equity	-	-

In case of LIBOR/Benchmark prime lending rate (BPLR) decreases by 25 basis points then such decrease shall have the following impact:

Particulars	31 March 2016	31 March 2015
Net results for the year	78.02	93.91
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:

Particulars	31 March 2016	31 March 2015
Cash & cash equivalents	8,571.21	7,637.35
Restricted Cash	121.23	121.45
Trade receivables	24,926.46	25,117.65
Short term financial assets	312.11	265.89
Long term financial assets	349.75	364.97
Total	34,280.76	33,507.31

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	31 March 2016	31 March 2015
Outstanding for more than 6 months	2,213.58	2,681.72
Others	22,712.88	22,435.93
Total	24,926.46	25,117.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

For impairment of trade receivable refer note E.

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

Liquidity risk analysis

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

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

As at 31 March 2016, the Group's liabilities have contractual maturities which are summarised below:

Particulars	Current		Non-Current	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Trade payable	20,065.79	-	-	-
Financial liabilities	1,112.57	-	46.95	-
Short-term borrowings	7,057.93	816.25	-	-
Current portion of long-term borrowings	4,919.60	2,214.31	-	-
Long-term borrowings	-	-	24,872.97	-
Total	33,155.89	3,030.56	24,919.92	-

NOTE FF 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 commensurate 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	31 March 2016	31 March 2015
Total equity	42,699.45	30,001.49
Less: Cash & cash equivalents	8,571.21	7,637.35
Capital	34,128.24	22,364.14
Total equity	42,699.45	30,001.49
Add: Borrowings	39,881.06	37,999.32
Overall financing	82,580.51	68,000.81
Capital to overall financing ratio	0.41	0.33

NOTE GG AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements for the year ended 31 March 2016 were approved by the Board of Directors on 12 May 2016.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N/N500013

per **Ashish Gupta**

Partner

Membership Number: 504662

Place: Mumbai

Date : 12 May 2016

For and on behalf of the Board of Directors

Glenn Saldanha

Chairman & Managing Director

Rajesh Desai

Executive Director

Cherylann Pinto

Executive Director

Sanjay Kumar Chowdhary

Company Secretary & Compliance officer

INDEPENDENT AUDITOR'S REPORT

To

The Members of Glenmark Pharmaceuticals Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Glenmark Pharmaceuticals Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. 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 ₹ 52,619.71

INDEPENDENT AUDITOR'S REPORT

million as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 45,275.15 million and net cash flows amounting to ₹ 611.60 million for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date and our report dated 12 May 2016 as per Annexure A expressed an unqualified opinion.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) as detailed in Note 29, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place: Mumbai

Date: 12 May 2016

ANNEXURE A

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

1. In conjunction with our audit of the consolidated financial statements of the (Glenmark Pharmaceuticals Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place: Mumbai

Date: 12 May 2016

CONSOLIDATED BALANCE SHEET

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

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	282.16	271.29
(b) Merger consideration, pending allotment	1A	-	0.02
(c) Reserve and surplus	2	30,282.25	17,563.63
		30,564.41	17,834.94
2. Minority interest		(3.01)	(1.87)
3. Non-current liabilities			
(a) Long-term borrowings	3	24,872.97	25,743.80
(b) Deferred tax liabilities (net)	4	1,576.98	1,875.91
(c) Other long-term liabilities	5	769.90	1,219.22
		27,219.85	28,838.93
4. Current liabilities			
(a) Short-term borrowings	6	7,874.18	3,476.00
(b) Trade payables	7		
Total outstanding dues to micro, small and medium enterprises		-	-
Total outstanding dues to creditors other than micro, small and medium enterprises		19,407.86	19,480.37
(c) Other current liabilities	8	11,370.14	12,642.95
(d) Short-term provisions	9	2,020.25	2,167.78
		40,672.43	37,767.10
Total		98,453.68	84,439.10
II ASSETS			
1. Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		16,437.35	13,006.98
(ii) Intangible assets		8,726.46	6,567.08
(iii) Capital work-in-progress		4,978.29	4,438.13
(iv) Intangible assets under development		449.66	333.12
		30,591.76	24,345.31
(b) Goodwill on consolidation	10A	574.80	579.70
(c) Non-current investments	11	171.95	171.18
(d) Deferred tax assets (net)	4	1,830.62	1,348.06
(e) Long-term loans and advances	12	6,174.02	4,684.22
		39,343.15	31,128.47
2. Current assets			
(a) Inventories	13	15,677.60	12,690.39
(b) Trade receivables	14	24,926.46	25,117.65
(c) Cash and bank balances	15	8,692.44	7,758.80
(d) Short-term loans and advances	16	8,669.88	7,533.45
(e) Other current assets	17	1,144.15	210.34
		59,110.53	53,310.63
Total		98,453.68	84,439.10
The accompanying notes from 1 to 37 form an integral part of these financial statements.			
This is the Consolidated Balance Sheet referred to in our report of even date.			

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date: 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
I REVENUE FROM OPERATIONS	18	76,495.83	66,447.68
Less: Excise duty		895.84	821.28
Revenue from operations (net)		75,599.99	65,626.40
II OTHER INCOME	19	200.00	68.79
III TOTAL REVENUE (I + II)		75,799.99	65,695.19
IV EXPENSES:			
Cost of materials consumed	20	19,270.75	17,675.65
Purchases of stock-in-trade	21	5,139.97	3,647.98
Changes in inventories of finished goods, work-in-process and stock-in-trade	22	(1,401.60)	(2,552.03)
Employee benefit expenses	23	13,772.34	12,126.06
Finance costs	24	1,788.85	1,901.50
Depreciation, amortization and impairment	25	2,517.63	3,004.07
Other expenses	26	24,479.95	22,585.61
Total expenses		65,567.89	58,388.84
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)		10,232.10	7,306.35
VI EXCEPTIONAL ITEMS		-	1,870.90
VII PROFIT BEFORE TAX (V - VI)		10,232.10	5,435.45
VIII TAX EXPENSE :			
(1) Current year tax		5,114.41	3,643.92
(2) Minimum Alternate Tax Credit (Entitlement)/Utilisation		(1,430.99)	(526.92)
(3) Deferred tax		(650.41)	223.70
		3,033.01	3,340.70
IX PROFIT AFTER TAX BEFORE SHARE IN PROFIT OF MINORITY INTEREST (VII - VIII)		7,199.09	2,094.75
X MINORITY INTEREST		(1.93)	(0.70)
XI PROFIT FOR THE YEAR (IX - X)		7,201.02	2,095.45
XII EARNINGS PER EQUITY SHARE (IN ₹):	30		
(1) Basic		25.65	7.72
(2) Diluted		25.65	7.72
The accompanying notes from 1 to 37 form an integral part of these financial statements.			
This is the Consolidated statement of profit and loss referred to in our report of even date.			

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership Number: 504662

Glenn Saldanha
Chairman & Managing Director

Cherylann Pinto
Executive Director

Place: Mumbai
Date: 12 May 2016

Rajesh Desai
Executive Director

Sanjay Kumar Chowdhary
Company Secretary & Compliance officer

CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,232.10	5,435.45
Adjustments for:		
Depreciation and amortisation expenses	2,517.63	3,004.07
Interest expense	1,788.85	1,901.50
Interest income	(75.80)	(14.31)
Income from investments - dividends	(8.81)	(9.45)
Loss on sale of fixed assets	6.77	62.24
Other provisions	-	47.23
Provision for bad and doubtful debts	113.60	384.84
Provision for gratuity and compensated absence	183.61	287.06
Unrealised foreign exchange gain	(450.38)	(435.53)
Operating profit before working capital changes	14,307.57	10,663.10
Adjustments for changes in working capital:		
- (Increase)/Decrease in trade receivables	994.23	(4,009.97)
- (Increase)/Decrease in other receivables	(2,480.90)	857.95
- Increase in inventories	(4,338.97)	(3,544.30)
- Increase/(Decrease) in trade and other payables	(251.45)	4,028.10
Cash generated from operations	8,230.48	7,994.88
- Taxes paid (net of tax deducted at source)	(4,781.99)	(3,178.13)
Net cash generated from operating activities	3,448.49	4,816.75
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work-in-progress)	(8,902.72)	(5,442.75)
Proceeds from sale of fixed assets	16.22	63.10
Increase in restricted cash	0.22	(44.48)
Interest received	75.76	14.31
Dividend received	8.81	9.45
Net cash used in investing activities	(8,801.71)	(5,400.37)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from fresh issue of		
- Share capital including securities premium	9,354.95	20.34
Proceeds from long-term borrowings	8,981.95	11,681.96
Repayments of long-term borrowings	(13,395.41)	(6,906.58)
Proceed from short-term borrowings, net	4,523.22	31.82
Transaction with non-controlling interest	-	(409.15)
Interest paid	(1,800.22)	(1,791.51)
Dividend paid (including dividend distribution tax)	(678.53)	(634.65)
Net cash generated from financing activities	6,985.96	1,992.23
Net increase in cash and cash equivalents	1,632.74	1,408.61
Opening balance of cash and cash equivalents	7,637.35	7,947.99
Exchange fluctuation on cash and cash equivalent	(698.88)	(1,719.25)
Closing balance of cash and cash equivalents	8,571.21	7,637.35
Cash and cash equivalents comprise of:		
Cash on hand	10.52	8.60
Deposits (less than 3 months)	153.44	3.23
Balances with banks in current accounts and exchange earner's foreign currency (EEFC) accounts	8,407.25	7,625.52
	8,571.21	7,637.35

Notes:

- The Consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 'Cash Flow Statements' specified in accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures in bracket indicate cash outflow.

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

For **Walker Chandiok & Co LLP**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration Number: 001076N/N500013

per **Ashish Gupta**

Partner

Membership Number: 504662

Glenn Saldanha

Chairman & Managing Director

Cherylann Pinto

Executive Director

Place: Mumbai

Date: 12 May 2016

Rajesh Desai

Executive Director

Sanjay Kumar Chowdhary

Company Secretary & Compliance officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1 SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount
(I) Authorised				
Equity Shares of ₹ 1 each	2,370,000,000	2,370.00	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	271,294,553	271.29	271,223,653	271.22
Add: Issued during the year				
- Under the Employee Stock Option Scheme, 2003 (ESOS)	45,800	0.05	70,900	0.07
- Preferential issue (refer note VI below)	10,800,000	10.80	-	-
- Allotted on account of Amalgamation (for consideration other than cash) (refer note - 1A)	17,803	0.02	-	-
At the end of the year	282,158,156	282.16	271,294,553	271.29
(II) List of shareholders holding more than 5 % shares				
Saldanha Family Trust	45.45	128,241,936	47.27	128,241,936

(III) As at 31 March 2016, 84,500 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.

(IV) Right, Preference and restriction on shares

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

(V) In the period of five years immediately preceding 31 March 2016, the Company has not allotted any shares as fully paid-up pursuant to contracts without payment being received in cash. Further, the Company has neither issued bonus shares nor bought back any shares during the aforementioned period.

(VI) The Company in its meeting of Preferential Issue Committee of the Board of Directors held on 19 May 2015, has allotted 10,800,000 Equity Shares of the face value of ₹ 1/- each at a price of ₹ 875 per equity share to Aranda Investments (Mauritius) Pte Limited, on preferential basis in terms of Chapter VII of SEBI (ICDR) Regulations and the applicable sections of the Companies Act, 2013.

(VII) Employee Stock Option Scheme, 2003 (ESOS)

The Company has formulated an Employee Stock Option Scheme ('ESOS') 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:

Particulars	2016		2015	
	Number*	weighted average Price*(₹)	Number*	weighted average Price*(₹)
Outstanding at 1 April	164,800	296.03	282,100	301.53
Granted	-	-	-	-
Forfeited/cancelled	(34,500)	405.79	(46,400)	343.45
Exercised	(45,800)	242.97	(70,900)	286.87
Outstanding as at 31 March	84,500	279.99	164,800	296.03

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in million 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:

Particulars	31 March 2016	31 March 2015
Share price (₹)*	215.85 – 480.40	120.85 – 480.40
Exercise price (₹)*	215.85 – 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- 26 months	1- 42 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 Group'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.

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit after taxation	7,199.09	2,094.75
Less: Additional employee compensation based on fair value	-	3.08
Proforma Profit after taxation	7,199.09	2,091.67
Basic Earning per Share (EPS)		
Number of shares	280,727,485	271,263,190
Basic EPS as reported (in ₹)	25.65	7.72
Proforma Basic EPS as reported (in ₹)	25.65	7.71
Diluted Earning per Share (EPS)		
Number of shares	280,786,476	271,357,683
Diluted EPS as reported (in ₹)	25.65	7.72
Proforma Diluted EPS as reported (in ₹)	25.65	7.71

NOTE 1A MERGER CONSIDERATION, PENDING ALLOTMENT

Particulars	As at 31 March 2016	As at 31 March 2015
17,803 equity shares of the face value of ₹ 1 each fully paid-up to be issued to the public shareholders of Glenmark Generics Limited (GGL) pursuant to the merger of GGL with the Company	-	0.02
	-	0.02

Pursuant to the Scheme of Amalgamation ("the Scheme") of Glenmark Generics Ltd. (GGL) and Glenmark Access Ltd. (GAL) with Glenmark Pharmaceuticals Ltd. (the Company) approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 20 March 2015, effective from 1 April 2014 (the Appointed Date as per the Scheme). The Company on 16 June 2015 has allotted 17,803 equity shares of the face value of ₹ 1 each as fully paid-up to the public shareholders of GGL in the ratio of 4 equity shares of ₹ 1 each of the Company for every 5 equity shares of ₹ 10 each held in GGL. As the GAL was a wholly owned subsidiary of the Company, no equity shares were exchanged to effect the amalgamation in respect thereof. The shares held by the Company in GGL and GAL were cancelled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2 RESERVES AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
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 reserve		
At the beginning of the year	7,506.87	7,486.60
Add: Premium on issue of shares pursuant to conversion of ESOS	11.08	20.27
Add: Premium on preferential issue (refer note 1(VI))	9,439.20	-
Less: Issue expenses incurred for preferential issue	(106.18)	-
At the end of the year	16,850.97	7,506.87
Currency translation reserve		
At the beginning of the year	(8,309.55)	(6,365.78)
Add: Addition during the year	(3,124.22)	(1,943.77)
At the end of the year	(11,433.77)	(8,309.55)
General reserve		
At the beginning of the year	1,455.13	1,455.13
At the end of the year	1,455.13	1,455.13
Surplus in statement of profit and loss		
At the beginning of the year	16,710.18	15,553.36
Add: Profit for the year	7,201.02	2,095.45
Net profit available for appropriation	23,911.20	17,648.81
Less: allocations and appropriations		
- Proposed dividend on equity shares	564.32	542.59
- Tax on proposed dividend on equity shares	114.88	113.51
- Residual dividend and dividend tax	23.08	0.01
- Acquisition of Minority Interest	-	282.52
At the end of the year	23,208.92	16,710.18
Balance carried to Balance Sheet	30,282.25	17,563.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 3 LONG-TERM BORROWINGS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Unsecured Loans			
- Notes payable	(i)	1.57	6.59
- Term loan from Banks	(i)	24,871.40	25,737.21
Total		24,872.97	25,743.80

The Group has availed term loans from banks at interest rates ranging between 1.38% - 10.20% p.a.

Note:

(i) Maturity profile of long term borrowings

Particulars	As at 31 March 2016	As at 31 March 2015
2016	-	8779.52*
2017	7133.91*	9,122.11
2018	7,417.36	3,880.68
2019	8,442.02	7,969.70
2020	6,038.97	4,771.31
2021	2,974.62	-
Total	32,006.88	34,523.32

* Disclosed as current maturities of long term borrowings (refer note 8)

NOTE 4 (A) DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liability relating to		
Depreciation on tangible and intangible assets	1,882.48	1,629.09
Other current assets	8.78	494.97
	1,891.26	2,124.06
Deferred tax assets relating to		
Provision for doubtful debts and advances	223.28	229.38
Expenses deductible in future years	91.00	18.77
	314.28	248.15
Deferred tax liabilities (net)	1,576.98	1,875.91

(B) DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liability relating to		
Depreciation on tangible and intangible assets	2.68	2.95
Other current assets	166.67	98.17
	169.35	101.12
Deferred tax assets relating to		
Unused tax losses	1,406.11	643.69
Depreciation and Other	593.86	805.49
	1,999.97	1,449.18
Deferred tax assets (net)	1,830.62	1,348.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 5 OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
Security deposits	46.95	47.44
Other liabilities	722.95	1,171.78
Total	769.90	1,219.22

NOTE 6 SHORT-TERM BORROWINGS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Secured loans			
Loan repayable on demand from banks	(i) & (iii)	155.26	366.88
Unsecured loans			
Term loans			
From banks	(ii) & (iii)	7,718.92	3,109.12
Total		7,874.18	3,476.00

Notes:

- (i) Working capital facilities are 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.
- (ii) The Group has not defaulted on repayment of loan and interest during the year.
- (iii) The Group has taken working capital facility from banks/term loans from banks at interest rates ranging between 1.38% - 10.20% p.a.

NOTE 7 TRADE PAYABLES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Acceptances		-	693.84
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		19,407.86	18,786.53
Total		19,407.86	19,480.37

- (i) Based on the information available with the Group, 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 is required to be given.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 8 OTHER CURRENT LIABILITIES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings			
- Unsecured loans from banks		7,133.91	8,779.52
Sundry creditors for capital goods		657.93	976.30
Interest accrued but not due on borrowings		168.50	170.30
Unclaimed dividend	(i)	11.55	10.89
Income received in advance	(ii)	-	339.29
Advance from customers		192.27	73.79
Other payables			
- Employee dues		135.68	148.42
- Statutory dues		594.21	770.13
- Liability for expenses		1,679.27	1137.03
- other payables		796.82	237.28
Total		11,370.14	12,642.95

Notes:

- (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- (ii) Income received in advance represents advance received from customer for future supply of materials. The Group has recognised an income of ₹ 430.43 (2015 - ₹ 344.95) in current year, which include ₹ 91.14 receivable from the customer pursuant to the agreement between the Company and the customer.

NOTE 9 SHORT-TERM PROVISIONS

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Proposed dividend		564.32	542.59
Tax payable on proposed dividend		114.88	113.51
Provision for wealth tax		-	0.29
Provision for income tax (net of advance tax)		708.41	924.58
Provision for gratuity and compensated absences	(i)		
- Gratuity		514.82	455.09
- Compensated absences		115.60	105.78
Other employee benefit obligation		2.22	25.94
Total		2,020.25	2,167.78

Note:

- (i) Refer note 34 on 'Employee benefits'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10 FIXED ASSETS

(i) Tangible assets

Particulars	Freehold land	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total
Cost									
Balance at 1 April 2014	61.59	400.45	4,616.22	1,030.62	5,371.79	885.95	4,680.32	403.85	17,450.79
- Additions	-	-	125.34	130.18	896.42	108.93	505.59	98.13	1,864.59
- Disposals/ Transfer	-	-	(255.13)	255.13	(65.85)	(8.30)	(143.60)	(44.00)	(261.75)
- Translation adjustment	(0.96)	(0.17)	(110.36)	(69.21)	(74.70)	(8.94)	(49.69)	(73.38)	(387.41)
Balance at 1 April 2015	60.63	400.28	4,376.07	1,346.72	6,127.66	977.64	4,992.62	384.60	18,666.22
- Additions	50.95	5.96	1,560.55	167.52	2,626.20	118.81	168.87	64.07	4,762.93
- Disposals/ Transfer	(1.20)	-	-	(125.81)	3,472.31	(13.16)	(3,618.79)	(49.70)	(336.35)
- Translation adjustment	(1.53)	0.02	(88.52)	11.11	43.49	(39.92)	17.28	(27.47)	(85.54)
Balance as at 31 March 2016	108.85	406.26	5,848.10	1,399.54	12,269.66	1,043.37	1,559.98	371.50	23,007.26
Accumulated depreciation									
Balance at 1 April 2014	-	32.33	612.33	530.43	1,328.79	492.25	1,802.84	121.94	4,920.91
- Depreciation charge for the year	-	7.06	136.02	71.36	329.11	77.99	365.62	73.81	1,060.97
- Disposals/ Transfer	-	-	(40.62)	(1.48)	(13.83)	(5.26)	(45.23)	(32.08)	(138.50)
- Translation adjustment	-	(0.17)	(39.00)	(61.94)	(28.56)	(5.73)	(26.89)	(21.85)	(184.14)
Balance at 1 April 2015	-	39.22	668.73	538.37	1,615.51	559.25	2,096.34	141.82	5,659.24
- Depreciation charge for the year	-	7.05	105.70	65.51	665.34	95.91	150.00	71.61	1,161.12
- Disposals/ Transfer	-	-	-	(125.81)	950.03	(10.83)	(1,048.01)	(44.81)	(279.43)
- Translation adjustment	-	0.04	(6.16)	12.66	4.92	(8.61)	34.31	(8.18)	28.98
Balance as at 31 March 2016	-	46.31	768.27	490.73	3,235.80	635.72	1,232.64	160.44	6,569.91
Net carrying value									
As at 31 March 2015	60.63	361.06	3,707.34	808.35	4,512.15	418.39	2,896.28	242.78	13,006.98
As at 31 March 2016	108.85	359.95	5,079.83	908.81	9,033.86	407.65	327.34	211.06	16,437.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(ii) Intangible assets

Particulars	Computer software	Brands and Product development	Total
Cost			
Balance at 1 April 2014	630.35	14,945.63	15,575.98
- Additions	49.77	964.60	1,014.37
- Disposals/ Transfer	(18.98)	(38.51)	(57.49)
- Translation adjustment	(52.42)	(771.67)	(824.09)
Balance at 1 April 2015	608.72	15,100.05	15,708.77
- Additions	733.22	2,354.96	3,088.18
- Disposals/ Transfer	(39.75)	-	(39.75)
- Translation adjustment	(5.15)	671.27	666.12
Balance as at 31 March 2016	1,297.04	18,126.28	19,423.32
Accumulated amortisation			
Balance at 1 April 2014	364.71	8,307.85	8,672.56
- Amortisation charge for the year	68.23	1,874.87	1,943.10
- Disposals/ Transfer	(15.90)	(10.05)	(25.95)
- Translation adjustment	(45.70)	(1,402.32)	(1,448.02)
Balance at 1 April 2015	371.34	8,770.35	9,141.69
- Amortisation charge for the year	271.47	1,028.93	1,300.40
- Disposals/ Transfer	(39.75)	-	(39.75)
- Translation adjustment	(8.71)	303.23	294.52
Balance as at 31 March 2016	594.35	10,102.51	10,696.86
Net carrying value			
As at 31 March 2015	237.38	6,329.70	6,567.08
As at 31 March 2016	702.69	8,023.77	8,726.46

Borrowing costs capitalised during the year amounts to ₹ 25.50 (2015 - ₹ 23.47)

(iii) Capital work-in-progress

Particulars	As at 31 March 2016	As at 31 March 2015
Capital work-in-progress includes :		
Building, plant and machinery	4,978.29	4,438.13

(iv) Intangible assets under development

	As at 31 March 2016	As at 31 March 2015
Marketing rights and software	449.66	333.12

NOTE 10A GOODWILL

The net carrying amount of goodwill can be analysed as follows:

Particulars	As at 31 March 2016	As at 31 March 2015
Opening balance	579.70	602.04
Impairment loss recognised	(56.11)	-
Effect of translation adjustments	51.21	(22.34)
Closing balance	574.80	579.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 11 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2016	As at 31 March 2015
Long-term investments - At Cost - (fully paid-up except otherwise stated)		
Trade investments		
Unquoted		
(i) Equity shares		
(a) 289,832 (2015 - 213,032) Equity Shares of Narmada Clean Tech Ltd. of ₹10 each.	2.90	2.13
(ii) Preference shares		
(a) 1,176,471(2015 - 1,176,471) Preferred shares of Napo Pharmaceuticals Inc of USD 0.85 each	43.56	43.56
Total	46.46	45.69
Non-trade investments		
Quoted		
(i) Equity shares		
9,000 (2015 - 9,000) Bank of India of ₹ 10 each	0.41	0.41
1,209 (2015 - 1,209) IDBI Bank Limited of ₹ 10 each	0.03	0.03
	0.44	0.44
Unquoted		
(i) Equity shares		
1 (2015 - 1) Time Share of Dalmia Resorts Limited	0.02	0.02
(ii) Preference shares		
1,250,000 (2015 - 1,250,000) 7% cumulative preference shares of ₹ 100 each fully paid-up of Marksans Pharma Ltd.	125.00	125.00
(iii) Investment in Government securities		
National Savings Certificate - Sixth Issue	0.03	0.03
Total	125.49	125.49
Total	171.95	171.18
Aggregate book value of investments		
- Quoted	0.44	0.44
- Unquoted	171.51	170.74
Aggregate market value of quoted investments	0.96	1.85

NOTE 12 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Capital advances	298.26	151.33
Security deposits	176.20	193.79
Prepaid expenses	1.59	2.66
Advance tax (net of provision for tax)	115.78	185.24
Minimum Alternate Tax credit entitlement	5,582.19	4,151.20
Total	6,174.02	4,684.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 13 INVENTORIES

Particulars	As at 31 March 2016	As at 31 March 2015
Raw materials	4,430.44	3,111.74
Packing materials	1,131.79	1,020.23
Work-in-process	2,298.67	1,977.89
Finished goods	6,907.46	6,105.10
Stock-in-trade (in respect of goods acquired for trading)	454.83	176.37
Stores and spares	454.41	299.06
Total	15,677.60	12,690.39

NOTE 14 TRADE RECEIVABLES

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Outstanding for more than six months from the due date	2,213.58	2,681.72
Others	22,712.88	22,435.93
	24,926.46	25,117.65
Unsecured, considered doubtful		
Outstanding for more than six months from the due date	722.95	629.64
Others	-	-
	722.95	629.64
Less: Provision for doubtful receivables	(722.95)	(629.64)
Total	24,926.46	25,117.65

NOTE 15 CASH AND BANK BALANCES

Particulars	Note	As at 31 March 2016	As at 31 March 2015
(i) Cash and cash equivalents			
Balance with banks			
- Current accounts		8,128.83	7,621.10
- Exchange earner's foreign currency (EEFC) accounts		278.42	4.42
- Deposits (less than 3 months)		153.44	3.23
Cash on hand		10.52	8.60
(ii) Other bank balance			
- Unpaid dividend		11.55	10.89
- Margin money accounts with banks	(i)	109.68	110.56
Total		8,692.44	7,758.80

Note:

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

NOTE 16 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
Advances recoverable in cash or kind or for value to be received (Unsecured)		
- considered good	3,198.24	3,134.31
- considered doubtful	-	29.10
	3,198.24	3,163.41
Less: Provision for doubtful advances	-	29.10
	3,198.24	3,134.31
Unsecured considered good		
Balances with Excise authorities	2,442.34	1,996.28
Prepaid expenses	566.91	104.05
Advance to vendors	2,315.53	2,191.13
Security deposits	146.86	107.68
Total	8,669.88	7,533.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 17 OTHER CURRENT ASSETS

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured considered good		
Export incentive recoverable	978.90	52.13
Other receivables	165.25	158.21
Total	1,144.15	210.34

NOTE 18 REVENUE FROM OPERATIONS

Particulars	Note	Year ended 31 March 2016	Year ended 31 March 2015
Sale of products		76,156.39	66,748.59
Less:			
Sales tax		1,597.46	1,182.95
		74,558.93	65,565.64
Sale of services		20.30	18.12
Other operating revenues	(i)	1,916.60	863.92
Total		76,495.83	66,447.68

(i) Other operating revenue primarily comprises of contractual income (refer note 8 (ii)) of ₹ 430.43 (2015 - ₹ 344.95), and export benefit of ₹ 1,329.95 (2015 - ₹ 368.81)

NOTE 19 OTHER INCOME

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Dividend received from others - Non-trade investments	8.81	9.45
Interest income	75.80	14.31
Miscellaneous income	115.39	45.03
Total	200.00	68.79

NOTE 20 COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of raw material	15,539.41	14,286.50
Consumption of packing material	3,171.27	2,838.96
Consumables	560.07	550.19
Total	19,270.75	17,675.65

NOTE 21 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Purchases of stock-in-trade	5,139.97	3,647.98
Total	5,139.97	3,647.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
(Increase)/Decrease in inventories of finished goods, work-in-process and stock-in-trade	(1,401.60)	(2,552.03)
Total	(1,401.60)	(2,552.03)
(Increase)/Decrease in stocks		
At year end		
Stock of finished goods	6,907.46	6,105.10
Stock-in-trade	454.83	176.37
Work-in-process	2,298.67	1,977.89
	9,660.96	8,259.36
At the beginning of the year		
Stock of finished goods	6,105.10	3,953.10
Stock-in-trade	176.37	152.55
Work-in-process	1,977.89	1,601.68
	8,259.36	5,707.33
Total	(1,401.60)	(2,552.03)

NOTE 23 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	12,423.74	11,062.95
Contribution to provident and other funds	1,075.37	794.38
Staff welfare expenses	273.23	268.73
Total	13,772.34	12,126.06

NOTE 24 FINANCE COST

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expenses on		
- Term loan	1,455.19	1,478.50
- Others	359.16	446.47
Less: Interest capitalised	25.50	23.47
Total	1,788.85	1,901.50

NOTE 25 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation on tangible assets	1,161.12	1,060.97
Amortisation and impairment on intangible assets	1,356.51	1,943.10
Total	2,517.63	3,004.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 26 OTHER EXPENSES

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Labour charges	848.24	812.34
Power, fuel and water charges	965.73	894.04
Stores and spares consumed	2,334.82	2,112.04
Repairs and maintenance - plant and machinery	146.35	101.73
Repairs and maintenance - building	73.84	54.49
Repairs and maintenance - others	713.62	670.71
Rent, rates and taxes	920.88	941.39
Other manufacturing expenses	357.92	316.40
Directors' meeting fees	6.42	1.33
Legal and professional expenses	1,574.42	1,231.01
Selling and marketing expenses	1,151.17	1,225.91
Sales promotion expenses	5,429.75	3,422.44
Travelling expenses	2,052.37	1,995.06
Freight outward	2,345.77	2,085.96
Telephone expenses	118.63	124.01
Provision for doubtful debts	113.60	384.84
Insurance premium	187.85	194.36
Electricity charges	238.99	197.04
Auditors' remuneration	-	-
- Audit fees	50.19	39.82
- Out of pocket expenses	1.21	0.99
Test and Trials and Development Expenses	1,769.87	725.96
Other operating expenses	3,078.31	5,053.74
Total	24,479.95	22,585.61

NOTE 27 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

The financial statements of Glenmark Pharmaceuticals Limited ("the Company" or "the Parent Company") and its subsidiaries, referred to in Note 28 (collectively referred to as "the Group"), have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. These financial statements (also referred to as "the Consolidated financial statements") have been prepared under the historical cost convention on accrual basis, except for certain derivative instruments which are measured at fair value in accordance with accounting policy stated herein.

(ii) Principles of consolidation

The financial statements of the subsidiary companies used for the purposes of consolidation are drawn up to the same reporting date as that of the Company.

The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) The share of profit/loss of associate companies, if any, is accounted under the 'Equity method' as per which the share of profit/loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iii) The excess of the cost to the Parent Company of its investments in a subsidiary over the Parent Company's portion of equity at the date on which the investment in the subsidiary is made, is recognised as 'Goodwill on consolidation'. When the cost to the Parent Company of its investment in a subsidiary is less than the Parent Company's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve on consolidation' in the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

- iv) Minority interest represents share in the net assets of the respective subsidiaries held by shareholders other than the Parent Company and or any of its subsidiaries.
- v) The financial statements of the foreign subsidiaries have been converted into Indian Rupee, being the reporting currency of the Parent Company using the principles enunciated in Accounting Standard 11 "Effects of changes in foreign currency". In case a subsidiary is concluded as integral operations, all monetary assets and liabilities are re-measured at the exchange rates prevailing at the balance sheet date, with the resultant exchange difference accounted for in the consolidated profit and loss account. In case of subsidiaries that are non-integral operations, all assets and liabilities are translated at the exchange rates prevailing at the balance sheet date, profit and loss items are translated using the average exchange rates prevailing during the year and equity (including reserves and surplus) of such subsidiaries is computed using the historical exchange rates, difference arising from such translation is accumulated in the Currency Translation Reserve, until the disposal of the subsidiary.
- vi) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iii) Use of estimates

The preparation of the Consolidated 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 those 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.

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

Fixed assets are stated at cost less accumulated depreciation and amortisation. The Group 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 based on technical evaluation. Brands/Intellectual property rights are amortised from the month of products launch/commercial production, over the estimated economic life not exceeding 10 years.

The Group 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 - 21
Vehicles	5 - 6
Office equipments, furniture and fixture	4 - 21
Intangible	
Computer software	1 - 5
Brands	5 - 10
Product marketing rights	5 - 10
Product knowhow and development	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.

v) 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.

vi) Impairment of assets

The Group assesses at each Balance Sheet date whether there is any indication that assets including Goodwill on consolidation may be impaired. If any such indication exists, the Group 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 a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset including Goodwill on consolidation is reflected at the recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

vii) Foreign currency transactions

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

viii) Investments

Non current investments are stated at cost. These investments are assessed at each balance sheet date for conditions of diminution that are other than temporary in nature. Where such conditions exist and concluded to be other than temporary in nature, a provision is created to reduce the carrying value of investments suitably.

ix) 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 Group 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 Group's business and markets."

x) Employee benefits

Defined contribution plans

Provident fund

Provident fund benefit is a defined contribution plan under which the Group pays fixed contribution into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Group 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 Group 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 Group 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 Group'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."

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

xi) 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 Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend and Interest income

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.

xii) Research and Development expenditure

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.

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, not exceeding 10 years.

xiii) Taxation

Current tax

Current tax is determined as the amount of tax payable under the provisions of the tax laws as applicable for the respective entities in the Group.

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 in the respective jurisdiction of the group entities. 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. At each balance sheet date, all un-recognised deferred tax assets are reviewed and previously un-recognised deferred tax assets are recognised to the extent there is reasonable or virtual certainty, as the case may be, that sufficient future taxable income shall be available to realise such deferred tax assets.

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.

xiv) 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 Group'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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

xv) Employee stock option schemes (ESOS)

The Group 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.

xvi) Provisions and contingent liabilities

The Group 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.

xvii) Segment reporting

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

xviii) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 28 BASIS OF CONSOLIDATION AND DISCLOSURE MANDATED BY SCHEDULE III OF COMPANIES ACT, 2013

The Companies which are Consolidated under the group Financial Statement comprise the entities listed below

Name of the Entity	Year End Date	Country of Incorporation	Holding Company as of 31.03.2016	Effective Group Shareholding (%) as on		Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)	
				31.03.2016	31.03.2015	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount
Glenmark Pharmaceuticals Limited	31 March	India	GPL	Parent Company 100%	Parent Company 100%	238.37%	72,857.51	203.97%	14,684.31
Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (formerly known as Glenmark Pharmaceuticals Europe Ltd., U.K.)	31 March	United Kingdom	GHSA	100%	100%	0.71%	217.76	0.51%	36.67
Glenmark Pharmaceuticals Europe Ltd., U.K. (formerly known as Glenmark Generics (Europe) Ltd., U.K.)	31 March	United Kingdom	GPL	100%	100%	1.18%	361.03	(0.51%)	(36.89)
Glenmark Pharmaceuticals S.R.O. (GP S.R.O.)	31 March	Czech Republic	GHSA	100%	100%	3.32%	1,014.14	20.43%	1,470.86
Glenmark Pharmaceuticals SK S.R.O.	31 March	Slovak Republic	GPS.R.O.	100%	100%	0.11%	34.82	0.12%	8.60
Glenmark Pharmaceuticals S.A.	31 March	Switzerland	GHSA	100%	100%	(20.86%)	(6,376.61)	(47.65%)	(3,430.15)
Glenmark Holding S.A. (GHSA)	31 March	Switzerland	GPL	100%	100%	37.74%	11,536.21	(17.33%)	(1,247.49)
Glenmark Generics Finance S.A. (GGFSA) (Merged into GHSA effective 01.04.2015) (refer note (l))	31 March	Switzerland	GPL	-	100%	-	-	-	-
Glenmark Pharmaceuticals S.R.L.	31 March	Romania	GHSA	100%	100%	0.86%	264.36	(0.03%)	(2.02)
Glenmark Distributors SP z.o.o.	31 March	Poland	GHSA	100%	100%	0.30%	92.23	0.40%	29.04
Glenmark Pharmaceuticals SP z.o.o.	31 March	Poland	GHSA	100%	100%	0.75%	228.67	0.37%	26.38
Glenmark Pharmaceuticals Inc., USA (Formerly known as Glenmark Generics Inc., USA)	31 March	USA	GHSA	100%	100%	26.92%	8,226.87	11.07%	797.06
Glenmark Therapeutics Inc.	31 March	USA	GHSA	100%	100%	0.28%	86.68	0.06%	4.29
Glenmark Farmaceutica Ltda	31 March	Brazil	GHSA	100%	100%	3.69%	1,127.39	(17.37%)	(1,250.73)
Glenmark Generics SA	31 March	Argentina	GHSA	100%	100%	2.58%	789.22	(3.74%)	(269.38)
Glenmark Pharmaceuticals Mexico, S.A. DE C.V.	31 March	Mexico	GPL	100%	100%	0.85%	260.35	(1.51%)	(108.37)
Glenmark Pharmaceuticals Peru SAC	31 March	Peru	GPL	100%	100%	0.66%	201.47	(0.46%)	(32.94)
Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals, Colombia Ltda., Colombia)	31 March	Colombia	GPL	100%	100%	0.02%	7.17	(0.11%)	(7.78)
Glenmark Uruguay S.A. (GU S.A.)	31 March	Uruguay	GPL	100%	100%	2.17%	663.61	(0.01%)	(0.89)
Glenmark Pharmaceuticals Venezuela, C.A.	31 March	Venezuela	GPL	100%	100%	6.31%	1,929.89	10.49%	755.20
Glenmark Dominicana SRL	31 March	Dominican Republic	GPL	100%	100%	(0.00%)	(0.07)	(0.00%)	(0.04)
Glenmark Pharmaceuticals Egypt S.A.E.	31 March	Egypt	GPL	100%	100%	0.07%	22.33	(0.74%)	(52.95)
Glenmark Pharmaceuticals Egypt S.A.E.	31 March	United Arab Emirates	GPL	100%	100%	0.44%	135.61	0.52%	37.49
Glenmark Pharmaceuticals IZE	31 March	Russia	GPL	100%	100%	5.33%	1,630.47	(8.73%)	(628.31)
Glenmark Impex LLC	31 March	Philippines	GPL	100%	100%	0.54%	165.42	0.15%	10.80
Glenmark Philippines Inc.	31 March	Philippines	GPL	100%	100%	0.27%	81.06	(0.53%)	(38.14)
Glenmark Pharmaceuticals (Nigeria) Ltd	31 March	Nigeria	GPL	100%	100%	0.36%	111.22	0.14%	9.81
Glenmark Pharmaceuticals Malaysia Sdn Bhd	31 March	Malaysia	GPL	100%	100%	(0.00%)	(0.08)	(0.01%)	(0.65)
Glenmark Pharmaceuticals (Australia) Pty Ltd.	31 March	Australia	GPL	100%	100%	(0.00%)	(0.08)	(0.01%)	(0.12)
Glenmark South Africa (pty) Ltd (GSAPL)	31 March	South Africa	GPL	100%	100%	2.21%	674.71	(0.00%)	(0.12)
Glenmark Pharmaceuticals South Africa (pty) Ltd	31 March	South Africa	GSAPL	100%	100%	(1.47%)	(450.08)	(0.65%)	(46.95)
Glenmark Pharmaceuticals (Thailand) Co. Ltd	31 March	Thailand	GPL	49%	49%	(0.02%)	(5.89)	(0.05%)	(3.77)
Glenmark Pharmaceuticals B.V. (Formerly known as Glenmark Generics B.V., Netherlands)	31 March	Netherlands	GHSA	100%	100%	0.01%	4.07	0.00%	0.03
Glenmark Arzneimittel GmbH	31 March	Germany	GHSA	100%	100%	0.18%	54.08	0.26%	18.42
Glenmark Pharmaceuticals Canada Inc. (formerly known as Glenmark Generics Canada Inc.)	31 March	Canada	GHSA	100%	100%	0.05%	16.23	(0.22%)	(15.86)
Glenmark Pharmaceuticals Kenya Ltd	31 March	Kenya	GPL	100%	100%	0.42%	127.42	0.43%	30.91
Glenmark Therapeutics AG	31 March	Switzerland	GPL	100%	100%	(0.00%)	(0.06)	(0.05%)	(3.60)
Viso Farmaceutica S.L.U., Spain	31 March	Spain	GHSA	100%	-	-	(6.37)	(0.09%)	(6.33)
Glenmark Specialty SA	31 March	Switzerland	GHSA	100%	-	-	1,094.93	(0.48%)	(34.52)
Glenmark Pharmaceuticals Distribution S.R.O.	31 March	Czech Republic	GHSA	100%	-	-	27.75	-	-
Subtotal							97,205.52		10,702.11
Intercompany elimination and consolidation adjustments							(66,641.11)		(3,503.02)
Grand total							30,564.41		7,199.09
Minority interest in subsidiary							(3.01)		(1.93)

Interests in unconsolidated structured entities

The Group has no interests in unconsolidated structured entities

Note

(l) Merger of Glenmark Generics Finance S.A. (GGFSA) with Glenmark Holding S.A. (GHSA)

Consequent to the merger of Glenmark Generics Ltd (GGL) with the Company, its wholly owned subsidiary in Switzerland i.e. Glenmark Generics Finance S.A. (GGFSA), became a wholly owned subsidiary of the Company. In continuation of the restructuring exercise, Glenmark Holding S.A. (GHSA), a wholly owned subsidiary of the Company, absorbed by way of side step merger GGFSA and took over its whole assets and liabilities. In accordance with Swiss merger act, the Capital of GGFSA was carried as Additional Paid in Capital in GHSA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 29 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

Particulars	31 March 2016	31 March 2015
(i) Contingent Liabilities		
Claims against the Group not acknowledged as debts		
Disputed Income tax/ Excise duty/ Sales tax	259.65	223.92
Others	12.40	145.38

- (a) In January 2014, the National Pharmaceutical Pricing Authority (NPPA) issued a demand notice of ₹ 122.3 as overcharging liability of product "Doxovent 400 mg tab" for the period February 2010 to May 2013. The notice also envisaged a payment of ₹ 33.3 towards interest @15% p.a. on the overcharged amount up to 31 January 2014. 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. This petition has been tagged along with other petition/s filed by other pharmaceutical companies as well, pending before Supreme Court relating to the inclusion criteria of certain drugs including "Theophylline" in the schedule of the DPCO, 1995. The matters are sub-judice before the Supreme Court.

The Hon'ble Court passed an ad-interim order stating that no coercive steps be taken against the Company towards the said demand.

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.

The company based on legal advice, has an arguable case on merits as well as with regard to mitigation of the demand.

- (b) Merck Sharp & Dohme USA, ('Merck') & Others had filed a suit for patent infringement and was seeking permanent injunction in the Hon'ble High Court at Delhi to restrain the Company from manufacture and sale of Zita and Zita-Met, generic versions of Merck's product Januvia and Janumet (Sitagliptin Phosphate Monohydrate & a combination of Sitagliptin Phosphate Monohydrate and Metformin).

The Delhi high court on 7 October 2015 passed an order restraining Glenmark Pharmaceuticals Ltd from selling, distributing, marketing or exporting its anti-diabetes drugs Zita and Zita-Met, on the ground that they infringed the patent of Merck. The Court did not impose any damages on Glenmark and allowed it to dispose of its inventory through distributors and retailers.

- (c) On 10 March 2016 Ministry of Health and Family Welfare issued notifications prohibiting manufacture for sale, sale and distribution for human use of several Fixed Dose Combination ("FDC") with immediate effect.

Several products of the Company are also covered in the notified prohibited "FDC's". The Company has filed five writ petitions in Hon'ble Delhi High Court challenging the notifications issued. The Hon'ble Delhi High Court has granted interim relief to the Company by staying the notifications banning the FDC's. The company based on legal advise, has an arguable case on merits though the liability in this case cannot be computed. In an adverse scenario, the Company would be restricted from manufacturing, selling and marketing the impacted FDC's.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2016 aggregate ₹ 1,066.32 (2015 - ₹ 485.18)

(iii) Others

Particulars	31 March 2016	31 March 2015
Bank guarantees	96.82	73.82
Letters of credit issued by bankers	-	837.85
Guarantees given to third party for office rentals	-	12.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 30 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.

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

Particulars	31 March 2016	31 March 2015
Profit after tax for the financial year (attributable to equity shareholders)	7,199.09	2,094.75
Reconciliation of number of shares:	No. of Shares	No. of Shares
Weighted average number of shares:		
For basic earnings per share	280,727,485	271,263,190
Add:		
Deemed exercise of options on unissued equity share capital	58,991	94,493
For diluted earnings per share	280,786,476	271,357,683
Earnings per share (nominal value ₹ 1 each)	₹	₹
Basic	25.65	7.72
Diluted	25.65	7.72

NOTE 31 SEGMENT INFORMATION

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

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
India	25,680.55	22,871.23
USA	26,204.96	20,397.66
Latin America	7,495.06	7,640.00
Europe	7,289.66	6,744.38
Rest of the world (ROW)	8,929.76	7,973.13
Total	75,599.99	65,626.40

Analysis of assets by reportable segments

As at 31 March 2016	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	15,828.66	4,052.66	747.55	679.15	107.62	21,415.64
Intangible Assets	1,189.22	411.53	79.52	7,440.36	55.49	9,176.12
Total	17,017.88	4,464.19	827.07	8,119.51	163.11	30,591.76

As at 31 March 2015	India	USA	Latin America	Europe	ROW	Total
Tangible Assets	14,389.61	1,426.25	874.11	627.26	127.88	17,445.11
Intangible Assets	859.07	234.02	80.95	5,665.55	60.61	6,900.20
Total	15,248.68	1,660.27	955.06	6,292.81	188.49	24,345.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 32 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:

Related parties with whom the Group has transacted during the year

Key Management Personnel

Mr. Glenn Saldanha

Mrs. Cherylann Pinto

Mr. Rajesh Desai

Mr. Sanjay Kumar Chowdhary

Others

Mrs. B. E. Saldanha

Enterprises over which significant influence exercised by key management personnel/directors

Glenmark Foundation

Glenmark Aquatic Foundation

Summary of transactions with related parties during the year

Nature of Transaction	Year ended 31 March 2016	Year ended 31 March 2015
Contribution paid for CSR activities to		
Glenmark Foundation	23.82	18.40
Glenmark Aquatic Foundation	21.70	5.10
Transactions with key management personnel and others		
Remuneration	170.37	133.24
Directors Sitting fees	0.40	0.06
Related Party balances	As at 31 March 2016	As at 31 March 2015
Glenmark Foundation	(1.00)	(2.30)
Glenmark Aquatic Foundation	10.59	(1.00)

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 33 LEASES

The Group has taken on lease/leave and licence godowns/residential & office premises at various locations.

- 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 Statement of Profit and Loss as rent expense.
- 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 Group has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years.
- Future obligations on non-cancellable operating lease.

Particulars	As at 31 March 2016	As at 31 March 2015
Minimum lease payments		
Due within one year	486.46	465.16
Due later than one year but not later than five years	1,433.39	1,359.27
Due later than five years	58.18	69.14
Total	1,978.03	1,893.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 34 EMPLOYEE BENEFITS

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

1. BRIEF DESCRIPTION OF THE PLANS

The Group 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 Group'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 Group has no further obligation beyond making the contributions. The Group's defined benefit plans include Gratuity benefit.

Particulars	2015-2016	2014-2015
2. Charge to the Profit and Loss Account based on contributions:		
Provident fund and other fund	215.64	194.69
	215.64	194.69

3. Disclosures for defined benefit plan and other long term employee benefits based on actuarial reports as on 31 March, 2016 and 31 March 2015:

Particulars	2015-2016		2014-2015	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	(Funded plan)	(Funded plan)	(Funded plan)	(Funded plan)
(i) Change in defined benefit obligation				
Opening defined benefit obligation	1,131.51	220.85	940.63	179.63
Current service cost	122.20	50.18	97.79	37.47
Interest cost	34.18	17.72	36.68	16.65
Actuarial loss / (gain)	(23.60)	(2.47)	137.11	35.28
Benefits paid	(25.38)	(49.53)	(74.50)	(48.18)
Curtailement and past service cost	-	-	(4.04)	-
Administration cost (excluding cost for managing plan assets)	0.40	-	0.34	-
Exchange difference	18.21	-	(2.50)	-
Closing defined benefit obligation	1,257.52	236.75	1,131.51	220.85
(ii) Change in fair value of assets				
Opening fair value of plan assets	676.42	115.07	628.78	97.34
Expected return on plan assets	22.83	10.39	27.27	8.47
Actuarial gain / (loss)	(14.01)	(4.21)	32.07	2.43
Contributions by employer	36.03	(0.10)	36.61	6.83
Contributions by employee	23.85	-	18.24	-
Benefits paid	(13.29)	-	(64.47)	-
Exchange difference	10.87	-	(2.08)	-
Closing fair value of plan assets	742.70	121.15	676.42	115.07
(iii) Reconciliation of present value of defined benefit obligation and the fair value of assets				
Present value of funded obligations as at year end	1,257.52	236.75	1,131.51	220.85
Fair value of plan assets as at year end	(742.70)	(121.15)	(676.42)	(115.07)
Funded liability/(asset) recognised in the Balance sheet	514.82	115.60	455.09	105.78
(iv) Expenses recognised in the Statement of Profit and Loss				
Current service cost	122.20	50.18	97.79	37.48
Interest on defined benefit obligation	34.18	17.72	36.68	16.65
Expected return on plan assets	(22.83)	(10.39)	(27.27)	(8.47)
Net actuarial loss / (gain) recognised in the current year	(9.59)	1.74	105.04	32.86
Curtailement and past service cost	-	-	(4.04)	-
Administration cost (excluding cost for managing plan assets)	0.40	-	0.34	-
Total expenses	124.36	59.25	208.54	78.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	2015-2016		2014-2015	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	(Funded plan)	(Funded plan)	(Funded plan)	(Funded plan)
(v) Actual return on plan assets				
Expected return on plan assets	22.83	10.39	27.27	8.47
Actuarial gain/(loss) on plan assets	(14.01)	(4.21)	32.07	2.43
Actual return on plan assets	8.82	6.18	59.34	10.90
(vi) Asset information				
Assets administered by respective Insurance companies	100%	100%	100%	100%
(vii) Principal actuarial assumptions used				
Discount rate (weighted average)	0.50%-7.07%	7.70%	0.90% - 8.03%	8.00%-8.03%
Rate of compensation increase (weighted average)	1.50%-3.00%	8.75%	2% - 5%	3.75%-5.00%
Inflation rate (weighted average)	0.00%-1.00%	3.00%	0% - 1%	0% - 1%
(viii) Current and non-current liability				
Current liability	514.82	115.60	455.09	105.78
Non current liability	-	-	-	-

(ix) Expected employer's contribution for the next year is ₹ 451.16 for Gratuity and Compensated absences.

(x) The development of Group's defined benefit scheme relating to Gratuity is summarised as follows:

Particulars	Defined Benefit Obligation	Fair value of plan assets	(Deficit)/Surplus
2015-16	1,257.52	742.70	(514.82)
2014-15	1,131.51	676.42	(455.09)
2013-14	940.63	628.78	(311.85)
2012-13	711.82	486.62	(225.20)
2011-12	529.75	350.16	(179.59)

NOTE 35 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposures as at the reporting date in million

Particulars	Currency	31 March 2016	31 March 2015
Trade receivable, loans & advances and Exchange earner's foreign currency (EEFO) accounts	USD	73.13	192.80
	EUR	5.48	7.47
	CHF	3.75	3.53
Trade payable & loans from banks	USD	115.78	172.67
	EUR	24.93	23.52
	CHF	7.80	5.99

NOTE 36 RESEARCH AND DEVELOPMENT EXPENDITURE

During the year, the Group expenditure on research and development is ₹ 8,175.90 (P.Y. ₹ 6,014.42).

NOTE 37 PRIOR YEAR COMPARATIVES

Previous year figures have been re-grouped/re-classified wherever necessary to confirm to current year's classification.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N/N500013

per **Ashish Gupta**

Partner

Membership Number: 504662

For and on behalf of the Board of Directors

Glenn Saldanha

Chairman & Managing Director

Cherylann Pinto

Executive Director

Place: Mumbai

Date: 12 May 2016

Rajesh Desai

Executive Director

Sanjay Kumar Chowdhary

Company Secretary & Compliance officer

A TRIBUTE TO THE FOUNDER



Founder: Late Mr. Gracias Saldanha

Achievement, Respect and Knowledge are the values on which he built Glenmark. The seed of our phenomenal growth story lies in the values instilled by our founder. And, it is these values which continue to guide the Company achieve greater heights going ahead.



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