glenmark
LIFE·SCIENCES
Partnership. Innovation. Passion.

August 30, 2022

To,
Dy. General Manager
Department of Corporate Services,
BSE Ltd.,
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

Ref: Scrip Code: 543322

To,
The Manager – Listing,
National Stock Exchange of India Ltd.,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Ref: Scrip Name: GLS

Dear Sir/Madam,

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

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year 2021-22.

The Annual Report is being sent through electronic mode to all those members whose e-mail ids have been registered with the Company/ Depository Participant/ Registrar and Transfer Agent and the same is also being made available on the website of the Company, at: www.glenmarklifesciences.com

Request you to kindly take the same on record.

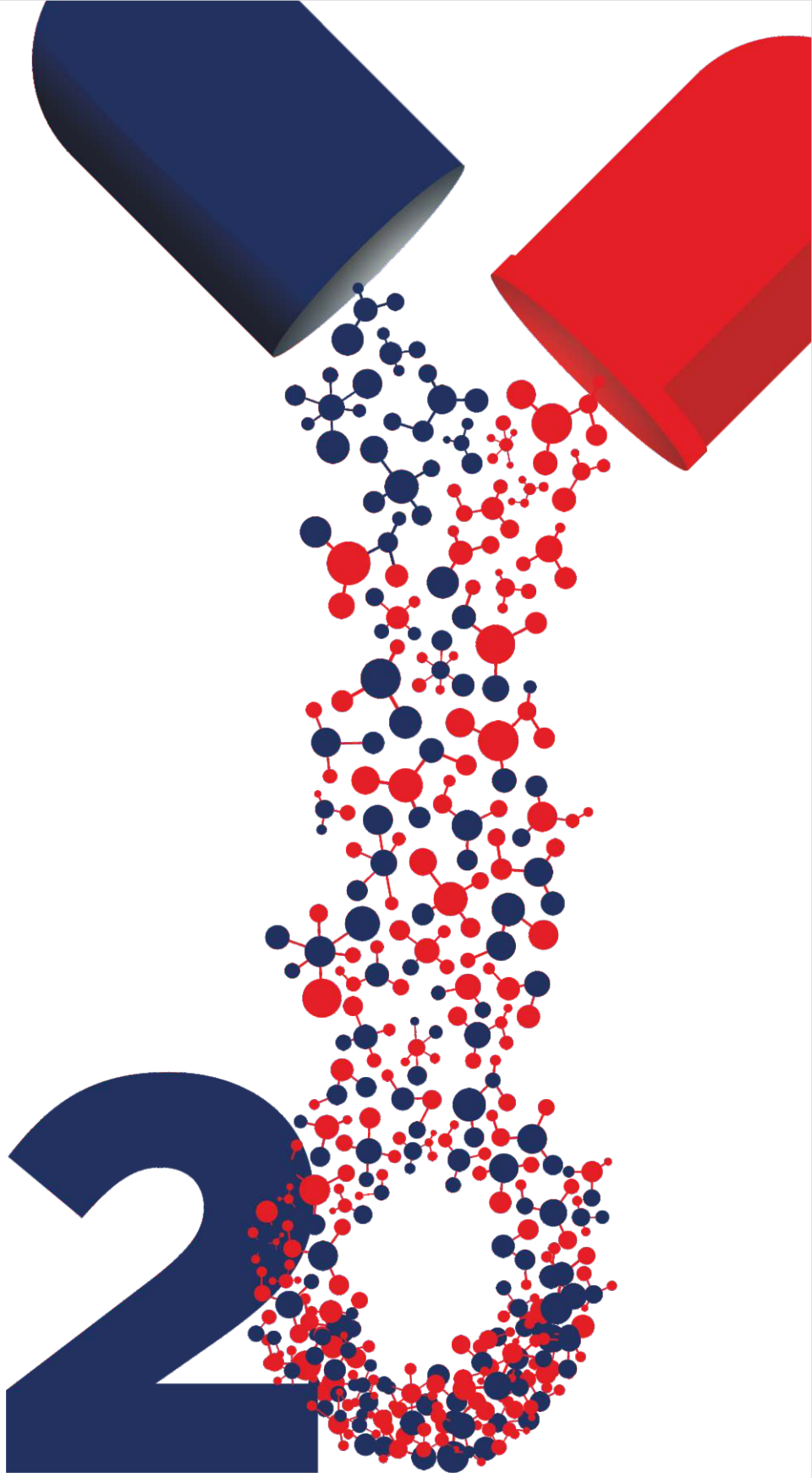
Thanking you

Yours faithfully,
For Glenmark Life Sciences Limited

GLENMARK LIFE SCIENCES LIMITED

Rudalf Corriea
Company Secretary & Compliance Officer

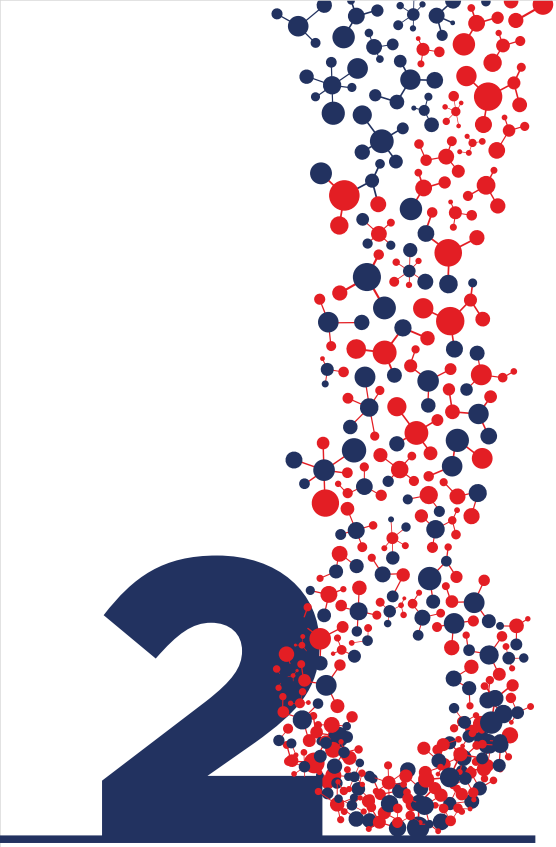
Encl: As above



Glenmark
LIFE SCIENCES

20 YEARS IN THE MAKING

ANNUAL REPORT 2021-22



Everything takes time – be it experience or expertise; focus or finesse; strength or stability; growth or goodwill. This is the maiden annual report of Glenmark Life Sciences (GLS), but it has been 20 years in the making. Starting life as the API (active pharmaceutical ingredients) business unit of Glenmark Pharmaceuticals in 2001, we have grown from a single manufacturing facility driven by Glenmark's pharma business to an independently run, professionally managed API company that is focussed on providing pharma customers across markets with sustainable API solutions. Today we operate four world-class facilities producing complex, higher-value API molecules with approvals from multiple regulators and a global reach.

To extend this outreach to the world, we have developed a robust product portfolio, scaled-up capacities, built sustainable manufacturing assets and cemented relationships with key customers in a wide geographic footprint.

Together, these factors provide us the perfect platform to harness a double-engine powered growth through our generic API and CDMO businesses.

This transformation to GLS could not have come at a better time because the API and CDMO market is growing at a steady clip, but, in a post-COVID world, with continued emphasis on quality API albeit at affordable costs. Our strong focus on R&D, quality, portfolio diversification, a culture that nurtures operational efficiency and disciplined financial management, has positioned GLS exceedingly well to respond to such challenging demands from the market, while a successful IPO last year gives us the leverage to make timely and effective investments in technology and capacity. With all these ingredients in place, GLS today is at an inflection point, to ride the next phase of growth.

TABLE OF CONTENTS

INTRODUCTION

FINANCIAL PERFORMANCE

5 YEARS FINANCIALS

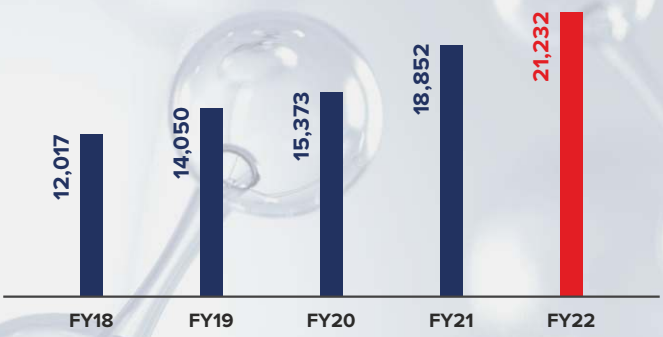
Rs. in millions	2022	2021	2020	2019	2018
Income Statement					
Revenue from Operations	**21,232**	18,852	15,373	14,050	12,017
EBITDA for the year	**6,308**	5,919	4,840	4,298	3,317
Profit for the year	**4,187**	3,516	3,131	2,927	2,294
Basic EPS	**35.6**	32.6	29.0	27.1	21.3
Balance Sheet					
Total Equity	**20,543**	7,527	4,017	881	- -
Fixed Assets	**6,763**	5,790	5,498	5,303	5,159
Cash and Cash Equivalents	**5,122**	1,156	100	21	27
Total Debt	**- -**	9,329	10,592	11,622	- -

Notes:
- Numbers of FY18 and FY19 are based on Proforma Financials.
- Capital employed as on 31st March'18 was INR 9,238.42 Mn as per Proforma Financials.

Glenmark LIFE SCIENCES

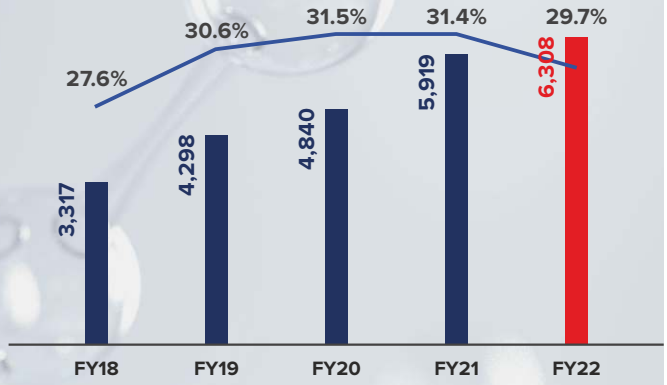
REVENUE

in INR million



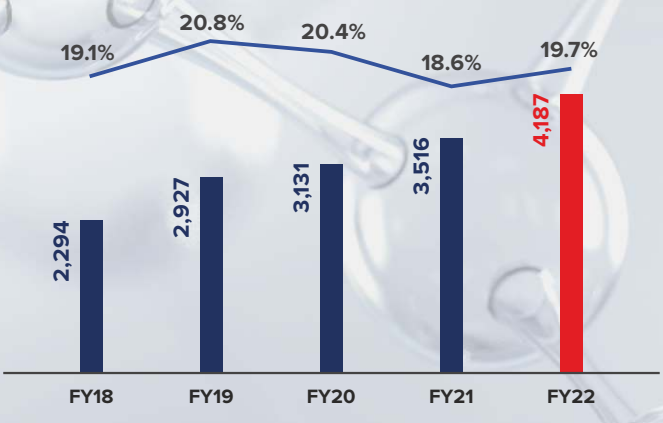
EBITDA

in INR million

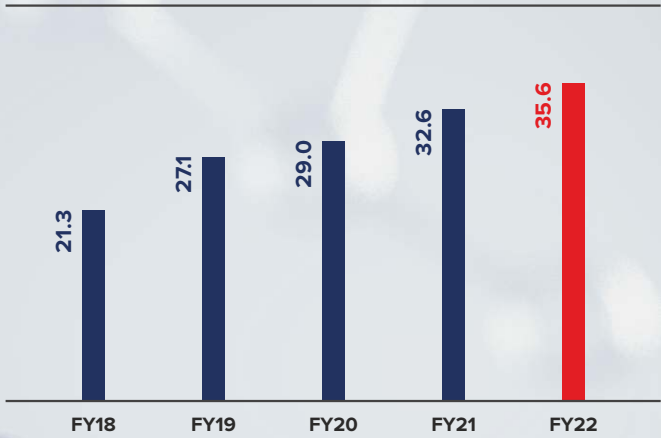


PAT

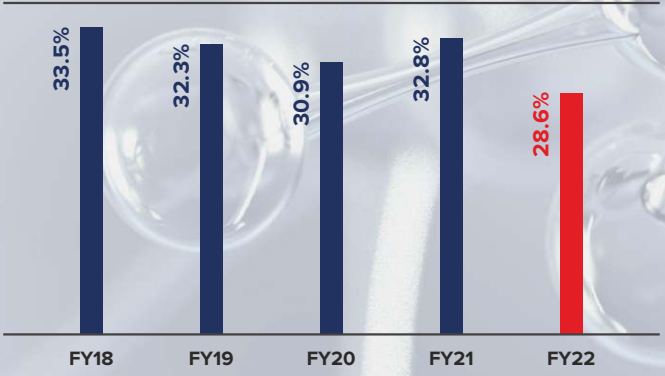
in INR million



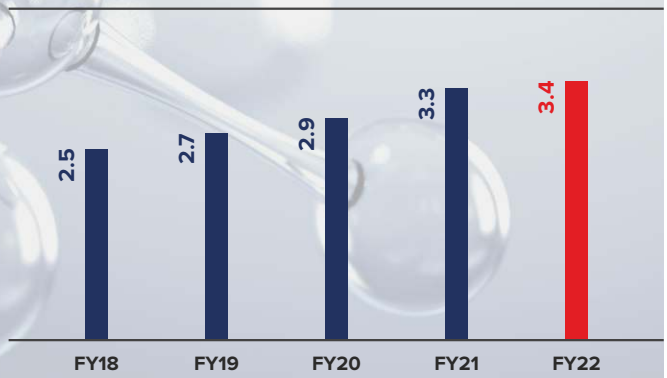
EPS



ROCE



FATR



ABOUT GLENMARK LIFE SCIENCES

INTRODUCTION

COMPANY OVERVIEW

Who We Are

Glenmark Life Sciences (GLS) was spun off from Glenmark Pharmaceuticals in 2019, in order to focus on developing the Active Pharmaceutical Ingredients (API) business. We make high-quality, affordable APIs by unlocking the possibilities of chemistry and engineering in R&D and manufacturing. We are now driven by an independent management team and have developed a robust API portfolio, built capacities and manufacturing efficiency in order to grow our business with our customers, worldwide.

We have established strong relationships with leading global generic pharmaceutical companies that mainly operate in the US, Canada, Japan and Europe, which are highly regulated markets. Our ability to service customers in a complex regulatory framework positions Glenmark Life Sciences differently with customers, giving our business an added dimension of stability and longevity. From product selection & development to commercialisation, we judiciously blend science, technology and economics to stay ahead of the curve.

We work with 16 of the 20 largest generic pharmaceutical companies globally.

What We Do

Our business banks upon a portfolio of 137 molecules that have been developed over the years. These molecules cater to chronic therapeutic segments such as Cardiovascular (CVS) disease, Central Nervous System (CNS) disorders, pain management and anti-infectives.

The addressable front-end market size of these molecules is around USD 180 billion across markets. We have filed these molecules in all major markets in order to service our pharmaceutical customers, who are present in these markets at the front end. As a result of these filings, we are able to commercialise these APIs to over 700 customers worldwide.

In addition to our generic pharma customers, we are also able to offer these molecules to innovator players as part of their lifecycle management strategy, post genericization of their portfolio. This allows us to leverage our existing portfolio to generate additional business through innovator players who are looking for an affordable option for their APIs across various markets.

How We Do It

We develop, manufacture and supply select high-value, non-commoditised APIs for our global customers who are pharmaceutical companies operating in their respective markets. Let's take a closer look at each of these terms:

DEVELOP

Our product development starts with portfolio selection where we target non-commoditised APIs with high-end chemistry in order to develop a relatively high entry barrier. More recently, we have added complex molecules with an even higher entry barrier, not only from a chemistry perspective but also from a characterisation perspective.

All our molecules are developed for global markets with a specific focus on regulated markets, where we target first-wave launches. For the first wave of development, our focus is on speed-to-market allowing us to be part of the customers' filing early. Later, based on patent expiries, we offer these APIs through cost-optimised processes in markets where patents expire sooner than in regulated markets. These cost-optimised processes allow us to cater to customers in regulated markets in the second wave of launches.

Apart from new molecules, we also focus on Cost Improvement Projects (CIP) on mature APIs, to address second-wave launches and with these best-cost APIs, our customers sustain the competition; thereby creating an effective lifecycle management strategy for our mature APIs.

MANUFACTURE

Our manufacturing infrastructure is designed to cater to both, small-volume, high-value molecules and, large-volume, mid-value molecules. This allows us to manufacture in the range from small kilogram to large metric tonne quantities. Additionally, all our capacities across our facilities are designed to be multipurpose in function. This enables us to manufacture many different APIs in the same infrastructure, creating higher asset utilisation.

GLS currently has one of the best Fixed Asset Turnover Ratios (FATR) in the industry.

SUPPLY

Our operations span the entire spectrum of the value chain, from research & development to building an efficient raw material supply chain, scale-up manufacturing and delivery. Together, these help us to support our customers with product identification, API development & validation to commercialisation and life cycle management.

GLS - STRENGTH IN NUMBERS

6
Global Markets North America, Europe, Japan, Latin America, India and Rest of the World

16
Of the world's 20 largest generics companies as customers

15.3%
CAGR growth in revenue for past 5 years

750+
MT Annual Production Capacity

137
High-quality API Products[2]

26
Products in development pipeline; including 2 Iron complexes and 7 Oncology products

436
DMFs and CEPs across major markets;

76
Granted Patents (owned/co-owned)

~300
R&D Personnel

3
Plants USFDA inspected

2
Facilities ISO 14001:2015 and ISO 45001:2018 certified

4
Facilities with zero liquid discharge capabilities

700+
customers in 65 countries

[2] As of 30th June 2022

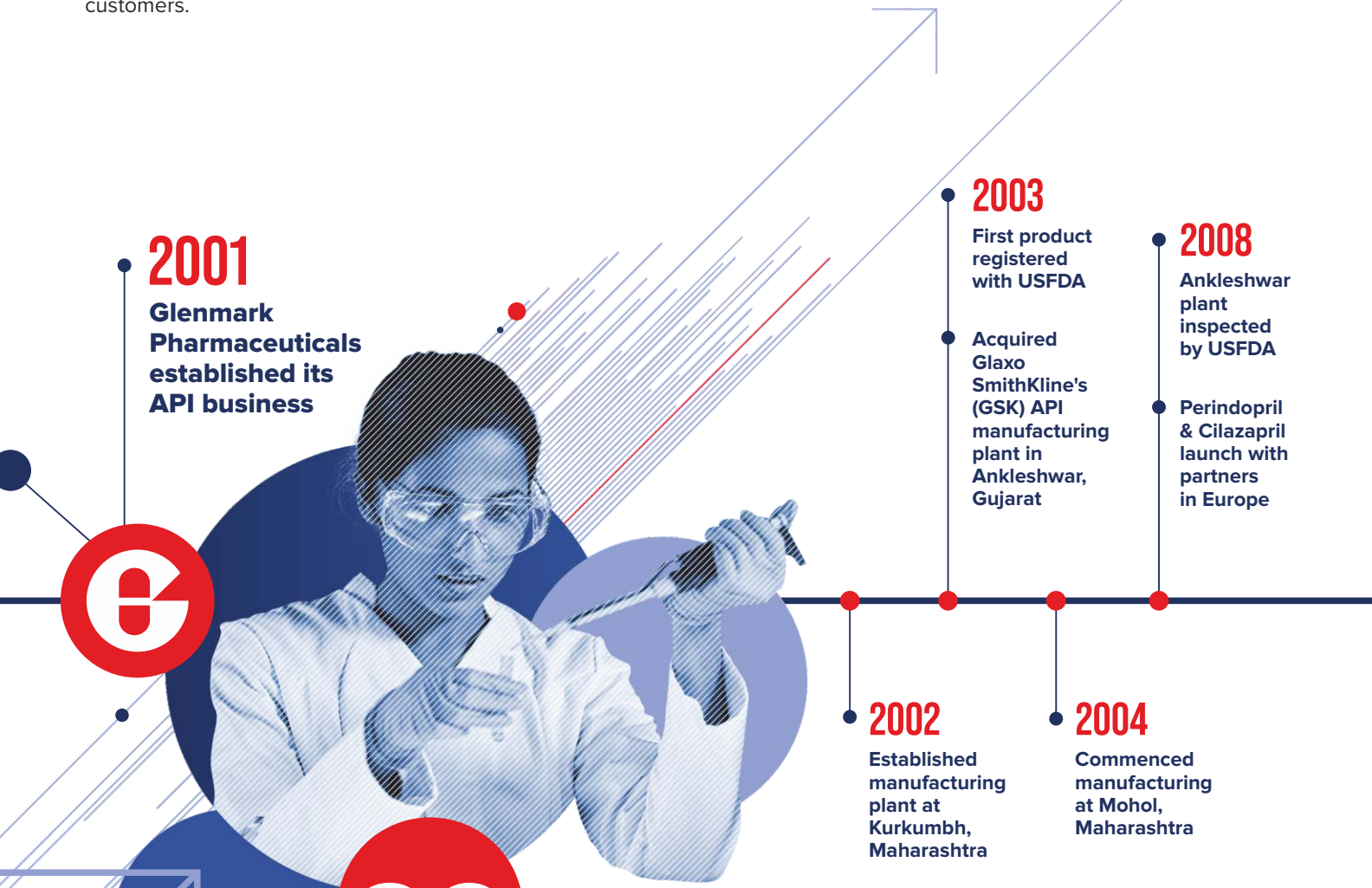
OUR GENESIS & EVOLUTION

Our journey began 20 years ago in Glenmark Pharmaceuticals (GPL) as it established its API business and subsequently acquired the Kurkumbh site. R&D and operations were scaled up to support GPL's need for APIs. Simultaneously, the API business was also initiated to support external customers.

The Glenmark lineage, as a research-driven and global pharmaceutical organisation, that has brought quality medicines for over 40 years, was also evident in the API business; leading to building significant brand equity with customers.

The API business was spun-off in 2019 into a separate company to leverage this very brand equity, albeit with a clear focus for future expansion with new customers via an independent management team.

GLS became a professionally managed, standalone company three years ago to not only grow our business with generic pharmaceutical companies but to also build a significant CDMO presence, embark upon a geographic expansion and create a solid portfolio with complex, higher-value, API molecules.



2001
Glenmark Pharmaceuticals established its API business

2002
Established manufacturing plant at Kurkumbh, Maharashtra

2003
First product registered with USFDA

Acquired Glaxo SmithKline's (GSK) API manufacturing plant in Ankleshwar, Gujarat

2004
Commenced manufacturing at Mohol, Maharashtra

2008
Ankleshwar plant inspected by USFDA

Perindopril & Cilazapril launch with partners in Europe

20 YEARS OF BUSINESS EXCELLENCE

glenmark LIFE SCIENCES

With our strong focus on R&D, product portfolio diversification, long-term relationships with key customers, a solid financial performance and laser sharp focus on quality, we are now well positioned to ride the next phase of growth.

From Glenmark Pharmaceuticals, we have inherited process chemistry capabilities, a commitment to high standards of quality and compliance, and a culture that nurtures innovation and out-of-the-box responses to challenges of operations and business.

In August 2021 Glenmark Life Sciences went public with a hugely successful IPO. We recorded the highest number of retail applications in over a decade and the highest ever for any pharmaceutical company, till date.

2010
Lercanidipine launch with partners in Europe

2011
Ankleshwar plant inspected by USFDA

2012
Ankleshwar plant inspected by PMDA (Japan) and AFSSAPS (France)

2013
Commenced manufacturing at Dahej, Gujarat

Ankleshwar plant inspected by COFEPRIS (Mexico)

Launched Voriconazole with partners in Japan

Launched Telmisartan in Europe with various partners

2015
Ankleshwar and Dahej plants inspected by USFDA

Launched Esomeprazole Mg Dihydrate with partners in Europe

2016
Dahej plant inspected by PMDA (Japan)

Supported partners with 1st Generic launches of Ezetimibe and Aprepitant in US

2017
Launched Etoricoxib and Olmesartan in Europe with various partners

2018
Dahej plant inspected by EDQM (EU), ANSM (France) and USFDA

Mohol plant inspected by USFDA

2019
Glenmark Pharmaceuticals' API business spun off into Glenmark Life Sciences

Ankleshwar plant inspected by USFDA, Health Canada and PMDA (Japan)

2021
GLS gets listed on the Indian Stock Exchanges

MESSAGE FROM THE MD & CEO

Dear Stakeholders,

It is a pleasure to address all of you, for the first time post our successful listing, and offer multiple perspectives on how we have begun to take Glenmark Life Sciences (GLS), a pure-play, standalone API (Active Pharmaceutical Ingredients) company, on to a path of sustainable growth. Our journey began 20 years ago in Glenmark Pharmaceuticals (GPL) in 2001 with the API business, R&D and Manufacturing. With 20 years in the making, the business grew on the strength of internal demand of the Pharma business and also with external customers.

Today's API business landscape offers substantial opportunities globally for quality suppliers of API, enabling GLS to leverage the brand equity that has been created in the last 2 decades by Glenmark. We reshaped our view on external business opportunities by developing a portfolio that is outward focussed, embarked on a geographic expansion to monetise existing assets and built capabilities to support CDMO opportunities (which have become more accessible to GLS as a standalone API player).

It has been over 3 years since the advent of GLS and it is on account of a separate focus brought about by a diverse and independent management team that the Company has been able to ride through the turbulent period during and after the COVID pandemic. Your Company has weathered these tough times and come out stronger and is poised for growth via multiple growth levers in our business and operations.

We will highlight these key interventions that have allowed Glenmark Life Sciences, to compete and find a right to win, be it business as usual during pre-COVID times, the resilience of the COVID times, or investing for the future in this post-COVID phase.

Shaping the Building Blocks in the pre-Covid phase

Over the course of the last 3 years, our focus was on the following areas:

PEOPLE

As a first step to building a resilient organisation, we started investing in talent and have on-boarded many mid and senior-level professionals from the industry to lead functions in R&D, Technical Operations, Supply Chain, Quality, Regulatory Affairs, Finance, EHS and Human relations. While doing this, we ensured that even with talented leadership, **our manpower cost was maintained at 8% of our overall revenue, which is probably a benchmark in our industry.**

R&D PORTFOLIO

We rejigged our R&D focus for new molecules, while targeting complex APIs with a commercial launch window of 3-7 years. R&D strength was ramped up from 213 employees in 2019 to almost 300 employees in 2022. Further, efforts have centred around a greater focus on introducing 2nd or 3rd generation processes for existing molecules that will not only make us competitive but also improve our market share. Another key element has been backward integration of basic raw materials for some select APIs through the use of various new technologies to manufacture Intermediates.

CAPACITY AND TECHNOLOGY

A wide-ranging effort to enhance capacities on key commercial APIs was undertaken through a number of de-bottlenecking initiatives and the introduction of newer technologies. These have improved manufacturing output greatly in the initial 2 years with minimum investment.

SAFETY AND ENVIRONMENT

A number of initiatives in Process Safety, Engineering and Training were initiated to improve the overall safety of our people and operations. We also implemented recover-reuse initiatives, green energy and green chemistry to positively impact our carbon footprint. These particular initiatives while important in themselves, also ensure the continuity of our business to a much greater extent than in the past.

These diverse interventions in Operations and R&D have helped us build a robust API portfolio and create value for a wider base of customers not only in the Generic space but also for CDMO and Specialty pharma players.

Further, these efficiency enhancements have helped us to sustain EBITDA margins in the range of 30% (±1%) in the last 2 years, despite huge cost escalation both in materials and operations.

While we made significant gains in expanding the generic business in newer geographies, we also made a greater push into the CDMO and Specialty space to work with innovator pharmaceutical companies which is a very big market with vast potential. The advantage that GLS brings to the table is that we partner with our CDMO customers to provide lifecycle management solutions for their mature portfolio where genericization has happened or is impending. Specialty players developing 505 (b)(2) opportunities are an important market segment that we also pursue. In our current portfolio of 137 molecules, many molecules offer such opportunities to a completely new set of customers.

Resilience and Value Creation during COVID

Our company has shown incredible resilience and momentum in response to the COVID-19 pandemic. Driven by our core principle of being a trusted and reliable supplier to our customers, we remained steadfast to our purpose of delivering quality products while adhering to strict timelines despite the headwinds caused by the pandemic and the ensuing supply chain issues.

This was possible entirely due to our exemplary workforce and middle level managers that rose to the challenge and delivered despite the odds.

A key development that I would like to highlight is the development of Favipiravir API for COVID which was developed and delivered to a commercial scale within 3 months during the height of pandemic.

A testament to our R&D, Tech Transfer, Supply Chain, and Operations team working in close unison can be gauged by the fact that we could bring down the price of the product to 1/12th of the initial R&D cost, thereby making it affordable for the common man.

At a monthly output of 6,000 kg, we were able to service half a million patients every month during the first and second waves of the pandemic. There was no better joy than in seeing the fruits of our combined enterprise help the common man at a time of need and desperation and that too, at a rate that could make it affordable for one and all.

The IPO was but a culmination of the hard work put in by the GLS team in the prior 2 years and could not have happened at a better time. Its resounding success provided us with a big vote of confidence from you, for continuing along the path that we had charted. We were able to pare down our debt and have embarked on investments in R&D, capacity enhancement and facility modernisation.

The business outlook for GLS remains very strong across multiple geographies for affordable, high-quality APIs while we strive to create scale and efficiency to service the increasing demand for our valuable portfolio of APIs.

The Post-Covid Phase: The Challenges and the Opportunities

As we enter the post-COVID phase, the macro-economic challenges continue to create supply chain hurdles, rising inflation and higher energy prices that impact business and margins. The Russia-Ukraine situation aggravated these challenges even further.

Despite these headwinds, we have kept our business on track, and continued to build confidence with the customers through uninterrupted service thereby managing steady growth and healthy margins. We have grown by 16.3% on a Y-o-Y basis, ex-COVID products, which demonstrates the continued demand for our core portfolio.

Looking ahead, we will continue to focus on our short, mid and long-term priorities. While the short-term priorities will focus on retaining and growing our customers across geographies, the mid-term effort will be to drive R&D, regulatory filings and make manufacturing operations efficient.

For the long term, we are looking at adding capacities and developing the highest quality portfolio, which remain on track. Overall, the market demand is solid, and our customers' confidence is high. This is clearly reflected in our yearly results, despite all the headwinds and challenges.

Finally, I would like to thank the Board for their continuous guidance which has made our tasks easier. I would also like to express my deepest gratitude to my leaders at all levels, our employees (and their families), for their relentless efforts to keep our operations strong in such challenging times. A sincere word of gratitude to all our shareholders, bankers, business partners, regulators and Government authorities for their support and assistance throughout our journey. We look forward to continuing this path of success, together.

Together with your support, we are confident that Glenmark Life Sciences will reach greater heights and create lasting value for all stakeholders in the years to come.

Thank You!

Dr. Yasir Rawjee
Managing Director and
Chief Executive Officer

MANAGEMENT TEAM

Mr. Vinod Naik

Group Vice President and Head of Technical Operations, has been associated with the Company for over 2 years. He oversees the daily operations of the manufacturing plants and is also responsible for the Supply Chain function. He leads all engineering projects and safety initiatives and is responsible for the overall operational excellence of our Company. He has extensive experience in the field of Manufacturing.

Dr. Palle V R Acharyulu

Group Vice President of Research and Development (R&D), has been associated with the Company for the past 2 years. He has been instrumental in driving R&D productivity through innovative APIs research and CIP development. He also leads the project management and intellectual property functions of our Company.

Mr. Tushar Mistry

Chief Financial Officer & Senior Vice President, leading the overall Accounts, Finance, Investor Relations & Secretarial function at Glenmark Life Sciences Limited. He has recently joined the company in June 2022.

Mr. Mathew George

Vice President and Head of Regulatory Affairs, has been associated with our Company since October, 2019. He leads the Regulatory Affairs team to plan and submit Drug Master Files (DMFs) / Registration dossiers with various Regulatory Agencies.

Mr. Navin Kumar Agrawal

Head Corporate Quality, leading the Company's global Quality & Compliance in accordance with cGMP & regulatory requirements for Active Pharmaceutical Ingredients (APIs). Since joining Glenmark Life Sciences, Navin has spearheaded the development and ongoing maintenance of robust quality management systems that ensure the Company's statutory and regulatory duties are upheld.

BOARD OF DIRECTORS

We have an experienced Board and a strong corporate governance system to monitor, guide and support our operations, with oversight by:

Mr. Glenn Saldanha

Chairman and
Non-Executive Director

A Non-Executive Director of Glenmark Life Sciences, Mr. Saldanha is also the Chairman and Managing Director of Glenmark Pharmaceuticals Ltd. Mr. Saldanha joined Glenmark in 1998, and subsequently became the Managing Director & CEO in 2000. He transformed Glenmark into a truly multinational company with revenues of over USD 1.5 billion. Mr. Saldanha envisions discovering, developing and introducing India's first innovative drug for the world. Under his leadership, Glenmark has evolved from an Indian branded generics business into a research-driven and innovation-led organization. Glenmark also won for two consecutive years the 'Indian Pharma Innovation of the Year' award, conferred by the Government of India.

Dr. Yasir Rawjee

Managing Director and
Chief Executive Officer

Dr. Rawjee leads the overall operations of Glenmark Life Sciences and is responsible for its overall business strategy. He has over 25 years of industry experience during which he has headed the global API business and operations at Mylan Laboratories Ltd., has been the Senior Vice President at Matrix Laboratories Ltd. heading the API & CDMO Business and worked in Chemical Development at GlaxoSmithKline in the USA. He holds a bachelor's degree in science from St. Xavier's College, University of Bombay; a bachelor's degree in science (technology) from UDCT, University of Bombay; and a PhD from Texas A&M University, U.S.A.

Mr. V. S. Mani

Non-Executive Director

Mr. Mani is a Non-Executive Director of GLS. He is also an Executive Director and Global Chief Financial Officer of Glenmark Pharmaceuticals Ltd. At Glenmark Pharmaceuticals, he leads the worldwide finance operations, as well as legal and secretarial functions. He has over thirty years of rich industry experience across treasury, taxation, accounting, financial planning and analysis, secretarial, legal, risk management and investor relations. Mr. Mani has also played a key role in mergers, acquisitions and spinouts of various companies in emerging and mature markets. He is a qualified chartered accountant and prior to joining Glenmark, he was the President - Finance at the Bhartiya Group. He has also held the position of the Chief Financial Officer at Cipla.

Mr. Sridhar Gorthi

Independent Director

Mr. Gorthi is a partner at Trilegal and is part of the Corporate practice group along with being on the firm's management committee. Mr. Gorthi is considered a leading authority on corporate law, M&A and private equity in the country. In addition to representing several international clients on inbound M&A in India; he has also advised Indian companies about outbound M&A transactions in jurisdictions, such as the UK, the US, South Africa, Argentina, Indonesia and Sri Lanka.

Mrs. Manju Agarwal
Independent Director

A career banker, Mrs. Agarwal has over 34 years of experience at the State Bank of India and is an associate of the Indian Institute of Bankers. She is currently also serving on the boards of various entities including Gulf Oil Lubricants India Ltd., IFFCO Kisan Finance Ltd., Hinduja Leyland Finance Ltd., Vistaar Financial Services Private Ltd., CMS Info System Ltd., Switch Mobility Automotive Ltd., Paytm Payments Bank Ltd., Inspira Enterprise India Ltd. and India Ideas.Com Ltd. She holds a postgraduate degree from the University of Allahabad.

Mr. Sumantra Mitra
Executive Director and Sr. Vice President - Human Resources

Mr. Mitra has been associated with Glenmark Life Sciences since October 2018 and is responsible for talent acquisition, talent management and industrial relations, besides other aspects of the HR function. Previously, he has been the Vice President - Human Resources at Nilkamal Ltd., worked with Mahindra & Mahindra in the automotive sector and with Glenmark Pharmaceuticals Ltd. He holds a bachelor's degree in social work from Visva Bharati University, a master's degree in social work from University of Pune and a diploma in labour law and labour welfare from Symbiosis Society's Law College, Pune.

Mr. T. L. Easwar
Independent Director

Mr. Easwar has extensive experience in the pharmaceutical industry. He has been the President of Operations at Aurobindo Pharma Ltd., the Chief Operating Officer at Porus Laboratories Private Ltd. and the head of API manufacturing operations at Mylan Laboratories Ltd. He is currently engaged as an advisor to the Boston Consulting Group (BCG) and is also a consultant with pharmaceutical companies. He holds a bachelor's degree in technology – chemical engineering from the Indian Institute of Technology, Kanpur.

Ms. Gita Nayyar
Independent Director

Ms. Nayyar is also serving as an Independent Director on the board of Taj-SATS Air Catering Ltd., Transport Corporation of India, PNB Housing Finance Ltd., 'HelpAge India' and Oriental Hotels Ltd. She holds a master's in business administration from Amos Tuck School of Business Administration, Dartmouth College, U.S.A.

BOARD COMMITTEES

Audit Committee

Mrs. Manju Agarwal (Chairperson)

Mr. Sridhar Gorthi

Mr. V. S. Mani

Nomination & Remuneration Committee

Mr. Sridhar Gorthi (Chairman)

Ms. Gita Nayyar

Mr. Glenn Saldanha

Risk Management Committee

Mr. V. S. Mani (Chairman)

Dr. Yasir Rawjee

Mr. Sridhar Gorthi

Mr. T. L. Easwar

Corporate Social Responsibility Committee

Mr. Sridhar Gorthi (Chairman)

Mr. V. S. Mani

Dr. Yasir Rawjee

Ms. Gita Nayyar

Stakeholders Relationship Committee

Mr. T. L. Easwar (Chairman)

Dr. Yasir Rawjee

Mrs. Manju Agarwal

For more information about the roles and responsibilities of the Board Committees, please refer to Corporate Governance section of the Statutory Report.

CORPORATE GOVERNANCE

There are a number of elements that come together to create good corporate governance. These include the leadership, systems, structure and culture. Glenmark Pharmaceutical has given us a strong foundation of values and process knowledge, but as an independently run company, it is our corporate governance practices that helps us build on it.

Our corporate governance framework is based on an effective Independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have instituted a number of policies to help uphold top-notch governance at all times, ranging from Whistle Blower Policy, POSH Policy and Dividend Distribution Policy to Policy on Succession Planning and Board Diversity Policy. These policies are also in compliance with all applicable regulations and legal requirements.

FY22 - A YEAR IN HIGHLIGHTS

Financial

Revenue from Operations

INR 21,232 million | 12.6% ▲ increase YoY

EBITDA

INR 6,308 million | 6.6% ▲ increase YoY

PAT

INR 4,187 million | 19.1% ▲ Growth YoY

FATR

3.4 times for FY22

Net Cash from Operations

INR 5,976 million | 54% ▲ Growth YoY

ROCE

Tracking at 28.6%

Non-Financial

PRODUCTS

- 35 DMF/CEPs filed across major markets during FY22 - United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China, and Australia, to facilitate our geographic expansion - which takes our **cumulative filings** to 433 (as on 31st March 2022). As on June 30th, 2022, the company filed 436 DMF/CEPs across markets.
- **137 unique molecules**, which are in the non-commodity and chronic therapy areas, in the portfolio across the globe.
- 26 products in development pipeline including **2 Iron complexes and 7 Oncology products**. This reflects the company's philosophy of focusing on higher value APIs for future expansion. The oncology and iron complex products have a front-end addressable market size of around USD 16 billion (Source: IQVIA MAT Mar'22).

- We also have seven products in the oncology space with global front-end market size of more than USD 15 billion (Source: IQVIA MAT Mar'22).

COMPLEX GENERIC API SEGMENT

- Regulatory filing have been completed for one iron compound and development to progress for two complex iron compounds that are in our development pipeline with cumulative global front-end market size of more than USD 1.8 billion (Source: IQVIA MAT Mar'22).

CDMO SEGMENT

- We currently have three commercial projects with multinational and specialty pharmaceutical companies. We expect commercialisation of a fourth project in the second half of FY23 and are in discussions for a number of potential opportunities with innovator companies.

Non-Financial

CAPACITY EXPANSION

The Brownfield expansion for generics APIs at our Dahej facility is well underway.

- Dahej is our second largest facility built in a special economic zone (SEZ) which allows import duty benefits, among others such as lower cost electricity. A large number of APIs that had been validated at Dahej will undergo commercialisation in the next two years. Demand for existing commercial APIs from the Dahej facility is also growing rapidly and need higher capacities. The ramping up of the Dahej facility from 140KL to 380KL will permit much larger volumes and increase the number of APIs being supplied.

- In addition, as part of this expansion an oncology/high potent API footprint (Plant #7) has also been built for the manufacture of oncology APIs. Two separate suites that can manufacture high-potent/oncology APIs at different scales, simultaneously, have been created in this footprint. We currently have 4 high potent/ oncology APIs that are ready to be commercialised in addition to many more in the R&D pipeline thereby rapidly building up the commercial offering in the oncology/high potent space.

Three new pharma modules became fully operational in Plant #17 at our Ankleshwar facility during the year.

- Two of these modules cater to higher volume products enabling batch size increases for many APIs where demand has been steadily increasing due to addition of new customers and geographies.

  This capacity expansion on higher volume APIs also reduces the unit (per kg) overhead. Smaller volume APIs are produced in the third module.

For the Solapur site, we have received the Environmental Clearance and commenced the construction work. We will add 600-800 KL capacity in the next three to four years, thereby facilitating our expansion in the Rest of the World (ROW) markets. This will also enable backward integration to be pursued on a much bigger scale, thereby protecting our supply chain. The Regulated Markets will be serviced from this facility after receiving necessary regulatory approvals from the respective health authorities of these countries.

- As the business expands in terms of markets and portfolio complexity, there is a need to add an additional site with a large footprint to manufacture expanding generic API volumes. This additional volume cannot be accommodated in the existing sites after 2-3 years, given the growing demand from the API and CDMO business.

- In addition, a large play into backward integration is also planned to secure the supply chain of many growth APIs with other added benefits such as improving the margin profile of the mature APIs. The Solapur site will help achieve many of these objectives. We anticipate a fully functional site to be ready by mid FY25, giving the company an additional site to expand for the next 4-5 years.

AWARDS AND RECOGNITION

Our pursuit of manufacturing excellence and sustainability principles has been a constant for us throughout the last two decades. This perseverance has resulted in a number of awards and recognitions along the way.

Our facilities have won GreenTech Awards in various categories:

- **Ankleshwar facility, GreenTech Safety Award in Silver Category, 2017-18**
- **Ankleshwar facility, GreenTech Safety Award, 2019**
- **Dahej facility, GreenTech Environment Award and GreenTech Safety Award, 2019-20**
- **Dahej facility, GreenTech Environment Award, 2021**

The key facets of our sustainable initiatives have helped us earn notable standards and get ISO certified for two of our manufacturing facilities -
ISO 14001:2015 - Ankleshwar
ISO 45001:2018 - Dahej

GLS bagged 2 silvers at the Economic Times Human Capital Awards 2021

STRONG PRODUCT PORTFOLIO

We continually develop APIs in the therapeutic areas listed below:

Anti-fungal | Anti-histaminic | Immunomodulator | Immunosuppressant | Anti-acne | Anti-emetic Anti-ulcerative | Respiratory agent | Ophthalmologic agent | Urinary anti-spasmodic

Our key therapy areas include:

Cardiovascular (CVS) Disease	**Central Nervous System (CNS) Disorders**	**Diabetes**	**Gastrointestinal Health**
Oncology	**Pain Management (Anti-migraine, Analgesic)**	**Anti-infectives (Antibiotic)**	

DIVERSIFIED GEOGRAPHIES

We have steadily built scale in our product offerings and reach, leveraging state-of-the-art laboratories and manufacturing locations. We have a portfolio of 137 molecules globally and sell our APIs in India and export them to multiple countries in Europe, North America, Latin America, Japan and the Rest of the World (ROW).

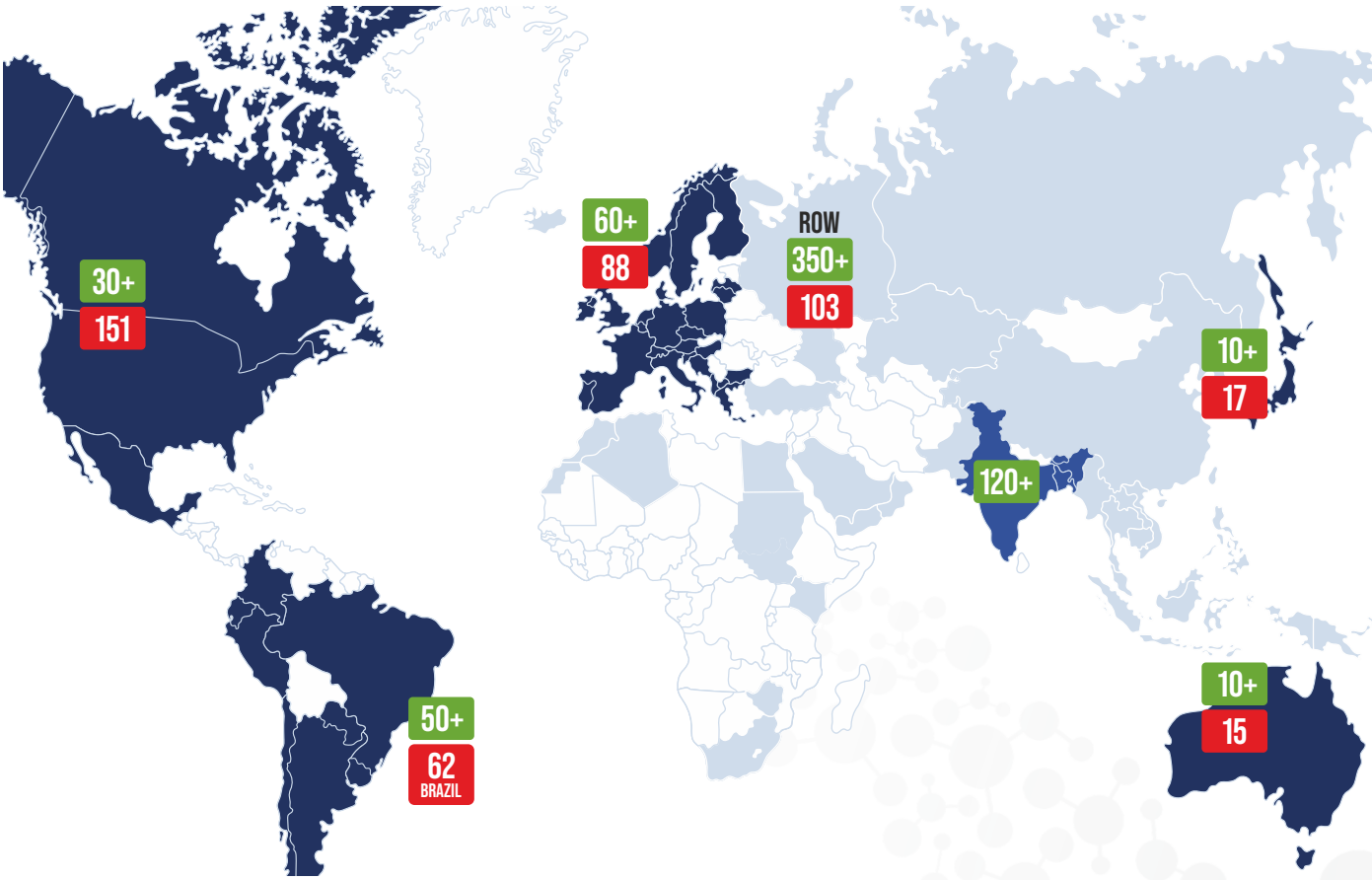
As on June 30, 2022, we had filed 436 Drug Master Files (DMFs) and Certificates of suitability to the monographs of the European Pharmacopoeia (CEPs) across various major markets (i.e. the United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia). These facilitate our geographic expansion.

Global Footprint

Global customers spanning 65 countries

API Portfolio globally 137 molecules

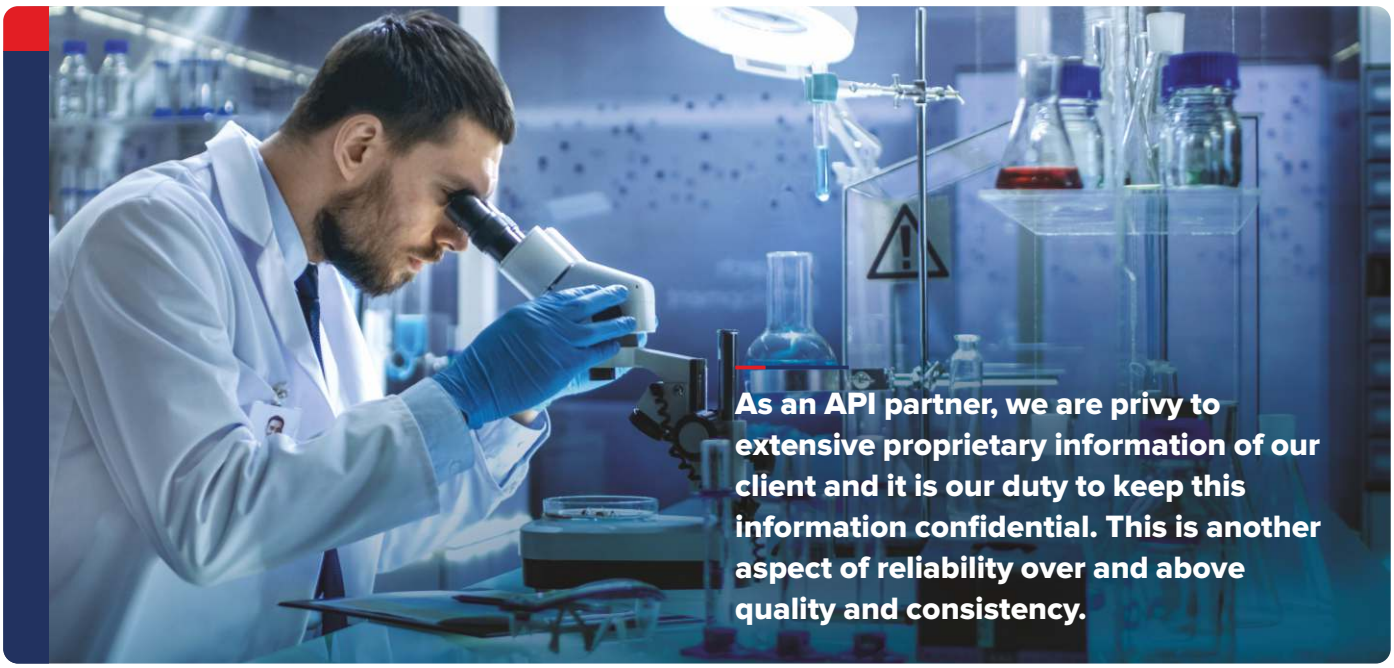
436 **DMFs & CEPs filed across major markets**



Regulated Markets | Emerging Markets | India - Mix of Regulated and Emerging | Number of Customers Serviced in FY22 | Number of DMF/CEP Filings

TRUSTED AND RELIABLE PARTNER

At Glenmark Life Sciences we synergize innovation and efficiency to achieve operational excellence to provide high-quality, affordable active pharmaceutical ingredients and intermediates, to our pharma customers who in turn serve patients all over the world. Employing a wide range of process innovation in chemistry and manufacturing expertise from grams to tonnes, we have become a reliable and preferred partner to our global customers spanning 65 countries.



We understand that our customers need support across the value chain - with the ability to choose scientific services backed by quality and reliability. With 20+ years of experience in API development and manufacturing, we are well positioned to meet our customers' API & intermediates outsourcing needs.

Our experience and competencies help us intuitively to understand customer needs and develop high-quality yet affordable API solutions that offer an edge from an intellectual property & regulatory perspective to suit market dynamics.

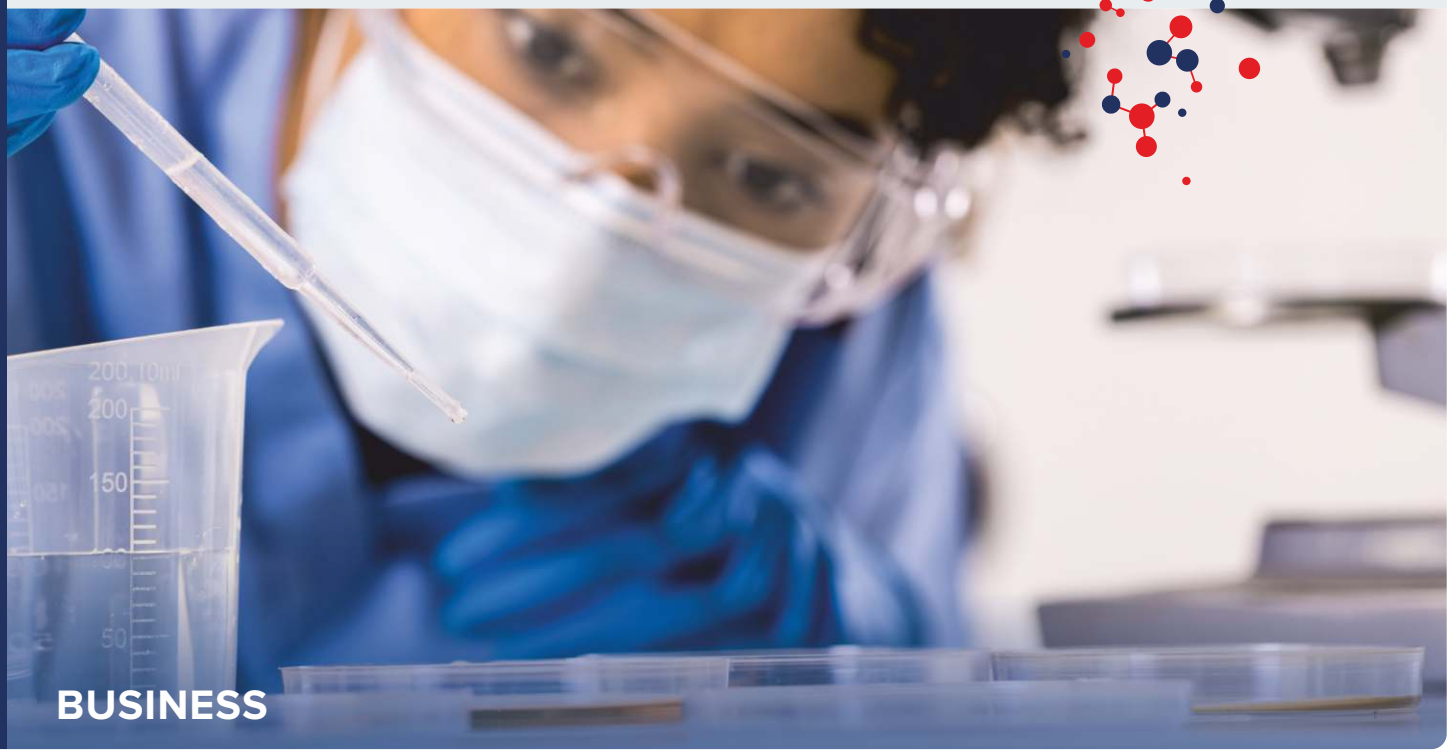
We partner with global generic pharmaceutical companies for a significant portion of our revenues. Our key customers include Glenmark, Teva Pharmaceutical Industries, Torrent Pharmaceuticals, Aurobindo Pharma, Krka amongst others. As a result of our continued focus on customer service, a significant percentage of our customers have been with us since 5 to 10 years.

We have also developed relationships with our key regional customers in rapidly growing markets of Japan, Latin America, Korea, GCC and CIS countries. Most of our customers provide us with forecasts of order volumes that help us estimate our production volumes and our revenue for that particular product or business line.

We believe that driving process innovation and quality in our R&D and manufacturing operations is critical to our brand as well as to maintain long-term relationships with our customers. Our team of experienced and committed scientists understand the regulatory requirements of various geographies and can navigate the minefield of IP around specific products.

A successful fund raise through the IPO eliminated our debt and associated finance costs, allowing us to deploy cash for the much needed capacity expansions that are well underway in Dahej and Ankleshwar. These expansions will facilitate a rapidly growing business growth, both horizontally and vertically.

OUR EXPERTISE

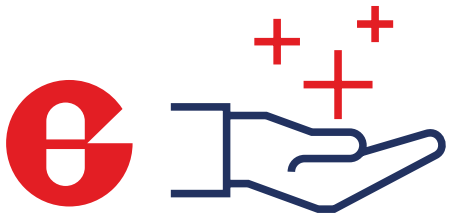


With over 20 years of core pharmaceutical experience, our expertise today lies in the selection & development of a specialised and extensive API and intermediates portfolio that is non-commoditised in the chronic therapeutic space.

Coupled with high quality and affordability, these APIs and intermediates offer a high-value proposition to our pharmaceutical customers who in turn serve patients all over the world. This is done via process innovation in chemistry, efficiency in manufacturing and regulatory filing support across multiple geographies. Over the years, we have become a reliable and preferred partner to our global customers spanning 65 countries.

Our expertise in the CDMO space consists of combining our API knowledge in R&D, cGMP Manufacturing and Regulatory filing support and customising it for the customer's requirements through comprehensive and specialised support throughout the development life cycle.

VALUE CREATION



WE AIM TO PROVIDE VALUE TO OUR PARTNERS THROUGH -

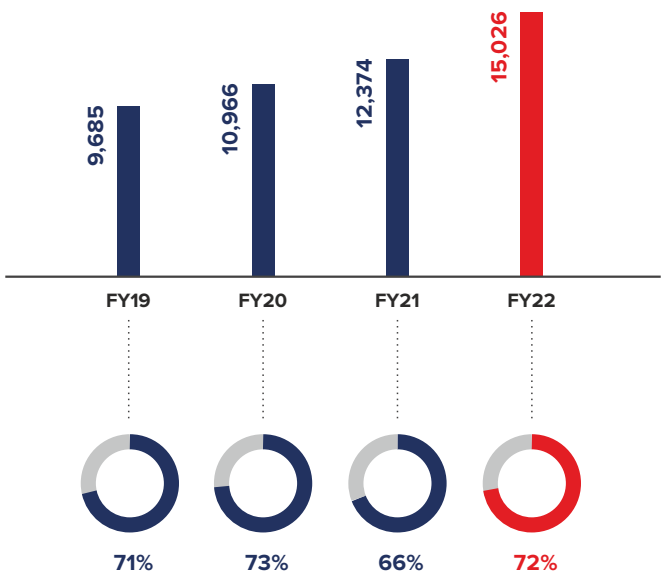
API

The therapeutic areas of focus are CVS, CNS and pain management and diabetes[1], while we continue to branch into other APIs. Some examples where we have strong market share in select specialised APIs are:

- **Telmisartan** (anti-hypertensive)
- **Atovaquone** (anti-parasitic)
- **Perindopril** (anti-hypertensive)
- **Teneligliptin** (anti-diabetic)
- **Zonisamide** (CNS)
- **Adapalene** (dermatology)

We sell our APIs in India and export to multiple countries in Europe, North America, Latin America, Japan and ROW.

Revenue from Regulated Market Products in INR million



As a % of Sales of Products

Strong API Portfolio

(offering the final API or intermediates) of 137 unique molecules and 436 DMFs filed globally

Chemistry Solutions

to critical problems in product development

Contract Development

of specialized APIs with companies that do not have in-house chemistry capabilities to develop and manufacture APIs

Project Management

with virtual, biotech companies to provide early stage cGMP clinical API supplies and the preparation of a complete CMC regulatory package for filing with global regulatory health agencies

Life Cycle Management

with companies that seek a reliable partner to ensure best cost and service

Filing Support

for customers to file in key markets and extend products to new markets

Analytical Support

for APIs with complete product characterization

Respect for I.P.

Speed to Market

ensuring customers are supported for first wave launches

[1] Source: Frost & Sullivan Report

CDMO

Contract Development and Manufacturing relies on our core strength of chemical synthesis of API (drug substance) which emanates from strength in R&D, cGMP Manufacturing and Regulatory support. In the last four years, we have worked with innovator pharmaceutical companies in two specific areas - lifecycle management and 505 (b)(2) filings. We have taken appropriate steps to further increase the share of these products and service offerings of our diversified portfolio to potential partners, spread across the U.S., Europe, Japan and India.

As a CDMO partner, our services include:

i) **Process chemistry research and appropriate analytical controls via methods developed in chromatography, spectroscopy and wet chemistry**

ii) **cGMP manufacturing from grams to tonnes in facilities that have been inspected by global regulatory agencies**

iii) **Regulatory filing support across diverse geographies**

This gives us the ability to attract innovator and specialty pharmaceutical companies to partner with us by providing unique solutions tailored to their needs. We continue to partner with such customers to provide lifecycle management solutions for their mature portfolio where genericization has happened or is impending. In our current portfolio of 137 molecules globally, we believe that many molecules offer such opportunities to a new set of customers.

We believe that innovators prefer select vendors with a strong track record such as ours and maintain a concentrated supplier base. Our continued focus on quality and on the sustainability of our operations, make us a serious contender to grow this business opportunity.

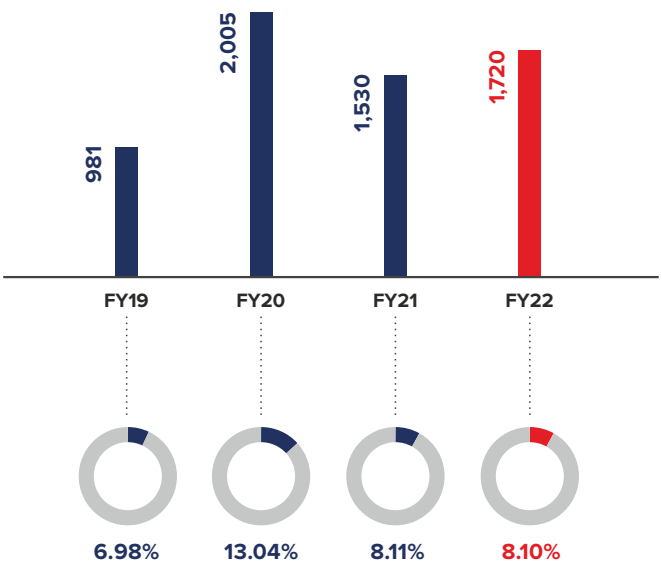
Furthermore our relationships with leading global generic pharmaceutical companies provide opportunities to maximise the value of our product development and manufacturing platforms. We will continue to explore opportunities to enhance our existing relationships by undertaking contract development and manufacturing for new molecules across various customer segments.

SPECIALTY API

We develop customised solutions for specialty pharmaceutical companies focussed on creating niche markets through novel formulations, thereby expanding the market for existing therapies. As an API provider to such customers, we have helped create value through a blend of product customisation and regulatory strategy to allow market access. We explore all possible opportunities in the specialty business, both from our existing portfolio as well as new development opportunities.

Going forward, our new facility at Solapur will also provide a platform for the growth of the CDMO business, while adding capacity for our generic API business. This facility, to be operational in the middle of FY25, will be a Greenfield project built on a 40-acre footprint with a plan to manufacture both APIs and intermediates. It will house several multi-purpose manufacturing blocks with mid to high-volume capacity and will include a high degree of automation and comply with global regulatory standards.

Revenue from CDMO Business in INR million



As a % of Total Revenue from Operations

▲12.4% YoY

growth in CDMO business due to new client additions and increased business from existing customers

We currently have three commercial projects with multinational and specialty pharmaceutical companies. We expect commercialisation of a fourth project in the second half of FY23 and are in discussions for a number of potential opportunities with innovator companies on both, lifecycle management and 505 (b) (2) opportunities.

RESEARCH & DEVELOPMENT

As a company we foster a culture where scientific temperament is rooted in our people and in our overall approach. At the heart of our R&D function is our state-of-the-art R&D Center spread over 3 locations – Mahape, Ankleshwar and Dahej. **Our well-equipped laboratories are powered by the intellect of research scientists and engineers, who constitute 15% of our total employee strength.** We have dedicated teams for new product development, complex products, oncology product development, process safety, technology transfer, lifecycle management and project management.

Our key chemistry capabilities include polymorphism screening, pharmaceutical salt screening, particle size distribution studies, high pressure reactions, high temperature reactions, cryogenic reactions, asymmetric hydrogenation etc. We also handle technologies using enzymatic transformation and continuous flow chemistry.

Our R&D laboratories focus on development of complex molecules, cost improvement programmes and oncology products. We develop complex products like iron complexes and oncology products supported by advanced characterisation techniques at our analytical research laboratories. To ensure business continuity, process safety through sustainable chemical processes is an integral part of our product development.

The work we undertake at our R&D Centre has delivered a diversified portfolio of more than 137 molecules, while working towards developing 8-10 new molecules per year and supplying our products to customers in India, Europe, North America, Latin America, Japan, Korea, Southeast Asia, GCC countries, North Africa and the rest of the world.

As on June 30, 2022, we owned or co-owned 76 granted patents in several countries.

(in INR million)

Particulars	March 31, FY21	March 31, FY22
Capital Expenditure	19	16
Revenue Expenditure	405	572
Total	**424**	**588**
R & D Expenditure as % of Revenue	2.3%	2.8%

LIFECYCLE MANAGEMENT

We strive to achieve cost leadership across many of our products through the careful application of operations initiatives, sourcing initiatives and R&D initiatives supported through a continuous effort by our Quality and Regulatory Affairs teams. Here is a brief outline of what each initiative category includes:

- **Operations initiatives** include solvent recovery and recycling, optimising batch sizes, the utilisation of new downstream equipment for filtration or drying techniques and yield improvement
- **Sourcing initiatives** include on-going negotiations with vendors based on prevailing market environment and alternate vendor qualification
- **R&D initiatives** include productivity improvement of existing processes through yield optimisation, process cycle time reduction, qualifying lower-cost processes for regulated markets, and backward integration of key starting materials. We implement these measures to reduce costs, improve efficiencies and reallocate resources to support identified growth opportunities in diverse markets.

Our long-term relationships with global generics companies also help us develop future market perspectives, plan capacities, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower overall cost base, thereby maintaining a competitive cost structure to achieve sustainable growth and profitability.

INTELLECTUAL PROPERTY MANAGEMENT

GLS believes strongly in the creation of intellectual property (IP) as a core principle of securing and advancing its business. We diligently look for avenues to advance our IP position through the application of process chemistry, novel polymorphs and newer technologies in manufacturing. We have been granted 76 patents as a result of the efforts of our scientists and engineers. The patents that we have filed in the past and continue to pursue, give confidence to our customers in our ability to enhance our value proposition along with our API offerings.

While we advance on this path of creating our own intellectual property, we also believe in respecting the IP of our customers and our peers. We also further the IP of our customers with complete transparency and, an up-front understanding of assigning complete or joint ownership to our customers. A portion of the IP creation in GLS has joint ownership with our customers and, is leveraged to enhance our own business and that of our customers.

Process Safety Lab

We have a dedicated process safety laboratory with thermal screening unit, reaction calorimeter and powder safety testing facility. All processes are monitored for process safety before scale up and commercialisation.

Kilo Lab

We have a state-of-the-art kilo lab facility with 20L and 50L capacity flasks with a single fluid heat-transfer system. We have multiple 2, 5 and 10L jacketed cylindrical flasks to simulate the reactions to plant scale equipment.

Product Characterisation

We have advanced product characterisation techniques like LCMS, GCMS, ICPMS, XRD, DSC, TGA etc., for impurity characterisation and solid state studies.

QUALITY AND COMPLIANCE

At GLS, quality is paramount and ingrained in every step of our API process – right from R&D and technology transfer to manufacturing. With the geographic expansion of the industry, there have been concerns over the quality of imported drugs globally, leading to an increased scrutiny by regulatory bodies on quality and compliance. We have invested significantly in current Good Manufacturing Practices **(cGMP)** by upgrading our facilities with process automation, high quality equipment and making significant investments in training and upskilling of our employees.

We have been implementing cGMPs across each of our manufacturing facilities, which are monitored by a comprehensive Quality Management System (QMS), encompassing all areas of business process - from R&D and raw material procurement to manufacturing, packaging and delivery. We focus on product quality through compliance with global regulatory standards as well as compliance with local and state laws that encompass manufacturing regulations, environmental clearance norms and other statutory norms.

We strongly believe that maintaining high standards of process innovation that goes hand-in-hand with quality in our R&D and manufacturing operations is critical to uphold our brand value and maintain a long-term relationship with our customers. Therefore, quality is designed into the products as they undergo multiple quality checks before reaching our customers. We have state-of-the-art quality control facilities with high-end equipment to ensure high-quality products to our customers.

Quality-Focussed Manufacturing and R&D Infrastructure

The pharmaceutical industry is highly competitive, regulated, and in a continuous state of change. The quality of a pharmaceutical product is defined as one that is pure, correctly identified, effective and safe to use. Customers and patients have an ethical right to expect quality pharmaceutical products. At GLS, our quality and regulatory teams adhere to extremely strict compliance standards. This has helped us maintain an excellent track record with regulatory inspections and approvals.

Since 2015 our facilities have been subject to 38 inspections by various regulators on a periodic basis including the USFDA, PMDA, COFEPRIS, Health Canada, EDQM, ANVISA, WHO, other European regulatory agencies and CDSCO. They have also been subject to 432 customer inspections and audits.

FDA U.S. FOOD & DRUG ADMINISTRATION

pmda

Cofepris Comisión Federal para la Protección contra Riesgos Sanitarios

Health Canada

edqm

ANVISA Agência Nacional de Vigilância Sanitária

CDSCO

Quality-focussed, Compliant Manufacturing and R&D Infrastructure

Manufacturing Infrastructure

Location	Annual Installed Capacity (Jun-22)	Last USFDA Inspection Date	Approvals
Ankleshwar, Gujarat	**550.2 KL**	July 2019	USFDA, MHRA (UK), FIMEA (Finland), Romania (Europe), PMDA (Japan), COFEPRIS (Mexico), Health Canada, Korean FDA (KFDA) (South Korea), WHO, CDSCO, India Gujarat State FDA
Dahej, Gujarat	**141.9 KL**	Oct 2018	USFDA, EDQM (Europe), PMDA (Japan), FNSM (French National Agency) KFDA (South Korea), WHO, CDSCO, India Gujarat State FDA
Mohol, Maharashtra	**49.1 KL**	March 2018	USFDA, WHO, CDSCO, India State FDA
Kurkumbh, Maharashtra	**24.6 KL**	-NA-	Maharashtra FDA

R&D Infrastructure

Location
Ankleshwar, Gujarat • Cost improvement programmes and process improvements
Dahej, Gujarat • Oncology R&D • Cost improvement programmes and process improvements
Mahape, Navi Mumbai • R&D for new product development and complex molecules • High-end analytical equipment for characterization

GLS has an independent quality governance function to ensure quality and compliance throughout manufacturing, testing, release and distribution in line with cGMP.

Our Quality Control laboratories are well-equipped with high-end sophisticated instruments such as LCMS (Liquid Chromatography with Mass Spectra), GCMS (Gas Chromatography with Mass Spectra), ICP-MS (Inductively coupled plasma mass spectrometry), XRD (X-ray diffraction), etc. required to analyse drug substances in line with pharmacopoeia and regulatory requirements.

The analytical instruments in the quality control laboratory are in compliance with respect to computerised system as per regulatory standards such as 21 CFR Part 11.

MANUFACTURING EXCELLENCE

We have built four state-of-the-art multi-purpose manufacturing facilities at Ankleshwar, Dahej, Mohol, and Kurkumbh, complying with cGMP standards and ensuring reliable, high quality and advanced manufacturing operations. Three of these facilities have been inspected by the US-FDA and other global regulatory bodies.

Infrastructure

These four manufacturing plants have a reactor capacity of 770 KL and will have an additional capacity of 680 KL by FY23. This will allow us to manufacture over 100 APIs each year at commercial scale, aggregating approximately 750 MT.

Our facilities are supported by allied infrastructure in Quality Control, Quality Assurance, Warehouses, Utilities and fully functional waste treatment plants. We have invested significantly in cGMP by upgrading our facilities with process automation, advanced equipment and investments in training and upskilling employees.
We adhere to strict compliance standards, i.e, latest cGMP standards which has helped us to maintain an excellent track record with regulatory inspections.

Intellect & Expertise

We have the expertise in performing a vast multitude of reactions like Grignard, Hydrogenation, Bromination, Swarn Oxidation, etc. in a systematic, scalable and safe manner. Our facilities are designed to handle multiple products with in-house solvent recovery plants. From product development to API manufacturing, our capabilities extend across the supply chain.

Our highly-skilled workforce of engineers and chemists focus on continuous improvement of product quality and yield.

With our strength of 2 decades of experience and expertise in API development and manufacturing, we are well positioned to meet our customers' API & intermediates needs. Our experience and competencies enable us to understand customer needs and develop high-quality API solutions that offer an edge from an intellectual property and regulatory perspective. Our core strength is our manufacturing facilities that can handle production scales from few kilos to multi tonnes.

Standardisation & Modularity

We adopt uniform manufacturing standards across all the facilities and have achieved standardised product quality as per each market requirement. Having received several major regulatory approvals and accreditations, we supply our products in regulated and emerging markets.

We currently have multi-product manufacturing facilities to cater to market demand and are well equipped for backward integration of key starting materials.

All our plants are multi-purpose and give us the ability to scale up with ease. This enables us to support launches of large quantities within a short period.

Our manufacturing facilities include dedicated areas for Quality Control, Quality Assurance, Warehouse, Materials & Finished Goods Stores, In-house Microbiological laboratory and fully functional Effluent Treatment Plants.

Advanced Manufacturing Practices

At Glenmark Life Sciences, we use technology efficiently and keep investing in sophisticated instruments and state of the art machineries, to achieve manufacturing excellence. Our manufacturing facilities have adequate facility for treating waste aqueous streams in Effluent treatment plants.

We also have additional facilities to recover solvents. The industry in which we operate is subject to significant technological changes and novel chemical processes, with constant introduction of new and enhanced products. We always keep our technology, facilities and machinery current with the latest international standards and the technologies.

Way Ahead

As we go forward, we will continue to expand our manufacturing scale & breadth across key segments to leverage new opportunities, maximise our portfolio and reach out to more customers.

We are adding capacities in three stages.

1 We are increasing our API manufacturing capabilities by enhancing the existing production capacities at Ankleshwar and Dahej facilities during FY23 by an additional total installed capacity of 640 KL.

This additional production capacity through these two large brownfield expansions will help us further expand our generic API production and also grow our oncology product pipeline.

We are coming up with a dedicated infrastructure at our Dahej facility for the manufacturing of high potent and Oncology APIs in FY23.

2 We are also expanding capacities in the form of backward integration of intermediates, additional API capacity for existing products and new products. This will not only reduce our dependence on external vendors and secure the value chain, but also drive our future growth.

3 We are developing a Greenfield facility spread over 40 acres in Solapur to further expand the manufacturing capacities and capabilities. The development is well underway and is expected to become operational in the middle of FY25.

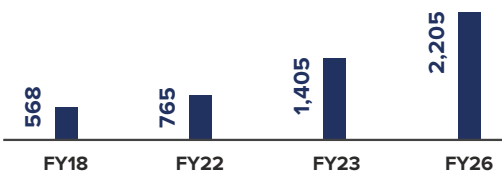
The new facility will provide a platform for the growth of our CDMO business and also add capacity for our generic API business. This facility will manufacture both APIs and intermediates and will house several multi-purpose manufacturing blocks with mid to high-volume capacity. It will include a high degree of automation and comply with global regulatory standards, as well as have an aggregate capacity of 600-800 KL over the next three to four years. We have recently received the Environmental Clearance for the Solapur site from MoEF.

Capacity Expansion Plan

Expansion Type	Division	Location	Current Capacity	Status & Planned Capacity	Operational Timelines
Brownfield	**API**	**Dahej**	142 KL	Under Construction **2 Modules -240 KL** **2 Modules footprint ready**	 Q2 FY23 TBD
Brownfield	**Intermediate**	**Ankleshwar**	550 KL	Under Construction **400 KL**	Q3 FY23
Brownfield	**Oncology**	**Dahej**	- -	Under Construction **2 Modules**	Q2 FY23
Greenfield	**API**	**Solapur**	- -	EC Received 1,000 KL **600-800 KL**	FY24 - FY26

Capacity Progress by Year

Total Reactor Capacity in KL



- **Backward Integration plant at Ankleshwar is under construction**
- **Oncology facility under construction at Dahej**

For sustainable growth, we are continuously undertaking cost improvement programmes via process improvements and operational excellence, which are enhancing our productivity. Further, our focus on process safety and environment sustainability add an additional layer of supply security for our customers.

ESG PERFORMANCE

Our API business in Glenmark Life Sciences is a global business which is regulated by major global health authorities from across the world.

We are committed to our various stakeholders - be it regulators, customers, investors, our people, the environment, our neighbours and most importantly, the patients whom we eventually serve; to use good science coupled with the latest regulations in order to run our business in a sustainable manner.

Our aim is to create a positive impact, both internally and externally through continuous commitment, agility, reliability and responsibility. Multiple sustainability practices are integrated in all our core business and manufacturing functions in order to achieve this aim.

We proactively adhere to all significant Indian national and state environmental laws and regulations that are pertaining to our industry. This includes regulations relating to the prevention and control of water and air pollution, environmental protection, hazardous waste management and noise pollution.

We aim to comply with applicable health and safety regulations and other requirements in our operations; and have adopted an Environmental, Health and Safety (EHS) policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees as well as people working at our facilities or under our management.

Periodic assessment of working conditions of our employees is carried out to ensure a safe working environment at our manufacturing facilities.

TO DRIVE BUSINESS GROWTH WHILE ENSURING CONTINUITY, WE CONTINUE TO MAKE SIGNIFICANT INVESTMENTS IN NEW TECHNOLOGIES FOR

Reducing our Carbon Footprint

via cleaner energy, and recycling as well as reusing water and solvents

Backward Integration and Automation

in manufacturing

Enhancing Technology

for waste treatment of solid, liquid and gaseous waste streams

Training

at all levels to ensure safer operations while adhering to cGMP norms

Safety Pyramid Structure

for safety which starts with process safety at the top followed by engineering controls and protocols for safe handling including the use of Personal Protective Equipment (PPE)

All the above initiatives which will be discussed in the following pages will help us to be future-ready while ensuring sustainable operations.

ENVIRONMENT

Towards a Healthier and Safer Planet

We are focussed on enhancing sustainability of our operations through meaningful interventions in environment management, safety initiatives in our operations and occupational health of our workforce. We have undertaken various initiatives relating to energy efficiency, recovery and reuse of solvents, water conservation, and waste management to reduce our environmental footprint.

Energy Conservation & Water Management

The key facets of our environment sustainability initiatives include shifting to renewable sources of energy, creating carbon sinks through tree plantations, improving water conservation practices, enhancing energy efficiency and enhancing the resilience of our operations.

In our effort to decarbonise our operations, we have:

- **Started utilising renewable energy like Wind Energy and are in the process of adopting Hybrid Power (Wind and Solar energy) at our Ankleshwar Plant in the near future. We have utilised 21,51,830 kWh of Hybrid Power which is 3.5% of our total electrical consumption**

- **Shifted to bio-briquette based boiler from bio-diesel based boiler at our Mohol plant**
- **Installed solar-powered LED lights at our Kurkumbh and Mohol facilities**
- **Have switched to bio-degradable husk-based briquette boiler in our Dahej facility and will take the same approach in our Ankleshwar facility in FY23**
- **Energy conservation measures in our Ankleshwar, Dahej, Mohol and Kukumbh manufacturing facilities resulted in net energy conservation of 3,082 GJ in FY22**

- **We also focus on water conservation via Zero Liquid Discharge (ZLD) capabilities in all of our manufacturing facilities. The treated waste water is recycled and reused in utilities such as cooling towers, boilers and for gardening purposes**
- **Through sustained water conservation efforts, we have reduced water consumption at our Ankleshwar, Dahej, Mohol and Kurkumbh manufacturing facilities from 0.702 kl/kg in FY21 to 0.616 kl/kg in FY22**

142,304 kl **of treated effluent recycled**

WATER NEUTRALITY - WATER CONSUMPTION PATTERN IN GLS SITES

FY	Total KL	Specific Water Consumption KL/Kg of product
18-19	315,098	0.926
19-20	314,057	0.842
20-21	336,660	0.702
21-22	353,230	0.616

YoY Reduction

Waste Management

We have established Standard Operating Procedures (SOPs) to handle different categories of waste and our waste management strategy includes monitoring and control procedures for waste categorisation, segregation, minimisation, safe handling, transport and disposal of waste.

5,635 MT **of hazardous waste co-processed or recycled at our Ankleshwar and Dahej manufacturing facilities in FY22**

In our efforts to ensure resource conservation, we have modified our existing processes and implemented solvent recovery systems at our Ankleshwar and Dahej facilities. This system enables us to recover and recycle spent solvent while also minimising the volume of solvent being disposed. Together, these factors reduced the waste generated by recovering process solvents, thereby acting as an alternate to virgin solvent, and increased solvent recovery.

Our manufacturing facilities at Ankleshwar and Dahej are ISO 14001:2015 and ISO 45001:2018 certified for environment management and occupational health and safety management systems. This reflects on our commitment to enhance our EHS performance.

Yield Improvement Programmes

We have always had a laser sharp focus on operational excellence and seek to cut cost, minimise waste and improve efficiency in all our manufacturing processes. Our R&D programme also has projects to reduce usage of solvents and also improve existing solvent recycling ratio in the manufacturing processes.

This not only makes the processes intrinsically safe and environment-friendly but also improves overall plant efficiency and profitability.

ESG Recognition

The work done by GLS was recognised by the Dow Jones Sustainability Index (DJSI), under the category of emerging markets for the third consecutive year, in a combined submission made by Glenmark Pharmaceuticals.

The DJSI is one of the world's most respected and widely accepted sustainability benchmarks globally with only the top ranked companies in terms of corporate sustainability within each industry featured in the index.

The DJSI analyses companies on their corporate economic, environmental and social performance, to assess issues including corporate governance, risk management, environmental policy and management systems, supply chain management, occupational health and safety, labour practices, innovation and cyber security amongst others.

Inclusion in this list is considered highly prestigious by global investors, financial analysts and other stakeholders and serves as a benchmark for investors who integrate sustainability considerations into their portfolios.

SOCIAL

Towards Employee and Community Empowerment

Our foundation has been built on trust, technology and sustainability with our people at the centre of it all, which helps us achieve sustainable growth and performance. The leadership team at Glenmark Life Sciences is highly committed to the growth of the organisation, by developing people through a robust talent development strategy. In order to align to this high growth aspiration of the organisation, we believe in driving a culture of innovation, ensure process/system efficiency and cost consciousness as key growth drivers for the organisation.

Training and Development

A key underpinning of the GLS brand is the investment we make in the training, development and growth of our people. We strengthen our talent pool through learning opportunities, providing the information, tools and other resources that employees need to thrive.

SIM LAB

It is a blended learning approach which combines the classroom learning and on-the-job training in a simulated plant environment with various prototype machineries and equipment. It aims to update new employees with the desired level of technical skills and knowledge, and enable them to understand the complexities of operations. It also enhances functional capabilities of existing employees, shortens the learning curve, ensures optimal production output and minimises incidents.

The SIM Lab consists of various machines, tools, equipment and Personal Protective Equipment (PPE) which are actually used in the production environment. In SIM Lab, trainees go through the following modules:

Induction Programme (Aarambh) | Safety Modules

Chemical Handling Modules | SOP Demonstrations

Our initiatives such as i-PRO (Improvement Projects) and Aarambh (a highly curated on-boarding model that bridges the gap between learning and knowledge assimilation) are industry-firsts.

ÄARAMBH – THE FLAGSHIP ON-BOARDING PROGRAMME

Today knowledge assimilation is considered one of the biggest challenges in the pharmaceutical industry. As a first such on-boarding programme in the industry, we introduced Aarambh, a highly curated model that seeks to bridge the gap between learning and knowledge assimilation.

This has proven to be extremely useful in an industry that is highly governed by regulatory authorities and where induction is not just a casual intervention but a necessity of the statutory compliance. **Aarambh was recognised with a silver award by the Economic Times Human Capital Awards** as mentioned earlier. The hybrid learning approach of virtual plus simulated learning through SIM Lab has been a game changer.

BEHAVIOURAL COMPETENCY DEVELOPMENT

These interventions are meant to develop individuals' or families' behavioural competencies (as per the competency framework/business needs) and/or to address individual development plans for the purpose of performance management, improving business effectiveness, talent development and employees' career growth.

GROW - LEADERSHIP DEVELOPMENT

A Management Development Programme (MDP) that is aimed at providing the participants with all that is needed to understand their strengths and acquire the skills required to manage and lead teams. Most importantly, it prepares and develops them for the desired level of competency.

The GROW (Get Ready for Opportunities at Work) initiative is designed in alignment with the company's functional and behavioural competency framework. This initiative will target leaders and potential leaders, and is a blended approach of classroom training and action learning projects. The participants are selected from a pool of identified potential leaders from the middle management.

i-PRO (IMPROVEMENT PROJECTS)

It is a self-development programme through action learning projects where everyone is encouraged to introduce incremental improvements in everything we do from the shop floor to the office. **i-PRO was also recognised with a silver award by the Economic Times Human Capital Awards** as mentioned earlier.

Under the umbrella of i-PRO, we successfully completed 58 projects in FY21 delivered through 262 employees resulting in a cost saving of INR 4.22 crore.

In FY22, 182 projects were selected across the organisation and 350 employees volunteered to participate in different type of the projects. i-PRO has primarily helped in building a culture of oneness, innovation, progression, agility and continuous improvement with a direct focus on operational efficiency.

i-PRO helps employees to think out-of-the-box and develops team members in terms of functional and leadership capabilities. The projects are driven by Cross Functional Teams that lead towards team collaboration. This led to 23 job rotations last year and this year, 32 employees became eligible for a role change.

GLS EXCELLENCE AWARDS

These awards were introduced to reinforce a sense of connection between the employees and the organisation around performance and consistency of work through spot awards, quarterly awards, and annual awards. They cover employees across operations (production, engineering, and warehousing), quality (quality control and quality assurance), and research & development (analytical research and process research) and EHS spread across five different locations.

Our work force is a critical factor in maintaining quality and safety, which strengthen our competitive position.
As of March 31, 2022, we had 1,655 employees, across operations, quality, R&D, sales and marketing, regulatory, intellectual property and other departments.

We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

Function-wise split of our employees
(as on March 31, 2022)

Department	No. of Employees
Operations	869
Quality	420
Research & Development	274
Corporate	92
Total	**1,655**

Women employees across departments

Department	Department-wise %
R&D, IP	10
Quality	11.9
Marketing	58
Regulatory	59
HR, Admin, Accounts	20

Promoting Diversity and Inclusion

We are committed to an inclusive workplace that brings out the best in all of us. We respect all employees for their unique expertise and welcome the ideas they bring from their individual experience, education and training. We continually strive to make our operations more efficient, while creating a respectful work environment for each member of our team.

Gender

- Many of our key functions such as, business strategy, corporate communications, intellectual property management, marketing and customer service are led by highly competent and committed women professionals
- There is a strong focus on furthering Gender Diversity by increasing the women employees in the organisation
- We have initiated recruiting women employees in manufacturing functions such as Tech Transfer, Production and Plant R&D
- To build awareness and create more secure spaces for female employees, we have covered 100% employees under POSH

Age

We have a healthy mix of young and experienced manpower.

- Ages 21 to 40: **1,309 employees**
- Ages 41 to 60: **346 employees**

Differently Abled

Differently abled employees are absorbed in the system on jobs/roles based on their competencies. Currently, there are 4 differently abled employees in our workforce.

Regional Diversity

- To promote inclusiveness and a culture of belonging, we celebrate festivals across the country with local cuisines and other cultural events

Health and Safety

Today the most important asset in our company is not our products or science or the manufacturing facilities, but our people. And we believe that a safe workplace is a productive workplace. We are committed to providing a safer workplace through continuous improvement of our infrastructure, work practices and behaviours.

Our products, including the process of manufacturing, storage and distribution, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities. Therefore the proper handling and storage of these materials will avoid incidents that impact our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures.

56,078 **cumulative person-hours of safety training imparted across all locations**

We take safety seriously across all levels in our operations and R&D, and there is a tremendous sense of ownership for safety in our organisation. The safety department is responsible for imparting training programmes to all employees, stressing the importance of safety measures on the shop floor and their proper usage during emergencies.

As part of the Safety Cultural Transformation journey, we have initiated 'Leaders Gemba Walk' led by the Site Head and key site leadership teams. The aim is to identify procedures vs practices and the related gaps as well as review on ground practices, where things are happening, where seriousness is maximum and one cannot afford any deviation.

Periodic assessment of working conditions of our employees is carried out to ensure a safe working environment at our manufacturing facilities. We won the GreenTech Safety Award for three consecutive years - 2017, 2018 and 2019.

Corporate Social Responsibility (CSR)

Our Corporate Social Responsibility interventions build replicable, sustainable solutions that actively contribute to both community and environment. Our Vision is to actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation.

Through our CSR activities, we have a vision of 'Enriching lives to create a healthier and happier world.' Our CSR activities are also aligned to multiple Sustainable Development Goals (SDGs), and we are currently contributing to six key SDGs (Hunger alleviation, Good Health and Well-being, Quality Education, Gender Equality, Clean Water and Sanitisation, Reduced Inequalities) through our CSR activities.

Our CSR focus areas are

Water Management | Access to Healthcare

Community Development | Sports Promotion

Education | Sustainable Livelihood

Employee Volunteering Programmes

We see our CSR strategy as a means of further aligning our business to the global sustainable development agenda. We have a robust monitoring system that tracks the progress and effectiveness of our interventions. Our CSR activities are monitored by the CSR Committee of our Board.

To ensure the health and well-being of communities in rural areas, Glenmark Life Sciences (GLS) promoted health care including preventive health care. Through the initiatives such as ICU on wheels it provides ambulance services for critical patients across 130+ villages of Bharuch and Vadodara districts. Additionally, GLS distributed nutrition kits in 12 villages of Gujarat and provided over 8,10,000 meals, benefitting 1,800 women and 90,000 indirect beneficiaries of the vulnerable communities. To make safe drinking water available and address the issue of water scarcity in villages of Solapur district, we installed Alkaline water filters, borewell and pipeline which further enhanced the water quality in the villages improving health condition of the locals.

GLS also promotes education, including special education and employment, enhancing vocation skills, especially among children. For the women, elderly and the differently abled it conducted livelihood enhancement projects in Bharuch. To empower the youth and address the issue of unemployment the company initiated skill development programs, thereby training over 3,000 individuals. This also helped enhance the quality of learning and teaching in rural areas.

Additionally, it donated E-learning equipment and software for 1st to 10th standard students of the Gujarat State Education Board status, benefitting over 5,000 villagers. Through Glenmark Aquatic Foundation, it also trains and promotes Olympic sports, inorder to transform the ecosystem of swimming in India.

GOVERNANCE

Towards Corporate Excellence

We have a strong corporate governance system to monitor, guide and support our operations, with oversight by an experienced and diversified Board.

Glenmark Life Sciences is an independent and professionally managed organisation that reports to the Board.

All the governance mechanisms are in place and continuously monitored by the Board. It ensures strategic oversight over business operations and ensures compliance with the legal framework, integrity of financial accounting and reporting systems and brings in credibility through proper and timely disclosures.

The corporate governance provisions of the Listing Regulations are applicable to us since the listing of the equity shares on the stock exchanges. We are in compliance with the requirements of the applicable legislations and regulations, including the Listing Regulations, the Companies Act with respect to corporate governance including constitution of the Board and Committees thereof, and formulation of policies.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

- Our Board has been constituted in compliance with the Companies Act and the Listing Regulations, and the guidelines issued thereunder from time to time. The Board of Directors functions either as a full Board or through various Committees constituted to oversee specific operational areas
- The executive management provides detailed reports of its performance periodically to the Board of Directors
- The SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 with effect from May 5, 2021 requires the top 1000 companies as per market capitalisation (as at the end of the immediate previous financial year) to constitute a risk management committee. We have therefore constituted a Risk Management Committee under SEBI LODR

MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

A tentative recovery in 2021 was followed by increasingly gloomy developments in 2022 as risks began to materialize. During the year 2022, several shocks hit a world economy already weakened by the pandemic: higher than expected inflation worldwide especially in the United States and major European economies triggering tighter financial conditions; a worse than anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spill overs from the war in Ukraine.

SURGING INFLATION

We are witnessing decade-high inflation rates across the markets globally. In the United States, the consumer price index rose by 9.1% (YoY) in June 2022 whereas it rose by 9.1% in the UK in May 2022 - the highest inflation rates for these two countries in the last 40 years. In the European Union, inflation reached 8.6% in June 2022, its highest level since the inception of the monetary union. Emerging economies have seen inflation reach 9.8% in the second quarter of the year 2022. A rebalancing of demand back toward services have in most economies driven up headline inflation along with higher food prices, energy prices and supply chain hurdles. Companies across the world have been struggling with higher input prices, a tighter labour market, and higher interest rates which has led to the passing-off of the part of incremental cost to the consumer contributing to overall inflation.

In response to surging inflation, central banks across the world are withdrawing monetary support and are raising policy interest rate at a faster pace. The interest rate hikes are aggressive and steep compared to past advanced economy tightening cycles. This has resulted in a rise in longer-term borrowing costs, including mortgage rates, and tighter global financial conditions leading to negative impact on overall growth.

SUPPLY CHAIN HURDLES

A property crisis, sluggish demand, and a disruptive zero covid policy have led to a severe economic downturn in the Chinese economy. The government imposed lockdowns have forced companies to shut down their factories, impacted transportation of goods, and led to multiple port closures. Customers are forced to bear increased shipment and storage charges. The logistics bottlenecks have led to delayed shipments and significantly slowed average shipping times. The Chinese crisis has resulted in global consequences as several manufacturing hubs for international brands are situated there.

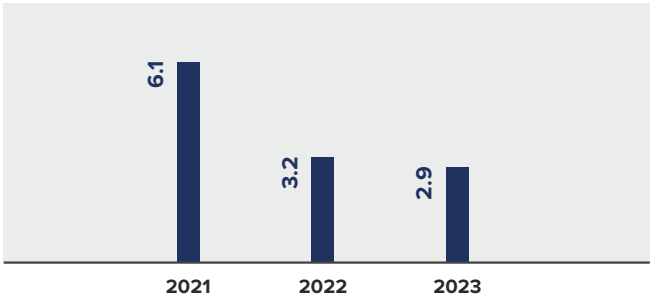
The Ukraine war's effects on major economies have been negative, owing to higher energy prices as well as weaker consumer confidence and slower momentum in manufacturing resulting from persistent supply chain disruptions and rising input costs.

Major economies globally fear that a slowdown in two of the world's biggest economies- China and the USA could spill over swiftly.

OUTLOOK

As per IMF, the baseline forecast is for growth to slow from 6.1% last year to 3.2% in 2022. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and it is anticipated to reach 6.6% in advanced economies and 9.5% in emerging market and developing economies this year upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.

World (Real GDP growth, percent change)



Source: IMF World Economic Outlook

Indian Economy

As India entered the calendar year 2022, there was optimism in the air.

India was getting ready for a strong recovery the economic growth with various international agencies placing India under their top 3 fastest growing economy for the year.

The optimism faded quickly as the Omicron wave surged through the country followed by the Russian invasion of Ukraine in February 2022. Already strained supply chains started feeling the heat of these events, leading to higher input prices, energy prices, and a penultimate rise in inflation leading to the slowing of economic engine.

As per Hans India, about 70% of medicine ingredients in India are imported from China. Imports for several electronic components for devices like smartphones, chips, and semiconductors for multiple applications and chemicals have been affected by the ongoing crisis in China. Not only has the disruption in supply chains pushed Indian companies to identify alternative supply sources but also driven the government to incentivize domestic production of the earlier imported components.

Working towards the Atmanirbhar Bharat Abhiyan (Self Reliant India campaign), the government has introduced PLI (Production-Linked Incentive) schemes in 14 sectors to create new jobs exceeding 60 lakh jobs.

Although the economic downturn in China continues to negatively impact India, it has also driven India to scale up its capabilities to compete better globally.

OUTLOOK

India's GDP growth moderated to 4.1% in Q4 of fiscal year 2022 on disappointing growth in private consumption and a contraction in manufacturing. India has been hit by the Omicron COVID-19 variant and the economic impact of the war in Ukraine.

Consequently, GDP growth for FY2021 is revised down from 8.9% to 8.7% and from 7.5% to 7.2% for FY2023. Although consumer confidence continues to improve, higher than expected inflation will erode consumer purchasing power. Some of the impact of this may be offset by a cut in excise duties, the provision of fertilizer and gas subsidies, and the extension of a free-food distribution program. Private investment is expected to soften due to the higher cost of borrowing for firms as the RBI continues to raise policy rates to contain inflation.

Net exports will shrink due to subdued global demand and a rising real effective exchange rate eroding export competitiveness despite a depreciating rupee. On the supply side, higher commodity prices will boost the mining industry. But manufacturing firms will bear the brunt of higher input costs due to rising oil prices.

The services sector, hit hard by COVID-19 since 2020, will do well as the economy opens up and travel resumes. Even so, growth in FY2023 is revised down to 7.8%.

Source: Asian Development Outlook

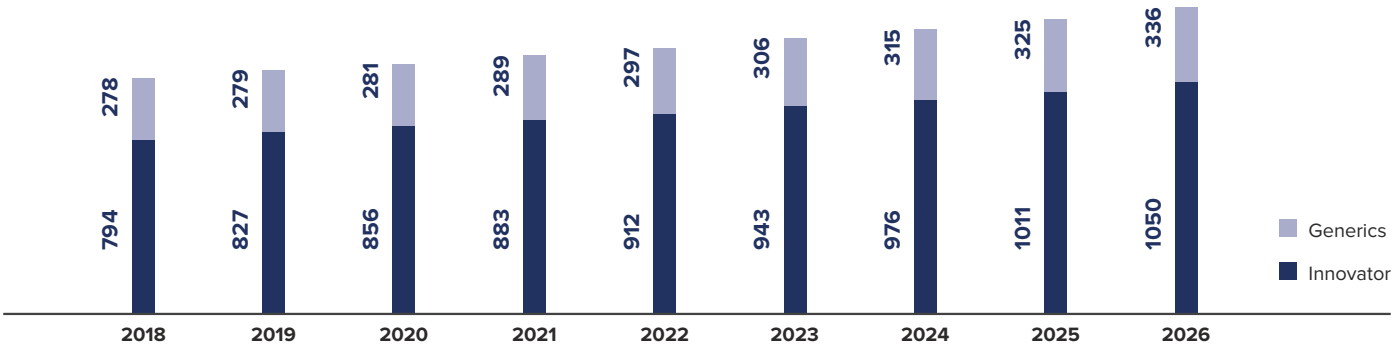
PHARMA INDUSTRY OUTLOOK

Global Pharma Industry

The global pharmaceutical industry is rapidly transforming across all value chains - from manufacturers and providers, to patients. The global formulation market was estimated to be around US$1,137 billion in 2020 and is expected to grow at a CAGR (2020-2026) of 3.4% to reach to about US$1,386 billion by 2026. Growth in the market is largely attributed to the launch of novel therapies, expansion of existing therapies, growing demand for generic medicines, biologics and personalized medicines as well as accelerated demand for effective treatments and drugs. In the global market, innovator formulations sales were around US$856 billion in 2020 and it is expected to grow at a CAGR of 3.5% from 2021 to 2026 to reach to about US$1,050 billion by 2026. Generics, which are around 25% of the current market, will increase from US$281 billion in 2020 to about US$336 billion in 2026 at a CAGR of 3.1% during the forecast period.

Global Formulations

US$ Billion



REGULATORY ENVIRONMENT IN REGIONS

Region	Environment
USA	Policymakers have introduced several proposals to reduce prescription drug costs in an effort to respond to ongoing concerns about high and ever rising drug prices. The focus on moving towards generics is going to continue.
EU	Has pushed a "Reference Pricing" system which has led to significant savings ranging from 7% to 24%. Reference pricing system groups drugs with identical or similar therapeutic effects into classes, whereby the insurer pays only the reference price, for any drug in a class. Setting a low reference price puts pressure on drug manufacturers to reduce prices for drugs as consumers would switch to lower-cost products. UK & Italy: Reference price at the lowest-price drug in the class | Germany & Spain: Average price across drugs
Brazil	Sindusfarma (Brazilian Pharmaceutical Body) is pushing for several key changes including relaxed price controls, the elimination of taxes on the production of medicines and less red tape around drug approvals. For APIs: Government to begin providing incentives to bolster local production by the end of 2021. The incentives could be tied to building new production facilities for APIs and are being discussed alongside the issue of lowering or streamlining taxes.
Japan	A traditional high focus on the GMP and tighter controls when it comes to the manufacturing process. It has become even tighter given the recent violations by few of the domestic companies. It strengthens the stand of the companies that have good controls in their manufacturing processes.
Russia	Russia 2030 pharma strategy's goals was to support the healthcare system with all essential and vital drugs produced domestically, with the aim of reaching the local industry's share of total drug sales to 50%, including medications for rare diseases.

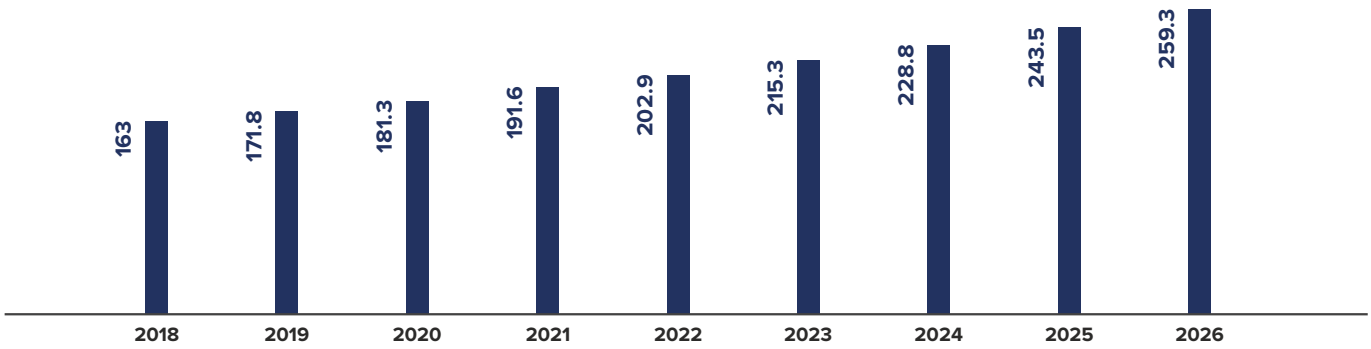
OVERVIEW OF GLOBAL API MARKET

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

The rising prevalence of chronic disorders, increasing demand for personalized medicine and emergence of novel drug delivery devices are some of the key factors expected to drive the API market over the next five years.

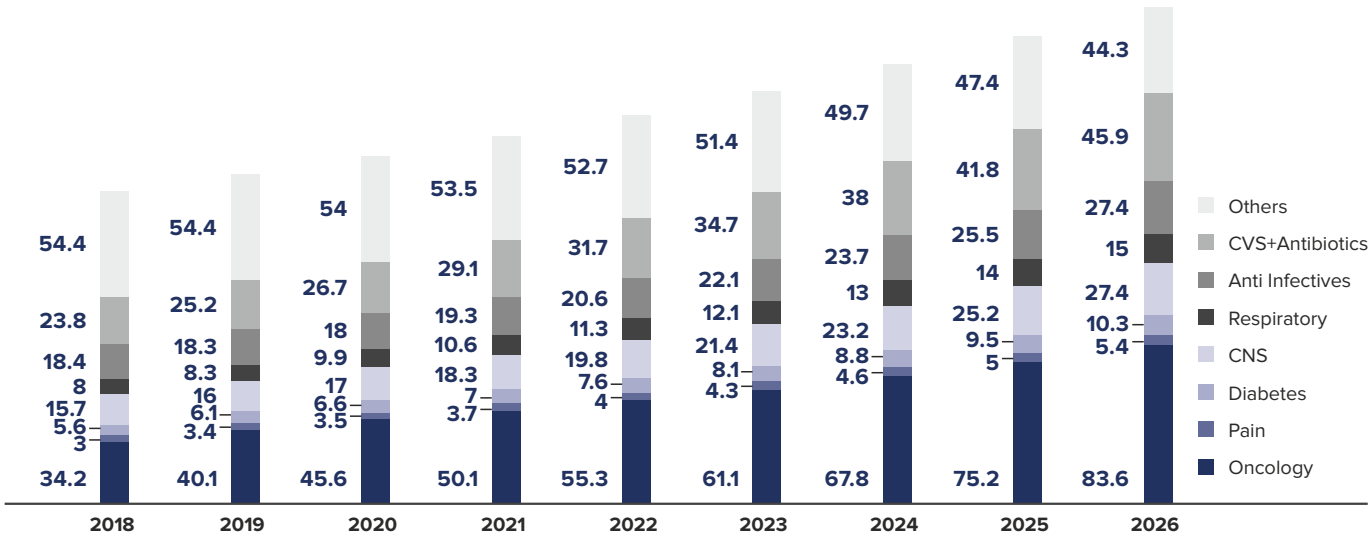
Global API Market

US$ Billion (estimated)



API Market by therapy area

US$ Billion



	Onco	Pain	Diabetes	CNS	Resp	Anti Infec	CVS	Others
Global Portfolio Mix	27%	2%	4%	10%	6%	10%	16%	26%
GLS Portfolio Mix	8.3%	0.6%	15.6%	8.6%	3.6%	2%	34.5%	26.5%

INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceuticals' value added output is riding on the back of a strong rebound in non-COVID-19 medical treatments, a surge in generic drug exports and the massive vaccinations rollout in the country. While the industry faced strong headwinds from transport costs, supply-chain challenge and high commodity costs during H1 of 2022, domestic pharmacies and wholesalers continue to generate low but stable margins.

Indian pharmaceutical industry is expected to touch ~US$ 65 billion by 2024. India ranks 3rd worldwide for pharmaceutical production by volume and 14th by value with a robust network of 3,000 drug companies and ~10,500 manufacturing units. India is also the largest producer of vaccines worldwide and as of 2021, accounts for ~60% of the total vaccines. Indian pharmaceutical exports stood at US$ 24.44 billion in FY21 and US$ 22.21 billion until February 2022.

Indian pharmaceutical industry

3,000
drug companies

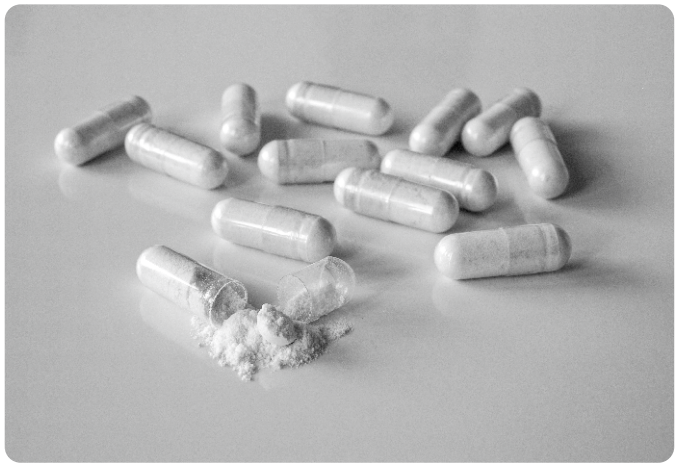
~10,500
manufacturing units

Largest
producer of vaccines

Indian pharmaceutical exports (till February 2022)
US$ **22.21** billion

India is the second-largest contributor of global biotech and pharmaceutical workforce.

INDIAN API INDUSTRY



The Indian API industry has been on a high growth trajectory over the past few decades. It has contributed significantly to the global generics market fulfilling 20% of the global demand in generics in terms of volume, making India the largest provider of generic medicines globally. Currently, India has highest number of USFDA-approved plants outside of the United States as well as 44% of global abbreviated new drug applications (ANDA).

Also, ranked third in the world, the Indian bulk drug industry has grown at a CAGR of around 9% over 2016-2020. It is further expected to expand and grow at a CAGR of around 9.6% during 2021-2026, signifying its future potential and evolving global importance.

Competitive advantage of India in the API industry

India has a strong API domestic market. Indian firms have several advantages over their Western rivals, including:

- India is on par with other countries in terms of technological capabilities and process efficiency.
- India has a very high quality and manufacturing standards along with a strong chemical industry and skilled workforce.
- Experience in reverse engineering in the manufacturing of generics has aided several businesses in streamlining the process and increasing manufacturing efficiencies.
- The costs are very low in India - in reality, they are only two-fifths of what it costs to set up and operate a modern manufacturing plant in the West. Because of the low production and labour costs, companies can operate on considerably lower margins.
- Despite the difficulties, the instability in Chinese supplies due to COVID-19 pandemic has caused several major pharmaceutical countries to reconsider and reshuffle their API import sources. In 2020, an estimated 40% of all factories in China have shut down, resulting in supply disruptions and higher costs. As the emerging countries (Middle East, Africa, and Latin America) are pushing for local manufacturing of generics and formulations, India has a great opportunity to become one of the largest API suppliers in the world due to its fairly competitive labour market.
- The fact that India has the largest percentage of DMFs filed in the United States (15%) and the highest number of USFDA-approved API facilities is a significant 'first-mover' advantage.
- Over the last few years, the government has taken positive measures to change the business environment. It has also taken a number of measures for the pharmaceutical industry, including raising the FDI cap and developing a new intellectual property rights (IPR) strategy to encourage innovation. The government is driving the clustering programs and Production Linked Incentive (PLI) schemes, illustrating policy resolution. India will be at a better position if these benefits are paired with other financial incentives such as lower interest rates, capital subsidies, tax and duty exemptions, and reduced infrastructure and energy costs. These steps will help in building an encouraging ecosystem and increase competitiveness for domestic manufacturers to achieve cost competitiveness with other countries.
- The government has approved a PLI scheme worth INR 6,940 crore (US$955 million) to promote domestic manufacturing of essential KSMs, drug intermediates, and APIs. For a period of six years, qualifying manufacturers of 53 specified essential bulk drugs will receive a financial reward based on incremental sales over the base year (2019-20).
- Govt of India has introduced a Production Linked Incentives scheme with an objective to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. The total quantum of incentive (inclusive of administrative expenditure) under the scheme is about INR 15,000 crore.
- Given the effectiveness of high potency API ("HPAPI") therapeutic applications in treating various disorders, domestic HPAPIs are likely to gain momentum now and in the post-Covid period. Biotech APIs will also benefit from an increase in biopharmaceuticals, such as vaccines, therapeutics, and diagnostics, as well as bio services. With a large number of synthetic drugs' patents set to expire, a growing number of small molecules in clinical trials, and a steady increase in contract manufacturing and research services, synthetic chemical API will continue to expand in India.
- In World Bank's Ease of Doing Business Ranking 2020, India jumped 14 places to reach 63rd rank in 2019 due to reforms on trading across borders. As such India made cross-border trade simpler by allowing post-clearance audits, bringing together trade stakeholders on a single electronic platform, upgrading port infrastructures, and improving electronic document submission.
- Wages in China have risen to a level much higher than those in India since 2007, due to a shift in demographics and economic reforms. India's manpower costs are currently lower than China's, and this cost-effective skilled labour supply advantage is expected to continue in the future. The cost of labour in China more than doubled, from 5.2% of the total direct manufacturing cost to 10.6% while in India, it has decreased from 6.1% to 5% (2015 data).
- Over the last few decades, the Indian pharmaceutical industry has experienced rapid growth. It has made a major contribution to the global generics industry, meeting 20% of global generics demand in terms of volume, rendering India the world's largest supplier of generic medicines.

Source: IBEF, IQVIA, BMI, India Bis, Nicholas Hall & Company

ADVANTAGE GLENMARK LIFE SCIENCES

Management

We have a professional and experienced management team with oversight by an experienced Board to chart an independent course for the growth of GLS. Our management team has demonstrated the ability to successfully build and integrate our businesses with various operating activities through their cumulative years of work experience. In particular, they have led the process through which we have created value through organic growth, built brand recognition and loyalty and identified new business opportunities. This has been achieved through a calibrated portfolio buildup which will commercialize within a window of 3-7 years, with a focus on:

Efficiency Enhancement Measures

Effective Capacity Utilization

Talent Improvement across multiple levels

In addition, we have a strong corporate governance system to monitor, guide and support our business and operations.

Business

API GENERICS

At GLS, we built a portfolio of high value, non-commoditised APIs in chronic therapeutic areas, namely, Cardiovascular (CVS) disease, Central Nervous System (CNS) disorders, pain management and diabetes for our customers worldwide.

Some of these APIs such as Olmesartan, Telmisartan, Perindopril (anti-hypertensive), Atovaquone (anti-parasitic), Remogliflozin, Teneligliptin (diabetes), Zonisamide (CNS) and Adapalene (dermatology) have a significant and growing market share in major world markets.

Our API product portfolio spans multiple therapeutic areas such as gastro-intestinal disorders, anti-infectives and other therapeutic areas. A snapshot of key molecules classified by therapy areas is below.

CVS | 35 products

includes Olmesartan, Amiodarone, Telmisartan, Perindopril, Rosuvastatin and Cilostazol

CNS | 25 products

Includes Oxcarbazepine, Zonisamide, Topiramate, Bupropion, Ropinirole, Riluzole and Lacosamide

Diabetes | 9 products

Includes Glimepiride, Teneligliptin, Vildagliptin and Linagliptin

Pain Management | 6 products

Includes Etoricoxib, Lornoxicam, Zolmitriptan, Frovatriptan

In March 2020, we embarked on the development of Favipiravir API, to address the needs of patients with mild to moderate symptoms of COVID-19. Our R&D, Manufacturing and Quality team delivered Favipiravir API on commercial scale to our pharmaceutical customers in a record three months, helping to save the lives of millions of patients with an affordable treatment in the comfort of their own homes, thereby avoiding the trouble of undergoing expensive hospitalizations. GLS was able to produce 6,000 kg per month which serviced half a million patients each month. It was a heroic effort (during a grueling lockdown) on the part of all our scientists and engineers in service to our own country and to humankind in many other parts of the world including Turkey, Russia, Egypt and Thailand to mention a few.

We continue to add specialized and profitable products into our portfolio, including niche and technically complex molecules, such as Iron Sucrose, Sucralfate, Ferumoxytol, Ferric Carboxymaltose, Elagolix, Edoxaban, Solriamfetol and Isavuconazonium Sulfate as some examples.

Our total portfolio of 137 API molecules are sold in India and exported to multiple countries in Europe, North America, Latin America, Japan and the rest of the world ("ROW"). We had filed 436 Drug Master Files ("DMFs") and Certificates of suitability to the monographs of the European Pharmacopoeia ("CEPs") across various major markets (i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia). We work with 16 of the 20 largest generic companies globally as of December 31, 2020.

137 API MOLECULES
sold in India and exported to multiple countries

436 DMFs & CEPs
filed across various major markets

CDMO

In the last four years, we have developed business with innovator and specialty pharmaceutical companies in the area of CDMO. Given our capabilities in process chemistry research, manufacturing and analytical research capabilities, we have the ability to attract innovator pharmaceutical companies to partner with us for providing unique solutions tailored to their specifications. We provide lifecycle management solutions for their mature portfolio where genericization has happened or is impending.

In our current portfolio of 137 molecules globally, many molecules offer such opportunities to a complete new set of customers.

In addition, we are focussed on Specialty APIs as an important sub-segment of our CDMO business. Within our specialty API business, we offer customized support to pharmaceutical companies from making regulatory filings, providing research and technological support to manufacturing specialty APIs. As an API provider to such customers, we have helped create value through a blend of product customization and regulatory strategy to allow market access.

We see the specialty business as a key growth opportunity and an added lever for our API market expansion, with multiple companies in the United States currently focussed on developing 505(b)(2) products. In addition, the specialty business offers higher business stability (with improved margins) due to the complex nature of the products thereby leading to high customer stickiness.

Now that GLS operates independently, our business model as a standalone company generates a higher level of confidence with CDMO customers for building partnerships with GLS through technology transfer arrangements that involve sharing intellectual property (IP) for new API development.

Our process research, analytical research and chemistry capabilities enable CDMO services for a range of multinational corporations and specialty companies.

We believe that innovators prefer to select vendors with a strong track record. Our continuous focus on quality and on the sustainability of our operations make us a serious contender to grow this business opportunity.

EVOLVING OUR BUSINESS STRATEGY

After the world economy had multiple setbacks (COVID, energy, war, inflation etc.) with a direct impact on our industry, GLS experienced robust demand for its APIs across most geographies albeit, with a need for competitive prices. This scenerio opens up an opportunity for high-quality APIs with affordable pricing in a large portion of our product portfolio. We embarked on a significant effort to address multiple cost levers to become more efficient via next generation processes, improved manufacturing, solvent recovery, lower-cost energy and an overall savings effort to **"do more with less"** and this effort continues.

Although this was always one of our business mantras, we applied an even greater focus to make a difference to the customers and patients we eventually serve. The multiple touch points of our strategy to fuel the growth, retain the margins while creating a sustainable platform to ensure business continuity is outlined below.

Expand the existing business

- New product launches
- Geographical expansion in order to reduce our dependence on limited geographies
- Focus on new markets becoming more regulated. This initiative drives higher value by virtue of support to the customer throughout their development and commercialisation lifecycle
- Pursue 2nd source opportunities with top generic players in molecules where GLS holds a position of cost leadership

New growth levers

- CDMO business expansion: with a plan to leverage a significant part of our existing portfolio for 505(b)(2) and lifecycle management projects.

- Expand into complex API platforms e.g. Iron compounds and oncology molecules

Operational Efficiencies

Measures to reduce costs, improve efficiencies and reallocate resources to support identified growth opportunities in diverse markets

R&D initiatives

- **Productivity improvement** of existing processes through constant optimization
- Process cycle **time reduction**
- Qualifying **lower-cost processes** for regulated markets
- Better **recovery & recycling**
- **Backward integration** of higher value KSMs (Key Starting Materials)

Sourcing Initiatives

- Ongoing **negotiations with vendors** (basis market environment)
- **Alternate** vendor qualification

Operations Initiatives

- Solvent recovery and recycling
- Optimization of batch sizes
- Utilization of new downstream equipment for filtration or drying techniques
- Yield improvement
- Current technology for better efficiencies
- Green chemistry and effluent reduction

Manufacturing

We currently operate four multi-purpose manufacturing facilities which are located at Ankleshwar and Dahej in Gujarat and, Mohol and Kurkumbh in Maharashtra, with an aggregate annual total installed capacity of 770 KL as on June 30, 2022. Since 2015, our facilities have been subject to 38 inspections and audits by regulators including the USFDA, PMDA, COFEPRIS, Health Canada, MFDS (Korea), EDQM, other European regulatory agencies and CDSCO conducted on a periodic basis.

We have recently increased our API manufacturing capabilities by enhancing the existing production capacities at our Ankleshwar Dahej facilities during FY23 by an aggregate annual total installed capacity of 640 KL. This additional production capacity will help us further expand our generic API production and grow our oncology product pipeline. We plan to begin work on a new manufacturing facility in Solapur, India for the manufacture of generic APIs from FY 23 which is expected to become operational in Q3 FY25. The new facility will also provide a platform for the growth of our CDMO business and add capacity for our generic API business.

A new API facility in Solapur under a Greenfield project has been planned to be built on a 40-acre footprint with a plan to manufacture both APIs and intermediates and will house several multi-purpose manufacturing blocks with mid to high-volume capacity.

It will include a high degree of automation and comply with global regulatory standards, and will have an aggregate capacity of 600 to 800 KL over the next three to four years.

FUELLING THIS GROWTH

- Capacity expansion
  - **Greenfield** - Solapur, 600-800KL
  - **Brownfield** - Dahej, 240KL; Oncology block - Dahej
  - **Backward integration**: 400KL, 1st plant in Ankleshwar
  - **Build R&D capability** for new growth levers
- Renewed focus on low growth molecules

QUALITY FOCUS

We follow Quality Management Systems to build quality into the manufacturing and business processes which are aligned with the organization's focus on quality by design (QbD).

To further strengthen the QMS compliance,

- Training through ASPIRE system (Electronic system to maintain training records) implemented
- Trackwise software for QMS like Change control, OOS, Complaints, Deviations etc. is under development and planned to be implemented in FY23
- For continuous quality data monitoring, Minitab software was procured and implemented in July'22

Improvements related to plant infrastructure for refurbishment as well as storage facility expansion is planned.

AUDIT RECORD

FY22 saw a successful completion of 104 audits.

	FY22	FY23	
	(March 2021 to April 2022)	Completed	Expected
Customer	99	25	62
Regulatory	5	4	1
Total	**104**	**29**	**63**

SITE WISE DETAIL

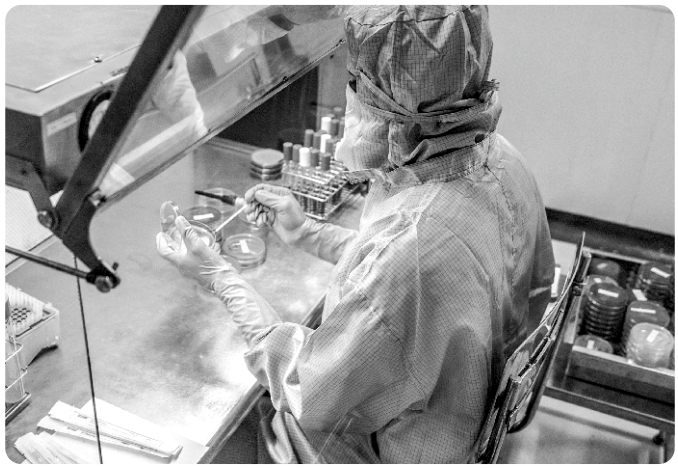
Ankleshwar	FY22	FY23	
	(March 2021 to April 2022)	Completed	Expected
Customer	49	13	30
Regulatory	1 (State FDA)	1 (WHO)	1 (ANVISA)
Dahej			
Customer	33	07	26
Regulatory	1 (WHO)	02 (ANVISA + State FDA)	- -
Mohol			
Customer	9	5	4
Regulatory	2 (State FDA + WHO)	1 (State FDA)	- -

Kurkumbh	FY22	FY23	
	(March 2021 to April 2022)	Completed	Expected
Customer	8	- -	2
Regulatory	1 (State FDA)	- -	- -

FUTURE READINESS

- With travel restrictions getting over post COVID, there is a renewed focus and increased frequency of inspections planned by agencies worldwide. The last inspection by USFDA was in September 2019 and an inspection this year can be expected
- Dahej site was recently inspected by ANVISA, Brazil and some key customers and the site was found to be in compliance
- Ankleshwar site was also recently inspected by WHO and CDSCO successfully

R&D



Our R&D laboratories focus on new product development and complex molecules, cost improvement programs, process improvements and oncology product development. To assist us with our R&D initiatives, we have established dedicated teams for new product development, complex products, oncology product development, technology transfer, life cycle management and project management.

We also engage in a thorough and systematic approach to product selection for our development grid, from a detailed commercial evaluation of the market opportunity of a particular API, its development complexity, intellectual property landscape and the potential competitive scenario. Our product and service line up together enable us to support our customers through all stages of

the product lifecycle and be present across the value chain from product identification, R&D, impurity identification, methods development and controls, setting specifications and laboratory validation followed by technology transfer via pilot scale-up in the commercial plant. This is followed by plant validation enabling commercialization and large-scale manufacturing.

Our capabilities and experience have helped us perform well in regulated markets and have enabled us to successfully partner with customers, including offering our customers a first mover advantage with respect to various products.

We regularly work on developing eight to ten molecules each year.

Building a strong product portfolio

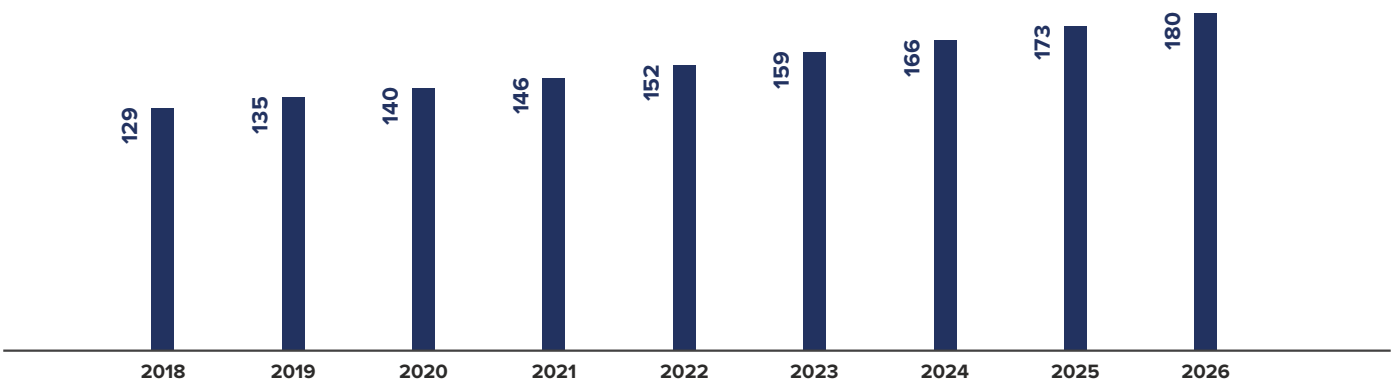
A comprehensive approach while selecting products into our pipeline:

- Molecules' value and volume growth across markets namely, US, EU, JP, ROW, India, LATAM
- Near term prospects of the molecule in terms of patent expiration and novelty of the therapeutic area
- Capability to offer an edge in terms of speed, faster market entry and cost
- Special focus on NCE-1 projects
- Create high barriers by introducing routes that can be patent protected

Our portfolio comprises of 137 products (with 26 products in the pipeline - 19 products in laboratory development; 7 products under validation and 111 products being commercialized) ranging across various chronic therapy areas like cardiovascular, CNS, diabetes, anti-infectives and others. The total front-end addressable market size of GLS' products globally was estimated to be around US$180 billion by 2026 with a growth rate of about 4.3% over the horizon. The future growth of these products is expected to remain stable driven by the rising prevalence of non-communicable diseases, growing demand from the regulated markets for drugs indicated for hypertension, diabetes and cancer, and an ageing population

Market Sizing - GLS Molecules

US$ Billion

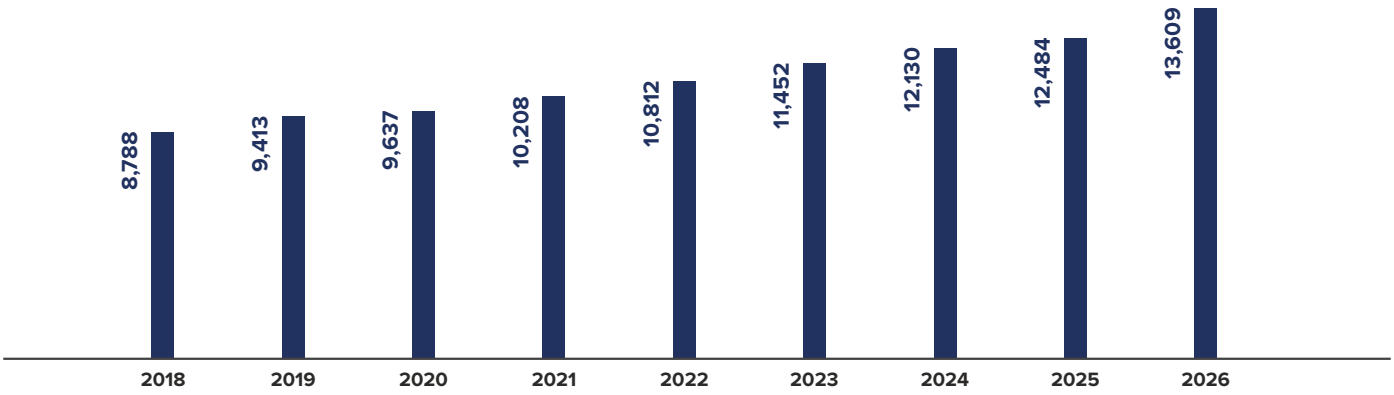


The market size in terms of volume for GLS' APIs is estimated to be about 13,609 tonnes by 2026 at a growth rate of 6%.

Other core areas where GLS offers a competitive advantage are dedicated customer service for all geographies ensuring timely and adequate support that engages customers on a long-term basis.

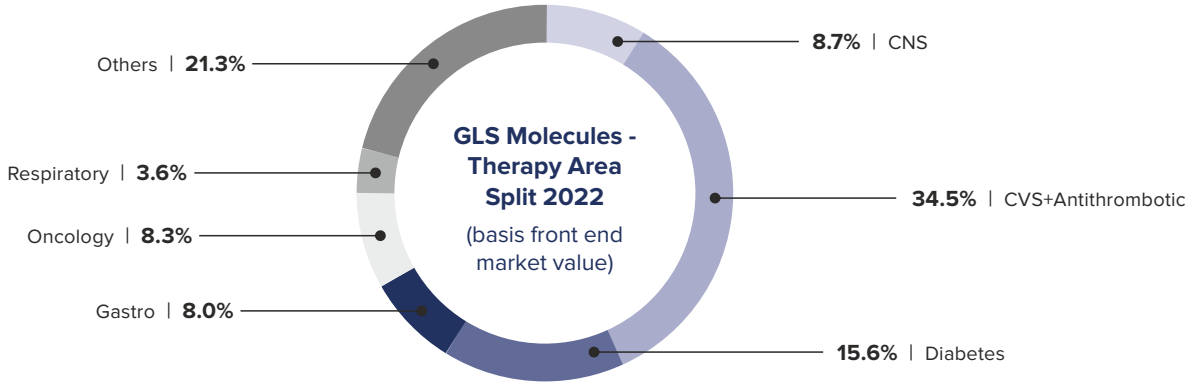
Market Sizing - GLS APIs

Tonnes



MARKET SEGMENTATION BY THERAPY AREAS

GLS' portfolio of 137 niche, highly profitable and technically complex products cater to large chronic therapy areas, such as CNS, diabetes, CVS (including anti-thrombotic) and oncology.



COMPANY OVERVIEW

Financial Performance

Highlights of Profit & Loss Statement

INR Million

	FY2022	FY2021	YoY %
Total Income	21,379	18,860	13.4%
Gross Profit	10,803	9,797	10.3%
EBITDA	6,308	5,919	6.6%
Net Profit	4,187	3,516	19.1%
EPS	35.63	32.61	

TOTAL INCOME

Our total income increased by 13.4% to INR 21,379 million for the financial year 2022 from INR 18,859.8 million for the financial year 2021, primarily due to strong growth across key regulated markets.

▲13.4% | INR 21,379 million

FINANCE COSTS

Our finance costs decreased to INR 279.6 million for the financial year 2022 from INR 875.5 million for the financial year 2021 due to repayment of entire business purchase consideration relating to the spin-off.

OTHER EXPENSES

Other expenses increased by 23.4% to INR 2,955.4 million for the financial year 2022 from INR 2,394.6 million for the financial year 2021, primarily due to an increase in labour charges by 50.7% to INR 608.3 million for the financial year 2022 from INR 403.6 million for the financial year 2021, an increase in Power, fuel and water charges by 36.0% to INR 1,009.2 million for the financial year 2022 from INR 741.9 million for the financial year 2021 and an increase in other expenses by 30.4% to INR 377.5 million for the financial year 2022 from INR 289.5 million for the financial year 2021.

R&D EXPENDITURE

R&D expenditure were INR 571.9 million at 2.8% of sales for FY2022. (FY2021 - INR 405.2 million at 2.1%)

CAPEX EXPENDITURES

Capital expenditures were INR 1,451 million for the FY2022. (FY2021 - INR 765 million)

CASH AND CASH EQUIVALENTS

Cash and Cash equivalents were INR 5,123 million as on March 31, 2022. (31 March 2021 - INR 1,184 million)

KEY FINANCIALS RATIOS

Particulars	31 March 2022	31 March 2021	% Variance
Current Ratio	4.60	4.85	-5.22%
Debt to Equity	NA	1.24	-100.00%
Debt Service Coverage Ratio	0.62	2.61	-76.38%
Return on Equity (ROE)	29.83%	60.91%	-51.02%
Inventory Turnover Ratio	3.44	3.04	13.05%
Trade Receivables Turnover Ratio	3.28	3.00	9.59%
Trade Payables Turnover Ratio	4.20	4.61	-8.88%
Net Capital Turnover Ratio	1.54	1.70	-9.41%
Net Profit Ratio	19.72%	18.65%	5.74%
Return on Capital Employed (ROCE)	28.57%	32.84%	-13.01%

REASONS FOR VARIANCE

- **Debt to Equity & Debt Service Coverage Ratio**

  The Company repaid the entire debt following IPO which resulted in better debt equity ratio and worsened debt service coverage ratio for the year.

- **Return on Equity (ROE)**

  Lower due to higher base of shareholder's equity on account of IPO.

Business Performance & Review

Business Segment Performance

	FY22	FY21
Generic	92%	92%
CDMO	8%	8%
Sale of Products	**100%**	**100%**

Internal Controls

In line with the requirements under the SEBI LODR, the Company has constituted a Risk Management Committee of the Directors. The Members of the Committee are Mr. T L Easwar, Mr. Sridhar Gorthi, Mr. V S Mani and Dr. Yasir Rawjee. The Committee is scheduled to meet twice a year to evaluate risks associated with the business and the mitigation plan for the same.

The Company has adequate internal controls systems in place which provides reasonable assurance about the integrity and reliability of financial statements. Additionally, Shridhar & Associates, a leading audit firm performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advises on industry-wide best practices.

The Audit Committee consisting of Independent Directors review important issues raised by the Internal and Statutory Auditors, thereby ensuring that risks are mitigated appropriately with necessary rectification measures on a periodic basis.

Risk Management

Principal Risk Factors and Uncertainties

Risk & its Definition	Mitigation Plan
Regulatory Risk An adverse facility inspection by any regulator may cause restriction in sales to certain customers or respective geographies.	We have established systems to always monitor compliance. Our employees receive training on compliance updates for always confirming to them.
Supply Chain 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.	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.
Market Risk Market risks are the possibilities of losses because of price fluctuations, competitive scenario, geopolitical events, foreign exchange fluctuations, worldwide pandemics, and other events can all have an impact on market movements.	The Company has initiated measures to reduce costs, improve efficiencies and reallocate resources to support identified growth opportunities in various markets. The Company is also continuously evaluating further strategic options to ensure the development of new capabilities and the ability to maximize 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. External uncertainties are carefully considered when developing strategy and reviewing performance. The Company has a board approved hedging policy in place to manage its currency risk exposure.

Risk & its Definition	Mitigation Plan
Compliance The Company's 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. Additionally, the Company is also subjected to regulations with respect to listing of its shares on stock exchanges, financial reporting, and tax.	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 to meet the evolving regulations. The Board also evaluates on a periodic basis the compliance framework of the Company.
Environment, Health & Safety 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 Company operates rigorous procedures to seek to eliminate hazards where practicable and protect employees' health and well-being. 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 & Cyber Security Risk For its operations, the Company is heavily reliant on IT systems. A failure of IT systems due to malicious attacks and/or non-compliance with data privacy laws can potentially lead to financial loss, business disruption and/or damage to our reputation.	The company fosters a risk-aware culture that can anticipate and prevent attacks, and where necessary, effectively respond to security breaches, maintain strong cyber security infrastructure and compliance with data privacy law requirements through: • Performing gap analysis to identify existing weaknesses • Policy and procedure rollouts • Creating awareness amongst employees on applicable privacy requirements • Securing suitable insurance cover

STATUTORY REPORT

BOARD'S REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report on business and operations of the Company together with the Audited Financial Statements of the Company for the Financial Year (F.Y.) ended 31 March 2022

1. FINANCIAL RESULTS:

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

(₹ in Million)

Particulars	For the F.Y. ended 31 March 2022	For the F.Y. ended 31 March 2021
Net Sales/Income from operations		
Income from operations	21,232.14	18,851.65
Other Income	147.04	8.11
Total Income	**21,379.18**	**18,859.76**
Total Expenses	15,729.93	14,150.32
Profit before exceptional and extraordinary items and tax	**5,649.25**	**4,709.44**
Less: Exceptional Items	-	-
Profit Before Tax	**5,649.25**	**4709.44**
Less: Current tax	1,376.27	1,127. 46
Less Deferred Tax	85.74	66.17
Net Profit After Tax	**4,187.24**	**3,515.81**

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

2. RESULTS OF OPERATIONS:

Total Income: Our total income increased by 13.4% to ₹ 21,379.18 million for the F.Y. 2021-22 from ₹ 18,859.76 million for the F.Y. 2020-21, primarily due to an increase in revenue from operations.

Revenue from Operations: Our revenue from operations increased by 12.6% to ₹ 21,232.14 million for the F.Y. 2021-22 from ₹ 18,851.65 million for the F.Y. 2020-21, primarily due to an increase in revenue from sale of products.

- Our revenue from the **sale of products** increased by 12.1% to ₹ 20,874.48 million for the F.Y. 2021-22 from ₹ 18,613.95 million for the F.Y. 2020-21, primarily due to strong growth across key regulated markets.
- Our **other operating revenue** increased by 50.5% to ₹ 357.66 million for the F.Y. 2021-22 from ₹ 237.70 million for the F.Y. 2020-21, primarily due to an increase in sale of scrap/by-products.

Other Income: Our other income increased to ₹ 147.04 million for the F.Y. 2021-22 from ₹ 8.11 million for the F.Y. 2020-21, primarily due to an exchange gain (net) and higher interest income.

Expenses

Cost of Materials: Cost of materials increased by 15.2% to ₹ 10,428.87 million for the F.Y. 2021-22 from ₹ 9,054.97 million during the F.Y. 2020-21. This increase was primarily in line with the overall increase in the manufacturing and sale of our API products during the F.Y. 2021-22.

Employee Benefits Expenses: Employee benefits expenses increased by 13.1% to ₹ 1,687.23 million for the F.Y. 2021-22 from ₹ 1,491.31 million for the F.Y. 2020-21, primarily as a result of an increase in our number of employees as a result of the growth in our business and operations and annual compensation increments given to our employees. Our number of employees increased to 1,655 employees as of 31 March 2022 from 1,599 employees as of 31 March 2021.

Finance Costs: Our finance costs decreased to ₹ 279.62 million for the F.Y. 2021-22 from ₹ 875.47 million for the F.Y. 2020-21 due to repayment of entire business purchase consideration relating to the Spin-off.

Depreciation and Amortization Expenses: Our depreciation and amortization expenses increased by 13.4% to ₹ 378.77 million for the F.Y. 2021-22 from ₹ 333.94 million for the F.Y. 2020-21, primarily due to commissioned of new manufacturing capacities at our Dahej and Ankleshwar site.

Other Expenses: Other expenses increased by 23.4% to ₹ 2,955.44 million for the F.Y. 2021-22 from ₹ 2,394.63 million for the F.Y. 2020-21, primarily due to an increase in labour charges by 50.7% to ₹ 608.27 million for the F.Y. 2021-22 from ₹ 403.56 million for the F.Y. 2020-21, an increase in Power, fuel and water charges by 36.0% to ₹ 1,009.15 million for the F.Y. 2021-22 from ₹ 741.90 million for the F.Y. 2020-21 and an increase in other expenses by 30.4% to ₹ 377.49 million for the F.Y. 2021-22 from ₹ 289.46 million for the F.Y. 2020-21.

Total Tax Expense

Our total tax expense increased to ₹ 1,462.01 million for the F.Y. 2021-22 from ₹ 1,193.63 million for the F.Y. 2020-21, primarily in line with profit before tax.

Profit for the Year

As a result of the foregoing, our net profit increased by 19.1% to ₹ 4,187.24 million for the F.Y. 2021-22 from ₹ 3,515.81 million for the F.Y. 2020-21.

3. DIVIDEND:

The Board of Directors (Board) are pleased to recommend a final dividend of ₹ 10.50/- (Gross) per equity share of the face value of ₹ 2/- each for the F.Y. 2021-22, payable to those Members whose names appear in the Register of Members and list of beneficial owners at the close of business hours on Friday, 16 September 2022.

The final dividend on Equity Shares fully paid is subject to the approval of the Shareholders at the 11th Annual General Meeting (AGM) scheduled to be held on Monday, 26 September 2022. The final dividend once approved by the Shareholders will be paid on or after 28 September 2022.

The final dividend will be paid in compliance with applicable Section of the Companies Act, 2013 ('Act') & Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 ('Listing Regulations'). The final dividend, if approved, will result in an outflow of ₹ 1,286.65 million.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 17 September 2022 to Monday, 26 September 2022 (both days inclusive) for payment of the final dividend for the F.Y. 2021-22.

Earlier, the Board at their meeting held on 10 November 2021, had declared an Interim Dividend of ₹ 10.50/- (Gross) of the face value of ₹ 2/- each. The said Interim Dividend was paid to all eligible shareholders.

The total dividend for the F.Y. 2021-22, including the proposed final dividend, amounts to ₹ 21/- per equity share of the face value of ₹ 2/- each.

The Dividend payout is as per the Dividend Distribution Policy of the Company. The policy is uploaded on website of the Company and can be accessed at the Link https://www.glenmarklifesciences.com/pdf/Dividend-distribution-policy_22.pdf

4. TAXATION ON DIVIDEND:

As per the provisions of the Income Tax Act, 1961, as amended by and read with the provisions of the Finance Act, 2020, with effect from 1 April 2020, dividend declared and paid by the Company is taxable in the hands of shareholders. The Company shall, therefore, be required to calculate deduction of tax at source (TDS) at the time of payment of dividend at the applicable rates.

5. AMOUNT PROPOSED TO BE CARRIED TO ANY RESERVES:

The Company has not transferred any amount to general reserves for the F.Y. 2021-22.

6. CORPORATE GOVERNANCE:

The Company is committed to follow the best Corporate Governance practices, including the requirements under the Listing Regulations and the Board is responsible to ensure the same from time to time. The Company has duly complied with the Corporate Governance requirements. Further, a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations, along with a certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under aforesaid Regulations forms part of the Annual Report.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture or Associate Company as defined in the Act during the F.Y. under review.

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of the provisions of Investor Education and Protection / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, there was no unpaid / unclaimed dividends to be transferred during the F.Y. to the Investor Education and Protection Fund.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- **Appointment**
  During the year under review no new Director was appointed on the Board of the Company.

- **Retirement by Rotation:**
  Mr. Sumantra Mitra (DIN: 08748014) will retire by rotation and being eligible, offers himself for re-appointment at the ensuing 11th AGM of the Company. A detailed profile(s) of Mr. Sumantra Mitra seeking re-appointment at the forthcoming AGM as required under Secretarial Standard on General Meetings issued by ICSI is provided separately by way of an Annexure to the Notice of the AGM.

Independent Directors:
All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of Listing Regulations.

In terms of Regulation 25(8) of the Listing Regulations, all the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

SEBI, vide its notification dated 03 August 2021, had enhanced the criteria of Independent Directors. Accordingly, all the Independent Directors had submitted revised declarations confirming their independence before 01 January 2022.

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

During the year, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

Independent Directors of the Company are not liable to retire by rotation.

A note on the familiarisation programme adopted by the Company for orientation and training of the Director in compliance with the provisions of the Act and Listing Regulation is provided in the Report on Corporate Governance, which forms Part of this Report.

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

Dr. Yasir Rawjee - Managing Director & CEO

Mr. Sumantra Mitra - Whole Time Director

Mr. Bhavesh Pujara - Chief Financial Officer (up to 22 April 2022)

Mr. Rudalf Corriea - Company Secretary & Compliance Officer

10. BOARD AND COMMITTEE MEETINGS:

Details of composition, attendance of the Board of Directors and other details of the Board & its Committee are provided in the Corporate Governance Report. The Intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Directors confirm that:

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

b) appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended 31 March 2022;

c) 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;

d) the annual accounts have been prepared on a going concern basis;

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

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

12. BOARD PERFORMANCE EVALUATION:

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

Pursuant to the provisions of the Act and Listing Regulations, the Board had carried out an annual evaluation of its own performance and the performance of its Committees as well as the individual Directors.

13. MEETINGS OF THE MEMBERS:

During the year under review, the shareholders met 2 (Two) times. Tenth Annual General Meeting of the members was held on 12 July 2021. Members of the Company also met at Extra-ordinary general meeting held on 9 April 2021 for transacting Special Businesses.

14. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

One meeting of Independent Directors was held during the year.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations of the Company, is presented in a separate section forming part of this Annual Report.

16. AUDITORS AND AUDITORS' REPORT:

A. Statutory Auditors:

At the Extra Ordinary General Meeting of the Company held on 25 July 2018, the shareholders had approved appointment of M/s. Walker Chandiok & Co LLP., Chartered Accountants (Firm Registration no. 001076N/N500013) as the Statutory Auditors for a period of 5 years commencing from 25 July 2018 till the conclusion of the 12th Annual General Meeting subject to ratification of the appointment by the Shareholders at every Annual General Meeting and the same will be ratified at the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their appointment, forms part of the Notice convening the Eleventh Annual General Meeting. The Board recommends the same for approval of members.

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

B. Secretarial Auditor:

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Bhadresh Shah and Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the F.Y. 2021 - 22.

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

C. Cost Auditor:

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

The Board, on recommendation of Audit Committee, has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the F.Y. 2022 - 23 at a remuneration of ₹ 0.396 million. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Accordingly, resolution seeking members' ratification of their remuneration, forms part of the Notice convening the Eleventh Annual General Meeting. Board recommends the same for approval of members.

The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

D. Internal Auditor:

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

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

17. INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY:

The Company has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The current system of IFC is aligned with the statutory requirements and are adequate and operating effectively.

Effectiveness of IFC is ensured through Management reviews, controlled self-assessment and independent testing by the Internal Auditor.

18. RISK MANAGEMENT POLICY:

The Company has a Risk Management Policy with the objective to formalise the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Risk Management Policy is a step taken by the Company towards strengthening the existing controls. The details of risk management have been included in the Management Discussion and Analysis Report, which forms part of this report.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

20. CAPITAL STRUCTURE:

A. Bonus Issue:

In compliance with the provisions of Sections 62 of the Act and Rules made thereunder and as per recommendation of the Board at its meeting dated 10 March, 2021 and approval of the shareholders dated 26 March 2021, the Company had issued bonus equity shares of face value of ₹ 2 each in ratio of 10:1 (i.e. 10 (Ten) Bonus Shares for every 1 (One) Equity Share held). Subsequently, the Board at its meeting held on 6 April 2021 had allotted 98,004,500 bonus equity shares of face value of ₹ 2 each out of free reserves and surplus of the Company aggregating to ₹ 196 Million/-. Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 215.61 million comprising of 107,804,950 equity shares of face value of ₹ 2 each.

B. Initial Public Offer:

During the year, the Company completed Initial Public Offer (IPO) of 21,022,222 equity shares comprising a fresh issue of 14,722,222 equity shares and offer for sale by Glenmark Pharmaceuticals Limited of 6,300,000 equity shares of face value of ₹ 2 each at premium of ₹ 718 per share aggregating to ₹ 15,136 million. Pursuant to the IPO, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from 6 August 2021.

21. UTILISATION OF ISSUE PROCEEDS:

The net proceeds of the fresh issue were / will be utilised for payment of outstanding purchase consideration to Glenmark Pharmaceuticals Limited ("the Promoter") for the spin-off of the API business from the Promoter into our Company pursuant to the Business Purchase Agreement dated 9 October 2018, funding the Capital Expenditure requirements and General Corporate purposes. The details of utilization of proceeds by the Company are set out in following table and there was no deviation in utilization of the proceeds of IPO:

(₹ in million)

Particular	Estimated net proceeds as per Prospectus	Revised Net proceeds	Utilisation upto 31 Mar 22	Unutilised amount as at 31 Mar 22
Payment of outstanding purchase consideration to the Promoter for the spin-off of the API business from the Promoter into our Company pursuant to the Business Purchase Agreement dated 9 October 2018	8,000.0	8,000.0	8,000.0	-
Funding the capital expenditure requirements	1,527.6	1,527.6	628.5	899.2
General corporate purposes	576.8	494.4	494.4	-
Total	**10,104.4**	**10,022.0**	**9,122.9**	**899.2**

22. EMPLOYEE STOCK OPTION SCHEME (ESOP):

In compliance with the provisions of Sections 62 of the Act and Rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations"), the Company has formulated an employee stock option scheme, namely, Glenmark Life Sciences Limited Employee Stock Option Plan, 2021, (the "ESOP Scheme"). The ESOP scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution passed by the shareholders at the Extraordinary General Meeting held on 9 April 2021, approving such scheme.

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

9,51,734 ESOP options have been granted to the eligible employees/Directors at Nomination and Remuneration Committee meeting held on 17 May 2021 and 6,983 options were cancelled as on 8 February 2022. As of 31 March 2022, 9,44,751 options were outstanding. Disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 is attached as Annexure-II and forms part of this Annual Report.

23. RELATED PARTY TRANSACTIONS:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure III to this report. The disclosure of transactions with related party for the year is given in Notes to the Balance Sheet as on 31 March 2022.

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions and the related party framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

During the year, the Company amended the Policy on Related Party Transactions and its materiality ('RPT Policy') to align with the SEBI (LODR) (Sixth Amendment) Regulations, 2021. The RPT Policy is available on the Company's website at https://www.glenmarklifesciences.com/pdf/GLS%20RPT%20Policy.pdf

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions as per the format specified in the relevant accounting standards/ SEBI notification to the stock exchanges on a half yearly basis.

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, approval of the Members was obtained through Postal Ballot for material related party transaction(s) with Glenmark Pharmaceuticals Limited.

24. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended herewith as Annexure IV to this report.

25. CORPORATE SOCIAL RESPONSIBILITY:

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

CSR Policy is available on Company's website at: https://www.glenmarklifesciences.com/pdf/Glenmark-Life-Sciences-CSR-Policy-2021_22.pdf

26. BUSINESS RESPONSIBILITY REPORT:

In compliance with the provisions of Regulation 34 of the Listing Regulations, the Business Responsibility Report (BRR) to be submitted by top 1,000 listed entities based on their market capitalisation as on 31 March 2022 is appended herewith as Annexure VII to this Report.

27. ANNUAL RETURN:

Pursuant to Section 92 read with Section 134(3)(a) of the Act, the Annual Return as on 31 March 2022 is available on the Company's website at https://www.glenmarklifesciences.com/pdf/GLS_Form_MGT_7_2022_Website%20version.pdf

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at

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

There were no complaints reported under the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 during F.Y. 2021-22.

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

29. VIGIL MECHANISM:

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

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

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

The details of the Policy are available on the Company's website at https://www.glenmarklifesciences.com/pdf/Whistle_Blower_Policy_22.pdf

30. HUMAN RESURCES:

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

31. PARTICULARS OF EMPLOYEES & REMUNERATION:

Information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure VI to this report.

Information required under Section 197(12) of the Act read with rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended herewith and forming part of this report.

32. OTHER DISCLOSURES:

During the F.Y. under review:

a) the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

b) the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31 March 2022.

c) the Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

d) Neither the managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

e) no significant or material orders were passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations.

f) no material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.

g) There was no change in the nature of business of the Company;

h) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable;

33. APPRECIATION AND ACKNOWLEDGEMENTS:

Your Directors express their gratitude to the Company's customers, business partners' viz. distributors and suppliers, medical profession, Company's bankers, financial institutions 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

Yasir Rawjee	**V. S. Mani**
Managing Director & CEO	Director
DIN: 01965174	DIN: 01082878

Place: Mumbai
Date: 20 April 2022

ANNEXURE I

FORM NO. – MR-3

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

To,
The Members
Glenmark Life Sciences Limited
(CIN: L74900PN2011PLC139963)
Plot No 170-172, Chandramouli Industrial Estate,
Mohol Bazarpeth, Solapur 413213.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on **31 March 2022 ("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper board–processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 according to the provisions of:

I. The Companies Act, 2013 and Amendments made from time to time (hereinafter collectively referred to as the ("the Act") and the Rules made thereunder;

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

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

IV. During the Audit period, there was no transaction relating to Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings observed under Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Company during the year has approved Employee Stock Option Scheme under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

e. During the Audit period the Company has not issued or allotted any debt securities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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.

g. During the audit Period the Company has not applied/ delisted any Securities, under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h. During the audit Period the Company has not bought back any Securities, under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I 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.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

iii. The Listing Agreement entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 and as amended from time to time.

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

I 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 and have obtained proper licences and their timely renewals:

i. The Factories Act, 1948

ii. Drugs and Cosmetics Act, 1940

iii. Narcotics Drugs and Psychotropic Substances Act, 1985

iv. Drugs (Control) Act, 1950

v. The Environment (Protection) Act, 1986

vi. Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Maharashtra Pollution Control Board

vii. 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.

viii. Labour Welfare Acts of respective state

ix. Acts prescribed under Direct Tax and Indirect Tax

x. Laws prescribed under Patent Acts

xi. Local laws as applicable to various offices and plants

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance, and in case of Meetings convened at shorter notice, requisite consent for holding such meetings at shorter notice was obtained by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

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

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

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

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

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

1) As per approval of the shareholders dated March 26, 2021, the Company vide passing Board Resolution dated April 06, 2021 has issued 98,004,500 bonus equity shares of face value of ₹ 2/- each in ratio of 10:1 (i.e. 10 (Ten) Bonus Shares for every 1 (One) Equity Share). Consequently, the issued, subscribed and paid-up share capital has increased to ₹ 215.61 million comprising of 107,804,950 equity shares of face value of ₹ 2 each.

2) As per the consent and approval of the Shareholders, the Company vide passing Board Resolution dated April 09, 2021 approved Initial Public Offer (IPO) of Equity shares, which includes fresh issue of Equity Shares and an offer for sale of Equity Shares by certain existing shareholders of the Company in the Offer, for cash either at par or premium such that the amount being raised pursuant to the Fresh Issue aggregates up to ₹ 10,599,999,840 with effect from August 6, 2021 the Equity Shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

3) The Company approved Glenmark Life Sciences Limited - Employee Stock Option Scheme, 2021 ["Employee Stock Option Plan"] (hereinafter referred to as ["ESOP 2021"]) for creation, offer, and grant from time to time up to 10,78,050 ESOPs, not exceeding 1% (one per cent) of the paid-up equity share capital of the Company.

For **Bhadresh Shah and Associates,**
Company Secretary in Practice

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: A23847
CP No.:15957 Place: Mumbai
PR Certificate No.: 1917/ 2022 Date: 20 April 2022

UDIN: A023847D000173007

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

ANNEXURE A

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

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to make a report based on the secretarial records produced for our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my report.

3. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances

4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion

5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, wherever required

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Disclaimer:

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

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: A23847
CP No.:15957
PR Certificate No.: 1917/ 2022

Place: Mumbai
Date: 20 April 2022

UDIN: A023847D000173007

ANNEXURE II

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

Glenmark Life Sciences Limited - Employee Stock Option Scheme, 2021

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

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

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

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

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

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

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

The exercise price per option shall be determined by the Nomination and Remuneration Committee at the time of Grant of such Option, subject to conforming to the accounting policies under the applicable law.

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

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

For and on behalf of the Board of Directors

Yasir Rawjee	**V. S. Mani**
Managing Director & CEO	Director
DIN: 01965174	DIN: 01082878

Place: Mumbai
Date: 20 April 2022

ANNEXURE III

AOC 2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2022, which were not at arm's length basis.

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

Name of the related party and nature of relationship	Glenmark Pharmaceuticals Limited (Holding Company)
Nature of contracts/ arrangements/ transactions	Sale/Purchase-Materials & Services
Duration of the contracts/ arrangements/ transactions	Ongoing (Regular basis)
Salient terms of the contracts or arrangements or transactions including the value, if any: Based on Transfer Pricing Guidelines	Sale: ₹ 8,470.09 million Purchase: ₹ 239.01 million
Date(s) of approval by the Audit Committee/ Board	Not applicable, since the contract was entered in the ordinary course of business and is on arm's length basis.
Amount paid as advances	Nil

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

For and on behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V. S. Mani
Director
DIN: 01082878

Place: Mumbai
Date: 20 April 2022

ANNEXURE IV

(A) CONSERVATION OF ENERGY

I. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

Following steps have been taken in the area lighting, pump & motors, power factor, automation, refrigeration, fuel and water.

LIGHTING

Replaced conventional lighting system replaced with Light Emitting Diode (LED).

PUMPS-MOTORS & BLOWERS

For HVAC chilled water plants - primary circuit removed, continued with secondary circuit and stopped the primary pumps.

POWER FACTOR

Maintained power factor > 0.99 using auto power factor controller.

AUTOMATION

Timer based auto lighting system installed in process plant.

Auto temperature controller system installed in cooling tower fan to reduce power consumption in winter.

Auto temperature controller system installed in HVAC chilled water lines and set as per plant requirement.

REFRIGERATION, HEATING & COMPRESS AIR SYSTEM

Installed new chilled water screw compressor (294 TR) with Variable Frequency Drives (VFD) in place of conventional refrigeration system.

Installed new air compressor screw type with VFD in place of reciprocation air compressor.

Installed auto tube cleaning machine in refrigeration system (condenser cleaning).

FUEL

Non IBR heat recovery unit installed in 15 TPH boiler and reduced fuel consumption by 3%.

In place steam ejector system installed dry vacuum pump in process plant to reduce fuel consumption.

II. STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

Started use of wind energy (20% of total power consumption) through open access power at Facility.

Water conservation

RO reject water from purified water system recycle in cooling tower and reduced fresh water consumption.

III. THE CAPITAL INVESTMENT OF ENERGY CONSERVATION EQUIPMENT:

Total capital invested in FY 2021-22 on energy conservation is ₹ 8.34 Million.

(B) TECHNOLOGY ABSORPTION

I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

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

Specific areas in which R&D is carried out by the Company and 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. Development of the process to enhance operations with safety.

Development of the processes for new molecules and existing molecules with the view of quality built in by design.

GLENMARK LIFE SCIENCES LTD API AT A GLANCE

Glenmark Life Sciences is a market leader for many API products in semi-regulated markets, and in just a short period, it has also established leadership in regulated markets.

Have strong market share in select specialized APIs such as Telmisartan (anti-hypertensive), Atovaquone (anti-parasitic), Perindopril (anti-hypertensive), Teneligliptin (diabetes), Zonisamide (CNS) and Adapalene (dermatology) (Source: Frost & Sullivan Report)

Sold our APIs in India and exported our APIs to multiple countries in Europe, North America, Latin America, Japan and ROW.

MANUFACTURING CAPABILITIES

Developer and Manufacturer of Select High Value and Non-Commoditized APIs focusing on Chronic Therapeutic Areas and Strong Relationships with Leading Global Generic Companies, reached to 137 Portfolio of Molecules supplying to 700+ Customers globally. With a goal of increasing a product basket working towards developing 8-10 molecules each year and this year completed validation for 10 molecules. Also, to sustain the price erosion of raw material and sales price cost improvement products are taken on grid in which 17 molecules are validated.

Led by Multi-Purpose Manufacturing & R&D facilities compliant with Global Regulatory Standards, have 770 KL installed capacity till date.

2. PRODUCTS HAVE BEEN DEVELOPED DURING THE F.Y. 2021-22:

2.1 Products validated:

1. Brivaracetam
2. Bilastine
3. Diroximel Fumarate
4. Elagolix Sodium
5. Edoxaban Tosylate
6. Hydralazine HCl
7. Iron Sucrose
8. Tafamidis Meglumine
9. Verapamil HCl
10. Labetalol – CDMO

2.2 Cost Improvement products:

1. Lacosamide
2. Vildagliptin
3. Dabigatran Elexilate Mesylate
4. Rivroxaban
5. Tofacitnib Citrate
6. Olmesartan
7. Azelaic acid
8. Telmisartan DMF
9. Atomoxetine HCl
10. Sucralfate
11. Lithium Carbonate
12. Apixaban
13. Eso Magnesium Dihydrate
14. Ranolazine
15. Mirabegron
16. Telmisartan LRM
17. Tenegliptin HBr Monohydrate

3. Quality-Focused Compliant Manufacturing and R&D Infrastructure:

Filed 436 DMFs and CEPs across major markets: United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia

ANALYTICAL METHOD DEVELOPMENT

Development of new analytical test procedures for various molecules to establish the quality and setting up specification for the release, stability testing of Active Pharmaceutical Ingredient and Raw Material. These methods are validated as per the guidelines.

Evaluation of the stability under various climatic conditions for validated products was also done. This data is used to decide the shelf life for the product.

II. FUTURE PLAN OF EXPANSION:

Existing

Operate four multi-purpose manufacturing facilities with an aggregate annual total installed capacity of 770 KL.

Brownfield Expansion

Initiated projects to enhance the existing production capacities at Ankleshwar facility during FY22 and Dahej facility during FY22 and FY23 by an aggregate annual total installed capacity of 640 KL.

This additional production capacity is expected to help further expand the generic API production and also grow oncology product pipeline.

Greenfield Expansion

Intends to develop a new Greenfield manufacturing facility on a 40-acre footprint in Solapur, India from FY23, which is expected to become operational in Q3 FY25.

The new facility will provide a platform for the growth of CDMO business and also add capacity for generic API business.

Team working in different segments

Polymorphism screening, pharmaceutical salt screening, particle size distribution studies, High pressure reactions, high temperature reactions, cryogenic reactions, asymmetric hydrogenation enzymatic transformations and can also handle technologies using enzymatic transformation and continuous flow chemistry.

Functions in intellectual property management to regulatory science for our customers.

Going forward we continue on this journey for technology excellence and advanced capabilities through expansion.

III. Information Regarding Technology Imported during the Last Five Years: NIL

IV. Expenditure Incurred on R & D:

(Amount in ₹ Mn)

Sr. No.	Particulars	31 March 2022	31 March 2021
1.	Capital Expenditure	16.09	19.25
2.	Revenue Expenditure	571.96	405.17
3.	Total	588.05	424.42
4.	R & D Expenditure as percentage of Total Turnover	2.8%	2.3%

V. Foreign Exchange Earnings & Outgo:

(Amount in ₹ Mn)

Sr. No.	Particulars	31 March 2022	31 March 2021
1.	Foreign Exchange Inflow	10,567.81	7,870.11
2.	Foreign Exchange Outflow	3,882.58	3,955.11

For and on behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V. S. Mani
Director
DIN: 01082878

Place: Mumbai
Date: 20 April 2022

ANNEXURE V

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

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

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

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

Corporate Social Responsibility Focus Areas

Water Management

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

Access to Healthcare

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

Community Development

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

Sustainable Livelihood

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

Employee Volunteering Programs

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature ofDirectorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sridhar Gorthi	Independent Director (Chairman)	2	1
2	Dr. Yasir Rawjee	Managing Director & CEO (Member)	2	2
3	Mr. V. S. Mani	Non-Executive Director (Member)	2	2
4	Ms. Gita Nayyar	Independent Director (Member)	2	2

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

Composition of CSR Committee: /https://www.glenmarklifesciences.com/pdf/List-of-Directors-&-Committee-Composition.pdf

CSR Policy: https://www.glenmarklifesciences.com/pdf/Glenmark-Life-Sciences-CSR-Policy-2021_22.pdf

CSR Project: https://www.glenmarklifesciences.com/pdf/GLS_CSR_Annual_Action_PlanFY23.pdf

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

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable

6. Average net profit of the company for last three Financial Years: ₹ 3,743.98 million

7. (a) Two percent of average net profit of the company: ₹ 74.88 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 74.88 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
75.13	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:
Not Applicable. The Company does not have any ongoing projects as defined under CSR Rules.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation on - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Responding to COVID-19 Challenges Prevention & Curative and Support Initiatives	Disaster management, including relief, rehabilitation and reconstruction activities. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Solapur, Pune and Bharuch	Maharashtra, Gujarat	0.60	Yes	-	-
2.	Community Development: Project on Access to Health care	Promoting health care including preventive health care	Yes	Mumbai	Maharashtra	0.82	No	Nana Palkar Smruti Samiti	CSR00001230
3.	Social and Economic development/ Project on Maternal and Child Health "Project Kavach"	Eradicating hunger, poverty and malnutrition, Promoting health care including preventive health care	Yes	Bharuch, East Sikkim, Solan district, Aurangabad, Nagpur, Mumbai, Burhanpur, Betul, Khandawa	Gujarat, Sikkim, Himachal Pradesh, Maharashtra, Madhya Pradesh	15.66	No	Glenmark Foundation	CSR00005579
4.	Skill Development Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Bharuch	Gujarat	15.23	No	Glenmark Foundation	CSR00005579

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Million)	(7) Mode of implementation on - Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
5.	Responding to COVID-19 Challenges Prevention & Curative and Support Initiatives	Disaster management, including relief, rehabilitation and reconstruction activities. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation disaster management, including relief, rehabilitation and reconstruction activities	Yes	Pan India		4.19	No	Glenmark Foundation	CSR00005579
6.	Community Development	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra, Gujarat		1.82	No	Glenmark Foundation	CSR00005579
7.	Skill Development Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Gujarat		7.00	No	Shri Jagatbharti Education and Charitable Trust	CSR00007065
8.	Rural Education program: Project on Access to Education	Promoting education, including special education	Yes	Bharuch	Gujarat	0.17	No	Eklavya Manav Seva Trust	CSR00025803
9.	Community Development projects: Access to health care	Promoting health care including preventive health care	Yes	Bharuch	Gujarat	2.20	No	BSAP Public Charitable Trust	CSR00004193
10.	Project on Water Management	Making available safe drinking water	Yes	Solapur	Maharashtra	3.27	No	Karve Institute of Social Service	CSR00000986
11.	Promotion of Olympic sports: Transform the ecosystem of swimming in India	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Yes	Delhi, Bangalore, Mumbai, Thiruvananthapuram	Karnataka, Maharashtra, Delhi, Kerala	24.17	No	Glenmark Aquatic Foundation	CSR00005583
	Total					**75.13**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 75.13 million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per section 135(5)	74.88
(ii)	Total amount spent for the Financial Year	75.13
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.25

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Not Applicable

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

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s) -

Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset -

Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. -

Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and Location of the capital asset) -

Not Applicable

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

Not Applicable

For and on behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Sridhar Gorthi
Chairman of CSR Committee, Director
DIN: 00035824

Place: Mumbai
Date: 20 April 2022

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 2022	Ratio to MRE of the Employees
Dr. Yasir Rawjee	Managing Director & CEO	33%	117.82
Mr. Sumantra Mitra	Executive Director	60%	23.83

Remuneration to Non-Executive Directors:

Name	Title	Ratio to MRE of the employees
Mr. Glenn Saldanha	Chairman & Non - Executive Director	-
Mr. V S Mani	Non-Executive Director	-
Mr. Sridhar Gorthi	Non-Executive Independent Director	-
Mrs. Manju Agarwal	Non-Executive Independent Director	3.76
Ms. Gita Nayyar	Non-Executive Independent Director	2.51
Mr. T. L. Easwar	Non-Executive Independent Director	1.79

Remuneration to other Key Managerial Personnel (KMP):

Name	Title	% increase in the remuneration in the year ended 31 March 2022
Mr. Bhavesh Pujara	Chief Financial Officer	Not Applicable
Mr. Rudalf Corriea	Company Secretary & Compliance Officer	Not Applicable

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 2022 was ₹ 0.56 million. The details are laid out in the tables above.

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

ii. **The percentage increase in remuneration of each director and KMP in the financial year:**
The percentage increase is mentioned in the tables above.

iii. **The percentage increase in median remuneration of the employees in the financial year:**
The percentage increase in the median remuneration of the employees was 11.24%.

iv. **Number of Permanent employees on the rolls of the Company:**
As on 31 March 2022, the Company had 1,655 permanent employees on the rolls of the Company.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
Average percentile increase in the remuneration for all employees other than managerial personnel was 10%, while the average increase in the managerial remuneration was 5.3%.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
We affirm that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V. S. Mani
Director
DIN: 01082878

Place: Mumbai
Date: 20 April 2022

ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT

Sr. No.	SEBI – BRR Disclosure	Response / Reference
Section A: General Information about the Company		
1	Corporate Identification Number	L74900PN2011PLC139963
2	Name of the Company	Glenmark Life Sciences Limited
3	Registered Address	Plot No 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur 413 213
4	Website	www.glenmarklifesciences.com
5	Email id	complianceofficer@glenmarklifesciences.com
6	Financial year reported	1 April 2021 to 31 March 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals
8	List 3 key products / services that the Company manufactures / provides (as in balance sheet)	The Company's key products / services and global market presence are described in the Annual Report F.Y. 2021-22, under Business Review section of Management Discussion and Analysis.
9	Total number of locations where business activity is undertaken by the Company	4 manufacturing facilities 3 R&D Centers
10	Markets served by the Company	We have a global presence in over 65 countries with our key geographies North America, Europe, Japan, Latin America, India and Rest of the World.
Section B: Financial Details of the Company		
1	Paid up capital (INR)	24,50,54,344
2	Total turnover (INR)	₹ 21,232.14 Million
3	Total profit after tax (INR)	₹ 4,187.24 Million
4	Total spending on CSR as percentage of PAT (%)	2% of the average net profits for previous three financial years
5	List of activities in which the above expenditure has been incurred	Child and Maternal Health, COVID-19 relief and support, Sustainable Livelihood and Skill Development, Promotion of Education and Community Development and Promoting Swimming as a sport.
Section C: Other Details		
1	Does the Company have any Subsidiary Company/ Companies	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	The Company's Business Responsibility initiatives do not extend to other entities. However, we encourage our external stakeholders, such as suppliers and contractors, to adhere to responsible business practices.
Section D: Business Responsibility Information		
1	**Details of the Director / Directors responsible for BR**	
(a)	Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies	
	DIN Number	01965174
	Name	Dr. Yasir Rawjee
	Designation	Managing Director & CEO
(b)	Details of the BR head	
	DIN Number (if applicable)	01965174
	Name	Dr. Yasir Rawjee
	Designation	Managing Director & CEO
	Telephone number	+91 22 68297979
	E-mail id	complianceofficer@glenmarklifesciences.com

2 Principle-wise (as per NVGs) BR policy / policies

As a responsible corporate citizen, Glenmark Life Sciences has adopted several internal policies that guide all aspects of our operations and business activities. These policies are in line with the NVG Principles, relevant global standards and industry best practices.

Thematic areas of the NVG Principles:

Principle 1: Ethics, Transparency and Accountability.

Principle 2: Safety and sustainability throughout the life cycle.

Principle 3: Well-being of all employees.

Principle 4: Respecting interests of all stakeholders.

Principle 5: Promotion of human rights.

Principle 6: Protection of environment.

Principle 7: Responsibly influencing public and regulatory policy

Principle 8: Inclusive growth and equitable development.

Principle 9: Customer engagement

Details of compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Environment, Health & Safety Policy conforms to ISO 14001 and OHSAS 18001 standards.								
4	Has the policy being approved by the Board?									
	Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	www.glenmarklifesciences.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3 Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors assess the Company's BR performance annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.glenmarklifesciences.com

Principle 1: Ethics, Transparency and Accountability:	
Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes. Extended to all the stakeholders. The Company's Global Anti-Corruption Policy covers the Company, the group and all the Business Partners (which includes vendors, suppliers, joint venture partners, formal Business Partners, or agents, Consultants, and any other Business Partners acting on Company's behalf).
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the reporting year, the Company received 120 stakeholders' complaints, of which all were resolved as of year end. Further details are available in the Corporate Governance Section of the Annual Report F.Y. 2021-22.

Principle 2: Products Life Cycle Sustainability:		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a)	Bupropion
	(b)	Rizatriptan Benzoate
	(c)	Zolpidic Acid
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):		
(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	•	Bupropion – Reduction in procurement of Solvent: Ethyl Acetate by 100 % recycling of recovered Ethyl Acetate in manufacturing process. Since, no fresh solvent is being consumed hence, this usage has indirectly reduced the usage of natural resources. Also, this is step towards green chemistry promoting environment safety.
	•	Rizatriptan – Reduction in usage of Key Starting Material (KSM) by revision of KSM norms. Due to this there is reduction in effluent generation keeping environment safe. This has also improved yield of the product which in turn reduced the requirement of multiple batch manufacturing and thus directly reducing the usage of resource like energy, water and input raw materials.
	•	Zolpidic Acid – KSM was isolated from alkaline aqueous layer which was previously sent for treatment in Effluent Treatment Plant (ETP) and was being disposed with high TDS and high COD streams. By implementing the isolation of KSM from waste stream, this is a direct step towards environment safety and reduction in saving of energy & water that were earlier required for treatment.
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	•	Waste Water Treatment facility consisting of Stripper, Multiple Effect Evaporator (MEE), Biological Treatment Plant and Reverse Osmosis Plants (RO) is available on site. Treated water from RO plant is being reused in Cooling towers and Boilers.
	•	To meet the energy requirements Renewable Energy usage has been started in place of Thermal Energy. The share of Renewable Energy increased from 5% in previous year to 15% this year in our Ankleshwar Plant.
	•	Also, team is actively involved in enhancing manufacturing efficiency and Capacity enhancement which has helped in specific utility consumption compared to previous year.

Sr. No.	Particulars	Type	UOM	F.Y. 2020-21	F.Y. 2021-22	YOY in %
1	Water	Specific water consumption	KL / Kg.	0.93	0.79	-15%
2	Energy	Specific fuel consumption	Kg. / Kg.	373.46	331.45	-11%
3	Energy	Specific power consumption	KWH / Kg.	144.78	135.22	-7%

Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	We are continually working on product Mix and to reduce dependency on Imports. For which we are promoting local manufacturer's for developing new product and supporting them with volumes and technology required. This is quiet visible from the fact that our RM imports which were at 39.3% & 40.4% in FY 20 & FY21 respectively have come down to 35.8% in FY22
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	We have China De-Risking plan in place where emphasize is given on developing new sources and develop product from local vendors. We have built a strong base of ancillary suppliers for most of our Key molecules.
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	We have mechanism in place to recycle waste. Plastic waste generated during the manufacturing activity is being recycled by disposing to authorized plastic waste recyclers. Hazardous Waste – 19% of Hazardous Waste recycled in FY 22. 46% of Hazardous Waste reused for co-processing in FY 22

Principle 3: Employees Well-being	
Please indicate the Total number of permanent employees.	1655
Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1479
Please indicate the Number of permanent women employees.	116
Please indicate the Number of permanent employees with disabilities	4
Do you have an employee association that is recognized by management?	No
What percentage of your permanent employees is members of this recognized employee association?	Not Applicable.

Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) **Permanent Employees –** 95% Skill Up-gradation done, 100% Safety Training conducted

(b) **Permanent Women Employees –** 95% Skill Up-gradation done, 100% Safety Training conducted

(c) **Casual/Temporary/Contractual Employees –** 100% Skill Up-gradation and Safety Training

Principle 4: Stakeholder Engagement	
Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	At Glenmark Life Sciences we strive to serve our communities by bringing about substantial social changes that reflect our core values. The Company has undertaken various initiatives to ensure the health and well-being of communities in rural areas, conducted skill development programs to empower the youth and address the issue of unemployment and promoted sports through the Glenmark Aquatic Foundation.

Principle 5: Human Rights	
Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	The Company is committed to promote human rights and extends it to all areas of business operations and to all its stakeholder. Through its processes, systems, policies and the statutes under which the organization operates, it protects the human rights of each and every employee who work directly or indirectly with the organization.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Principle 6: Environment	
Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.	Yes. Extends to all the stake holders
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company has defined targets to achieve on Water and Carbon Neutrality and Zero Waste to Landfill. For more details on the sustainability initiatives around the following pillars of Social, Human, Economic and Environmental, please refer to the ESG Performance section of this Annual Report.
Does the company identify and assess potential environmental risks? Y/N	Yes
Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. The Company has undertaken several initiatives around Energy Conservationand Renewable Energy Utilization such as solar and wind power. For more details please refer to the ESG Performance section of this Annual Report.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No Show cause/legal notices from CPCB/SPCB are pending with the Company as on end of Financial Year

Principle 7: Policy Advocacy	
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Bombay Chamber of Commerce
Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	No

Principle 8: Equitable Development	
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Our Vision is to actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation. In line with its vision of 'Enriching lives to create a healthier and happier world', the Company has contributed towards Water Management, Child Heath Healthcare, Sustainable Livelihood, Community Development, Education and Promotion of Sports.
Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	A mix of all.
Have you done any impact assessment of your initiative?	Impact assessment is not applicable for the Company. However, for some of the projects undertaken we have voluntarily conducted impact assessments after completion of those projects.
What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer to our CSR Report which forms part of this Annual Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company has undertaken various initiatives to ensure the health and well-being of communities in rural areas, including installation of Alkaline Water Filters/ATMs, initiated several programs with hospitals related to patient healthcare and enhanced overall healthcare of the vulnerable communities. Additionally it has conducted skill development programs to empower the youth and address the issue of unemployment, provided e-learning equipment to 1st to 10th standard students of the Gujarat State Education Board status and promoted sports through Glenmark Aquatic Foundation.

Principle 9: Customer Value	
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)	Information with respect to pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
Did your company carry out any consumer survey/ consumer satisfaction trends?	The marketing team of the Company regularly interacts with the customers and takes their feedback on the Company's products.

STATUTORY REPORT

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:

Glenmark Life Sciences Limited ("the Company") believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability.

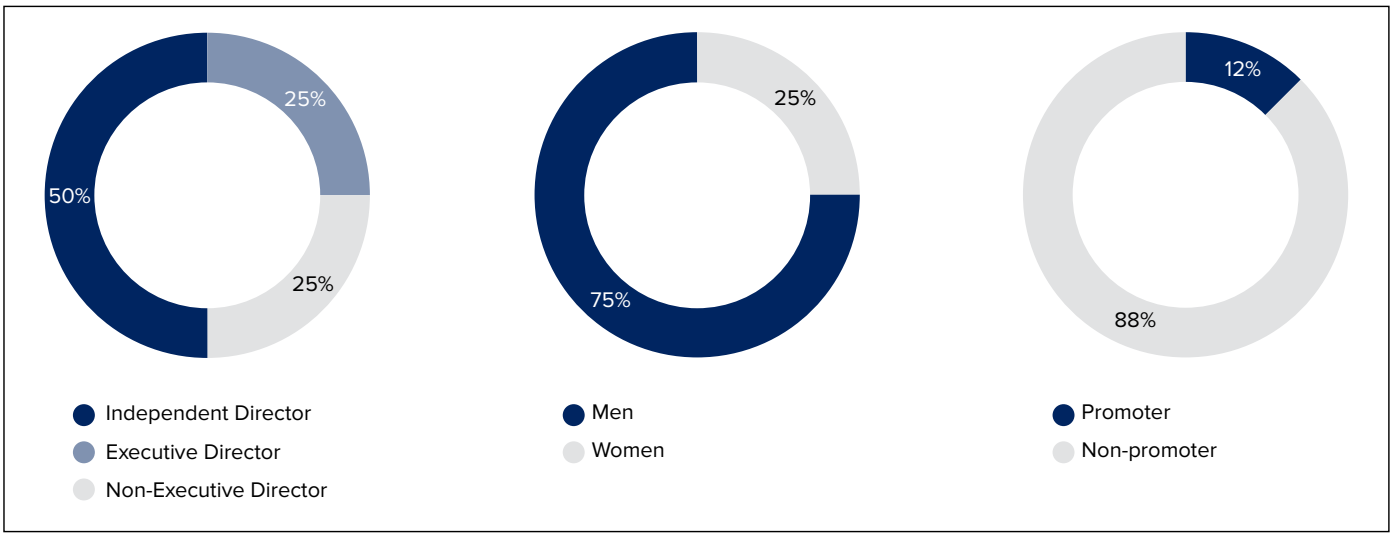
Good Corporate Governance brings about sustained growth and long term benefits for the stakeholders. It is a system by which the organisation will be driven and controlled by its commitment to values and ethical business conduct, voluntary practices and compliance with laws and regulations paving way to preserving shareholders' trust while maximizing long-term corporate value.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("the Listing Regulations").

2. BOARD OF DIRECTORS:

- **Composition:**
  The Board of Directors of the Company (the Board) consists of an optimal combination of Executive, Non-Executive and Independent Directors including an Independent Woman Director. The composition of the Board is in conformity with the Listing Regulations and the Companies Act, 2013 (the Act). As on 31 March 2022, the Board comprised Eight Directors, of whom, two are Executive, two are Non-Executive and four are Non-Executive Independent Directors. The Chairman of the Board is Non - Executive Director.

Details of the Composition and Categories in terms of percentage is given below:



The Board fulfils the criteria laid down under the Board's policy on diversity. The Non-Executive Directors are professionals with experience in management, pharmaceutical industry, legal, finance, marketing and general administration who bring in a wide range of skills and experience to the Board.

a) Details of the Board:

Sr. No.	Name of Directors & DIN	Category	No. of Board meetings attended	No. of directorship held in other Indian companies as on 31 March 2022#	No. of Committee memberships/ Chairpersonships held in other Indian public companies as on 31 March 2022##		Other listed entities in which person acting as director & category of Directorship
					Chairman	Member	
1	Mr. Glenn Saldanha Chairman DIN- 00050607	Non- Executive Promoter Group	8	1	-	-	Chairman & Managing Director - Glenmark Pharmaceuticals Limited
2	Mr. V. S. Mani DIN- 01082878	Non- Executive	8	1	-	-	Executive Director & Global CFO - Glenmark Pharmaceuticals Limited
3	Dr. Yasir Rawjee DIN- 01965174	Managing Director & CEO	8	-	-	-	-
4	Mr. Sumantra Mitra DIN- 08748014	Executive	2	-	-	-	-
5	Mr. Sridhar Gorthi DIN- 00035824	Non- Executive Independent	8	3	1	2	Non-Executive and Independent Director: 1. Glenmark Pharmaceuticals Limited 2. Hathway Cable and Datacom Limited
6	Mrs. Manju Agarwal DIN- 06921105	Non- Executive Independent	8	7	3	8	Non-Executive and Independent Director: 1. Gulf Oil Lubricants India Limited 2. CMS Info Systems Limited
7	Mr. T. L. Easwar DIN- 03135959	Non- Executive Independent	8	-	-	-	-
8	Ms. Gita Nayyar DIN- 07128438	Non- Executive Independent	8	4	-	3	Non-Executive and Independent Director: 1. Oriental Hotels Limited 2. Transport Corporation of India Limited 3. PNB Housing Finance Limited

\# 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 and Stakeholders Relationship Committee of listed and unlisted Indian public companies.

Note: None of the Directors are related to any other Director.

b) Details of Board Meetings and Attendance:

During the Financial Year ended 31 March 2022; Eight (8) Board Meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1	06 April 2021	8	7
2	16 April 2021	8	8
3	26 May 2021	8	7
4	09 July 2021	8	7
5	19 July 2021	8	8
6	13 August 2021	8	7
7	10 November 2021	8	7
8	08 February 2022	8	7

The gap between two meetings did not exceed one hundred and twenty days.

A. None of the Non-Executive Directors of the Company has any pecuniary relationship or transactions with the Company other than sitting fees paid for attending Board meetings/Committee meetings.

B. Mr. Glenn Saldanha, Mr. V. S. Mani attended the last Annual General Meeting of the Company held on 12 July 2021. Audit Committee Chairperson, Mrs. Manju Agarwal had authorized other Committee member to attend AGM on her behalf.

C. Information flow to the Board Members

The Board has complete access to all Company related information. The agenda along with the explanatory notes are sent well in advance to the Directors to ensure meaningful participation in the meetings. However, in case of business exigencies or urgency, meetings are convened at a shorter notice with appropriate approvals or resolutions passed by way of circulation, as permitted by law, which are noted in the subsequent meeting. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration.

With a view to ensure high standards of confidentiality of agenda and other Board papers and reduce paper consumption and maximum utilisation of technology, the Company circulates to its Directors, notes for Board/Committee meetings through a web-based application which can be securely accessed by the Directors through their IPads /laptop and browsers. This application meets high standards of security that are required for storage and transmission of documents for Board/Committee meetings.

At the Board Meeting, Managing Director apprises the Board on the overall performance of the Company. The Board also, inter-alia, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major legal issues, review of foreign exchange exposure, internal financial controls and financial reporting systems, adoption of quarterly/half-yearly/annual results, Related Party transactions, major accounting provisions, corporate restructuring, minutes of the Meetings of the Audit and other Committees of the Board.

In addition to the Information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is kept informed of major events and approvals are taken wherever necessary. The Board is also presented with the operating plans of the businesses for its review, inputs and approval. Likewise, the quarterly Financial Statements and Annual Financial Statements are first presented to the Audit Committee and subsequently to the Board for its approval. In some instances, documents are tabled during the course of the Board Meetings. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standard on Meetings of the Board of Directors (“SS – 1”) issued by the Institute of Company Secretaries of India. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the members.

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.

Post-meeting follow-up system

The important decisions taken at the Board and Board committee meetings are tracked till their closure and review/ follow up details is placed before each Board and Board committee meeting for their noting.

Independent Directors:
All the Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company at https://www.glenmarklifesciences.com/pdf/Letter-of-appointments-of-Independent-Directors.pdf

Each Independent Director, at the time of appointment, and thereafter at the beginning of each financial year, submits a declaration confirming their independence under Section 149(6) of the Act read with the rules made thereunder and Schedule IV and Regulation 16(1)(b) of the Listing Regulations. The declarations of independence received from the independent directors are noted and taken on record by the Board. Further, all the Independent Directors have registered themselves at the databank maintained by Indian Institute of Corporate Affairs (IICA).

None of the Independent Directors of the Company serves as an independent director in more than seven listed companies or as a whole-time director in any listed company.

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 in an informal environment to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

Schedule IV of the Act, the Listing Regulations and SS - 1 mandates that the Independent Directors of the Company should held at least 1 (one) meeting in a year, without the attendance of Non-Independent Directors.

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

Familiarisation Programmes for Board Members:
Familiarisation program for directors is key to getting best contribution from them in every aspect of Board management. The Board members are provided with the necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. All the Directors are made aware of their roles and duties at the time of their appointment/re-appointment through a formal letter of appointment which also stipulates other terms and conditions of their appointment. It aims to provide the Independent Director/s an insight into the Company's functioning and to help them to understand its business in depth so as to enable them to contribute significantly during the deliberations at the Board and Committee meetings.

The Company has an orientation process which includes interactive sessions with the Management members. The directors are apprised about the nature of industry, business model, group structure. Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved, etc.

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

The policy on familiarisation programmes as stated above is available on the website of the Company and can be accessed at the web link: https://www.glenmarklifesciences.com/pdf/Policy-for-Familiarisation-Programm-for-Independent-Directors_22.pdf

Chart or Matrix setting out skills/expertise/competence of Board of Directors:
The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board of the Company comprises eminent personalities and leaders in their respective fields to ensure effective functioning of the Company.

The following skills/expertise/competencies as fundamental for the effective functioning of the Company have been identified:

Pharmaceuticals, Science and Technology	Significant background and experience in pharmaceuticals sector, science and technology domain.
Strategy	Experience in developing long-term strategies to grow API business, consistently, profitably, competitively and in a sustainable manner in changing economic conditions.
Finance & Accounts	Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.
Corporate Governance	Protection of stakeholders interest, observing best governance practices, identifying key governance risks.
IT Skills	Understanding the use of digital/Information Technology and ability to anticipate technological driven changes.
Human Resource and General Management	General know-how of business management, talent management and development, workplace health & safety.
Risk Management	Experience of identifying, assessing and controlling financial, legal, strategic and business risks.

Name	Pharmaceuticals, Science and Technology	Strategy	Finance & Accounts	Corporate Governance	IT Skills	Human Resource and General Management	Risk Management
Mr. Glenn Saldanha	√	√	√	√	√	√	√
Mr. V.S. Mani	√	√	√	√	√	√	√
Dr. Yasir Rawjee	√	√	√	√	√	√	√
Mr. Sumantra Mitra	√	√		√	√	√	√
Mrs. Manju Agarwal		√	√	√	√	√	√
Mr. Sridhar Gorthi		√	√	√	√		√
Ms. Gita Nayyar		√	√	√	√	√	√
Mr. T. L. Easwar	√	√		√	√	√	√

3) BOARD COMMITTEES:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations.

The Board has formed the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee

Each Committee of the Board is guided by its terms of reference, which defines the scope, powers, responsibilities and composition of the Committee. The minutes of the meetings of all Committees are placed before the Board for its review and noting.

During the year, all recommendations of the Committees of the Board have been accepted by the Board.

1. AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee in line with the provisions of the Listing Regulations and the Act.

- Terms of Reference:

  1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the board of directors of the Company (the "Board") the appointment, remuneration and terms of appointment of the auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence, performance and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) Major accounting entries involving estimates based on the exercise of judgment by management;

   (d) Significant adjustments made in the financial statements arising out of audit findings;

   (e) Compliance with listing and other legal requirements relating to financial statements;

   (f) Disclosure of any related party transactions; and

   (g) Modified opinion(s) in the draft audit report.

6. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinising of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

13. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussing with internal auditors on any significant findings and follow up thereon;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act (including Section 177), the Listing Regulations or by any other regulatory authority; and

22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in the terms of reference of the Audit Committee. The current Charter of the Audit Committee is in line with international best practices and the regulatory changes formulated by the Listing Regulations.

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

During the year, Six (6) Meetings of the Audit Committee were held on the following dates:

06 April 2021	25 May 2021	09 July 2021	12 August 2021	10 November 2021	08 February 2022

Details of the composition and attendance of Members of the Audit Committee during the F.Y. ended 31 March 2022 are as follows:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mrs. Manju Agarwal	6	6	Chairperson	Independent Director
Mr. Sridhar Gorthi	6	6	Member	Independent Director
Mr. V. S. Mani	6	6	Member	Non-Executive Director

The gap between two meetings did not exceed one hundred and twenty days.

All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Managing Director & CEO and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The Statutory Auditors & Internal Auditors of the Company were present in the Audit Committee meetings held during the year. The Company Secretary officiates as the Secretary to the Committee.

2. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As on 31 March 2022, the Committee consists of three (3) Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Terms of reference:

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. To approve, register, refuse to register transfer or transmission of shares and other securities;
7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. Allotment and listing of shares;
9. To authorise affixation of common seal of the Company;
10. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. To dematerialize or rematerialize the issued shares;
13. Ensure proper and timely attendance and redressal of investor queries and grievances;
14. Carrying out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements, as and when amended from time to time; and
15. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The Committee has the mandate to review and redress Shareholder grievances including complaints related to, non-receipt of securities, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee reviews Shareholders' complaints and resolution thereof.

During the year, Two (2) Meetings of the Committee were held on the following dates:

09 November 2021	08 February 2022

Details of composition and attendance of the Members of the Stakeholders Relationship Committee Meetings during the F.Y. ended 31 March 2022 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. T. L. Easwar	2	2	Chairman	Independent Director
Dr. Yasir Rawjee	2	2	Member	Executive Director
Mrs. Manju Agarwal	2	2	Member	Independent Director

The Details of complaints received and resolved during the year ended 31 March 2022 were as follows:

No. of complaints	2021-2022
Complaints as on 1 April 2021	NIL
Received	120
Resolved	120
Pending	NIL

Name and Designation of Compliance Officer:
Mr. Rudalf Corriea, Company Secretary & Compliance Officer
Ph. No. +91 22 6829 7979
E-mail ID: complianceofficer@glenmarklifesciences.com

The Company's Registrars & Transfer Agent KFin Technologies Limited (KFin) (Formerly known as KFin Technologies Private Limited) 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 Nomination and Remuneration Committee functions in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and its policies adopted by the Company.

The role of the Committee is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The Committee evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. The Committee also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company. The Committee has the overall responsibility of approving and evaluating the nomination and remuneration plans, policies and programs for Executive/Non-Executive Directors, Senior Management and Key Managerial Personnel.

Terms of Reference:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors of the Company ("Board") a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;

5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act (including Section 178), the Listing Regulations or by any other regulatory authority; and

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the year, Four (4) Meetings of the Nomination and Remuneration Committee were held on the following dates:

06 April 2021	17 May 2021	12 August 2021	08 February 2022

Details of composition and attendance of the Members of Nomination and Remuneration Committee during the F.Y. ended 31 March 2022 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Sridhar Gorthi	4	4	Chairman	Independent Director
Ms. Gita Nayyar	4	4	Member	Independent Director
Mr. Glenn Saldanha	4	4	Member	Non-Executive Director

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

4. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee constituted on 25 March 2022 in line with the provisions of the Listing Regulations. The Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

Terms of Reference:

1. Frame Risk Management Plan and Policy;
2. Oversee implementation / Monitoring of Risk Management Plan and Policy;
3. Periodically review and evaluate the Risk Management Policy and Practices with respect to risk assessment and risk management processes;
4. Review of development and implementation of a Risk Management Policy including identification therein of element of risk;
5. Review of cyber security and related risks;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
7. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

No Meeting of Risk Management Committee was held during the year.

- Details of Composition of the Members of Risk Management Committee during the F.Y. ended 31 March 2022 are as under:

Name	Remarks	Category of Directorship
Mr. V. S. Mani	Chairman	Non- Executive Director
Dr. Yasir Rawjee	Member	Executive Director
Mr. Sridhar Gorthi	Member	Independent Director
Mr. T. L. Easwar	Member	Independent Director

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee constituted in line with the provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). The Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes.

Terms of Reference:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The Company has revised the CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021 and the same is available on the Company's website at https://www.glenmarklifesciences.com/pdf/Glenmark-Life-Sciences-CSR-Policy-2021_22.pdf

A CSR Report giving details of the CSR activities undertaken by the Company during the year under review, along with the amount spent forms part of the Board's Report.

During the year, Two (2) Meetings of the Committee were held on the following dates:

25 May 2021	09 November 2021

Details of Composition and Attendance of the Members of the CSR Committee during the year ended 31 March 2022 are as under:

Name	No. of meetings		Remarks	Category of Directorship
	Held	Attended		
Mr. Sridhar Gorthi	2	1	Chairman	Independent Director
Dr. Yasir Rawjee	2	2	Member	Executive Director
Mr. V. S. Mani	2	2	Member	Non-Executive Director
Ms. Gita Nayyar	2	2	Member	Independent Director

4) REMUNERATION OF DIRECTORS:

REMUNERATION POLICY

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

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

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

- Details of remuneration/ fees/ commission paid to Directors during the F.Y. ended 31 March 2022 are as under:

(₹ In Million)

Sr. No	Name of Director	Salaries	Retirement benefits/other reimbursements	Commission	Sitting Fees	Total
		Amount	Amount	Amount	Amount	Amount
1	Mr. Glenn Saldanha	-	-	-	-	-
2	Mr. V. S. Mani	-	-	-	-	-
3	Dr. Yasir Rawjee	65.09	0.73	-	-	65.82
4	Mr. Sumantra Mitra	11.10	2.21	-	-	13.31
5	Mr. Sridhar Gorthi	-	-	-	-	-
6	Mrs. Manju Agarwal	-	-	-	2.10	2.10
7	Ms. Gita Nayyar	-	-	-	1.40	1.40
8	Mr. T. L. Easwar	-	-	-	1.00	1.00
	TOTAL	**76.19**	**2.94**	**-**	**4.50**	**83.63**

Note:

- The Company pays ₹ 1 lac as sitting fees per meeting to the Non-Executive Independent Directors for attending the Board and the Committee Meetings. The Criteria for making payment to Non- Executive Directors is made available on the website of the Company.
- Service Contract: The Service Contract can be terminated with a notice of six months by Executive Directors.

Shareholding of the Non-Executive/Independent Directors in the Company as on 31 March 2022 is given below:

Name of the Director	Equity Shares (Nos.)
Mr. Glenn Saldanha	7,800
Mr. V. S. Mani	NIL
Mr. Sridhar Gorthi	NIL
Mrs. Manju Agarwal	NIL
Ms. Gita Nayyar	NIL
Mr. T. L. Easwar	NIL

5. DISCLOSURES BY MANAGEMENT:

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

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

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

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

e) Company has complied with and disclosed all the mandatory corporate governance requirements prescribed under Regulation 17 to 27 and Regulation 46(2) under Listing Regulations.

f) There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.

6. GENERAL BODY MEETINGS:

- The details of last three Annual General Meeting are as under:

Financial Year Ended	Date & Time	Venue	Special Resolution Passed
31 March 2019	26 September 2019 at 11.00 a.m.	Plot No. 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413 213, India.	No
31 March 2020	28 September 2020 at 11:00 a.m.	Plot No. 170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413 213, India.	No
31 March 2021	12 July 2021 at 11:00 a.m.	Glenmark House, B. D. Sawant Marg, Chakala, Off Western Express Highway, Andheri (E), Mumbai– 400 099.	No

- All resolutions moved at the last Annual General Meeting were passed by requisite majority of members by way of show of hands.

- Extraordinary General Meeting of the Members has been convened by the Company during the financial year 2021-22 on 9 April 2021. Further, none of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Postal Ballot

The Company had sought the approval of shareholders through notice of postal ballot dated 13 August 2021 for approval of the Material Related Party Transactions with Glenmark Pharmaceuticals Limited through an Ordinary Resolution, the above mentioned resolution was passed by the Shareholders of the Company with requisite majority.

The details of the Postal Ballots conducted are mentioned below:

Date of Postal Ballot Notice: 13 August 2021
Voting period: Wednesday, 8 September 2021 (from 9.00 A.M.) to Thursday, 7 October 2021 (till 5.00 P.M.)
Date of Declaration of Results: 7 October 2021

Voting Pattern:

Name of Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No of votes in favour	% in favour	No of votes against % in favour	% in against
Material Related Party Transactions with Glenmark Pharmaceuticals Limited	Ordinary Resolution	86,82,544	86,70,041	99.86	12,503	0.14

For above mentioned Postal Ballot Mr. Bhadresh Shah (Certificate of Practice no. 15957) of M/s. Bhadresh Shah and Associates, Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process in a fair and Transparent manner.

As per the General Circular Nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020 and 10/2021 dated 23 June 2021 issued by the Ministry of Corporate Affairs and on account of the threats posed by the COVID-19 pandemic, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes were not sent to the members for the postal ballot conducted during the year under review. Members were requested to provide their assent or dissent through e-voting only. A copy of the Notice is available on the website of the Company at www.glenmarklifesciences.com, website of the stock exchanges where the equity shares of the Company are listed, i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), at www.bseindia.com and www.nseindia.com, respectively, and on the website of our e-voting agency i.e. KFin Technologies Limited. Voting rights were reckoned on the paid-up value of equity shares registered in the name of members as on the cut-off date.

The results of the voting by e-voting were announced on 7 October 2021. The results were also displayed on the website of the Company at www.glenmarklifesciences.com and on the website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated to BSE and NSE.

The postal ballots were conducted as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules thereunder and the Circulars issued by the Ministry of Corporate Affairs in this regard.

7. GENERAL SHAREHOLDERS INFORMATION:

Financial Year:
1 April to 31 March

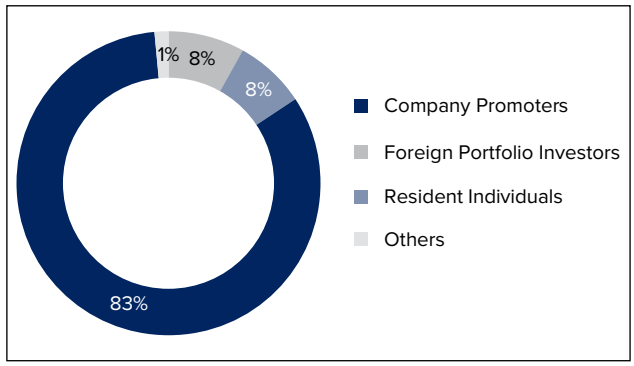
Dematerialisation of shares and Liquidity:
As of 31 March 2022, all the Equity Shares were held in dematerialized form. The shares of the Company are permitted to be traded only in dematerialised form. All shares of the Company are liquid and traded in normal volume on BSE and NSE.

Relevant data for the average daily turnover for the F.Y. 2021-22 is given below:-

	BSE	NSE	Equity
In no. of shares	32,308	3,31,559	3,63,868
In value terms ₹	1,91,33,526	19,63,12,217	21,54,45,743

Shareholding Pattern as at 31 March 2022:

Description	No. of Shareholders	Shares held	% to Equity
Mutual Funds/Alternative Investment Fund	3	6,15,223	0.50%
Foreign Portfolio Investors	43	99,49,880	8.12%
Trusts	1	427	0.00%
Resident Individuals	2,31,918	92,58,839	7.56%
Non Resident Indians	1,825	3,42,624	0.28%
Company Promoters	2	10,15,12,750	82.85%
Clearing Members	64	91,362	0.07%
Banks/NBFC	2	638	0.00%
Qualified Institutional Buyer	1	69,860	0.06%
Bodies Corporates/HUF	4,719	6,85,569	0.56%
TOTAL	**2,38,578**	**12,25,27,172**	**100.00**



Distribution Schedule as on 31 March 2022:

Sr. No.	Category From - To	No. of Shareholders	% of Shares	No. of Shares	% of Total Equity
1	1 - 5000	2,38,278	99.87	86,35,893	7.05
2	5001 - 10000	162	0.07	5,43,479	0.44
3	10001 - 20000	62	0.02	4,29,513	0.35
4	20001 - 30000	18	0.01	2,29,777	0.19
5	30001 - 40000	14	0.01	2,57,538	0.21
6	40001 - 50000	1	0.00	21,192	0.02
7	50001 - 100000	17	0.01	6,48,247	0.53
8	100001 and above	26	0.01	11,17,61,533	91.21
	TOTAL	**2,38,578**	**100.00**	**12,25,27,172**	**100.00**

Date, Time and Venue of the ensuing Annual General Meeting:

Day and Date	Monday, 26 September 2022
Venue	Through Video Conferencing/Other Audio Visual Means facility.
Time	2.00 PM IST
Book Closure dates for final dividend	Saturday, 17 September 2022 to Monday, 26 September 2022

- Date of declaration of dividend:

  The Board of Directors are pleased to recommend a final dividend of ₹ 10.5/- (Gross) per equity share of the face value of ₹ 2/- each for the F.Y. 2021-22, subject to the approval of the Shareholders at the ensuing Annual General Meeting. The dividend shall be paid on or after 28 September 2022.

  Earlier, the Board at their meeting held on 10 November 2021, had declared an Interim Dividend of ₹ 10.5/- (Gross) of the face value of ₹ 2/- each. The said Interim Dividend was paid to all eligible shareholders. Along with the final dividend as above, if approved at the ensuing AGM, the total dividend payout for the F.Y. 2021-22 shall stand at ₹ 21/- (Gross) per share on the face value of ₹ 2/- per share.

OTHER DISCLOSURES:

Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large: None

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Notes of Financial Statements, forming part of the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company's major related party transactions are generally with its Holding Company and subsidiaries of holding Company.

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

The policy on Related Party Transactions as stated above is available on the website of the Company and can be accessed at the web link https://www.glenmarklifesciences.com/pdf/GLS%20RPT%20Policy.pdf

Disclosure of foreign exchange risk and hedging activities:

The Company is exposed to foreign exchange risks emanating from business, assets and liabilities denominated in foreign currency.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted Internal Complaints Committee (ICC). While maintaining the highest governance norms, external independent persons who worked in this area and have the requisite experience in handling such matters have been appointed.

Complaints during the F.Y. 2021-22:

Particulars	Complaints
Number of complaints filed during the F.Y.	0
Number of complaints disposed of during the F.Y.	0
Number of complaints pending as on 31 March 2022	0

Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors:

Company has received certificate from Mr. Bhadresh Shah of M/s. Bhadresh Shah & Associates, Practicing Company Secretaries stating that none of the Directors on the Board of the Company have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as directors of companies.

Fees paid to Statutory Auditors:

Total fees for all services paid by the Company to the Statutory Auditor is as under:

(Amount in ₹ Million)

Particulars	FY22	FY21
Audit Fees (including limited review fees)	9.22	4.72
Other Services (relating to IPO)	19.18	-
Total	**28.40**	**4.72**

Note: Above fees includes out of pocket expenses.

Adoption of Mandatory and Non-Mandatory Requirements:
The Company has complied with all the mandatory requirements of the Listing Regulations.

The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- During the year under review, there was no audit qualification in the Company's Financial Statements.
- The Internal Auditor reports directly to the Audit Committee in all functional matters.
- The Company follows a robust process of communicating with the Shareholders which has been explained later in the Report under "Means of Communication."
- **Other Information:**
  Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend, which remains unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

  With effect from 7 September 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. were transferred to IEPF under Companies Act, 1956 and/or Companies Act, 2013 can claim the amounts as per the procedures/ guidelines available at the website of Ministry of Corporate Affairs: http://www.iepf.gov.in/

  Shareholders who have not so far encashed their dividend Demand Drafts/warrant(s) are requested to contact KFin 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 NSDL and CDSL and the total issued and listed capital. The Audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL.

  Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

8. MEANS OF COMMUNICATION:

- **Quarterly/ Half-yearly/ Annual Results:**
  The quarterly/half-yearly/annual results are published within the timeline stipulated under SEBI Listing Regulations. The results are also uploaded on NEAPS and BSE online portal of NSE and BSE respectively. The financial results are published within the time stipulated under the Listing Regulations in newspapers viz. Financial Express (in English) and Loksatta (in Marathi). The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link: https://www.glenmarklifesciences.com/financial-results.php

  As a part of the Green initiative, the Annual Reports are sent by E-mail to Shareholders whose e-mail ids are registered with the Depositories/ KFin.
- **Analyst/Investor Meets:**
  The Managing Director & CEO and Chief Financial Officer periodically have conference calls with institutional investors and analysts. Official press releases and presentations made to institutional investors and analysts are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website. The transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at www.glenmarklifesciences.com.
- **Press releases, presentations, etc.:**
  Official press and media releases are sent to Stock Exchanges and are displayed on Company's website: www.glenmarklifesciences.com

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

- **Company's Corporate Website:**
  Company has its own website www.glenmarklifesciences.com contains all the vital information relating to the Company and its products. Website also has separate dedicated section 'Investors' wherein information relevant for shareholders is available.

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

- **SCORES (SEBI Complaint Redress System):**
  The investor complaints are processed in a centralised web-based complaints redress system. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked online at any time.

9. COMPANY'S SCRIP INFORMATION:

- **Listing on Stock Exchanges:**
  - The shares of the Company have been listed on BSE Ltd. (BSE) & The National Stock Exchange of India Ltd. (NSE) with effect from 6 August 2021.

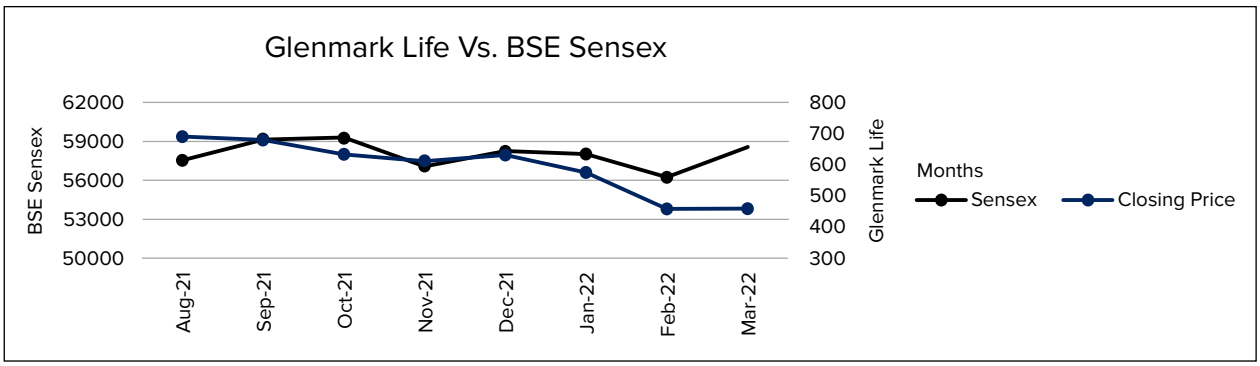
Stock Exchange	Stock Codes/Symbols	ISIN
BSE	543322	INE03Q201024
NSE	GLS	INE03Q201024

- The Company has paid the requisite listing fees to the Stock Exchanges.
- Market Information:

  Market Price Data: High and low (based on closing price) during each month in last financial year since listing of the equity shares of the Company on stock exchanges.

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
Aug-21	799.95	665.55	799	665.15
Sep-21	723.5	659	724.25	659
Oct-21	679	601.6	679	602
Nov-21	666.95	600	667	605.3
Dec-21	637.7	587.45	638	587.55
Jan-22	632.8	565	633.6	563
Feb-22	580.35	442.75	581.4	430
Mar-22	507.25	376	508	432

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



10. CORPORATE IDENTITY NUMBER (CIN):

The Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L74900PN2011PLC139963

11. PLANT LOCATIONS:

The Company's Manufacturing plants are located at:

Manufacturing Facility

- 3109 - C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch – 393 002, Gujarat.
- Plot No 163-165/170-172, Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur – 413 213, Maharashtra.
- Plot No. A80, MIDC Area, Kurkumbh, Daund, Pune – 413 802, Maharashtra.
- Z-103/I, Dahej SEZ, Dahej District, Bharuch - 392 130, Gujarat.

R & D Centre

- 2nd & 3rd Floor New Block and 1st Floor (Part) Old Block, Plot No. A-607, TTC Industrial Area, MIDC, Mahape, Vashi, Navi Mumbai, Maharashtra.
- 3109 - C, GIDC Industrial Estate, Ankleshwar, Dist. Bharuch – 393 002, Gujarat.
- Z-103/I, Dahej SEZ, Dahej District, Bharuch - 392 130, Gujarat.

12. CREDIT RATINGS:

- India Ratings and Research (Ind-Ra) has affirmed Long-Term Issuer rating and Short Term Rating as 'AA-', Outlook 'Stable' and 'A1+' respectively.

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

- **Employee Stock Options Scheme 2021:**

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

  9,51,734 ESOP options had been issued/granted to the eligible employees/Directors at Nomination and Remuneration Committee meeting held on May 17, 2021. During the Financial Year 2021-2022, 6,983 options were cancelled and no options were exercised under Employees Stock Options Scheme viz. ESOS' 2021. As of 31 March 2022, 9,44,751 options were outstanding and are due for exercise.

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

14. NATIONAL AUTOMATED CLEARING HOUSE (NACH):

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or KFin cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.

15. CODE FOR PREVENTION OF INSIDER TRADING:

The Company has comprehensive guidelines on Prevention of insider trading. The guidelines are in compliance with the SEBI Regulation on prevention of Insider Trading.

The Company has also adopted a software and adhered to the System Driven Disclosure for regulating, monitoring and reporting of trading by Designated Persons to deter the insider trading in the securities of the Company based on the Unpublished Price Sensitive Information which are in compliance with the SEBI Regulation on prevention of Insider Trading.

16. INVESTOR HELPDESK: FOR CLARIFICATIONS / ASSISTANCE, IF ANY, PLEASE CONTACT:

	Corporate Office	Registrars & Transfer Agents
Persons to contact	Mr. Rudalf Corriea	Ms. Krishna Priya Maddula
Address	Glenmark Life Sciences Limited 4th Floor, OIA House, 470, Cardinal Gracious Road, Andheri (E), Mumbai - 400 099	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008
Telephone	+91 22 6829 7979	+91-40-67161500
Fax No.	+91 22 4018 9986	+91-40-23420814
Email	complianceofficer@glenmarklifesciences.com	priya.maddula@kfintech.com
Website	www.glenmarklifesciences.com	www.kfintech.com
Investor Redressal	complianceofficer@glenmarklifesciences.com	einward.ris@kfintech.com

Declaration regarding affirmation of Code of Conduct:
In accordance with Regulation 26(3) and Schedule V of the 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 F.Y. ended 31 March 2022.

For and on behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Place: Mumbai
Date: 20 April 2022

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

We, Yasir Rawjee, Managing Director & CEO and Bhavesh Pujara, Chief Financial Officer, of Glenmark Life Sciences Ltd., certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31 March 2022 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

For and behalf of the Board of Directors

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Bhavesh Pujara
Chief Financial Officer

Place: Mumbai
Date: 20 April 2022

PRACTISING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Glenmark Life Sciences Limited
Plot No 170-172 Chandramouli Industrial Estate,
Mohol Bazarpeth Solapur 413213.
CIN: L74900PN2011PLC139963

I have examined the compliance of the conditions of Corporate Governance by Glenmark Life Sciences Limited ('the Company') for the year ended on 31 March 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C & D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations for the year ended on 31 March 2022.

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

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: A23847
CP No.:15957
PR Certificate No.: 1917/ 2022
UDIN: A023847D000173031

Place: Mumbai
Date: 20 April 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Glenmark Life Sciences Limited
Plot No 170-172, Chandramouli Industrial Estate,
Mohol Bazarpeth, Solapur 413 213.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Glenmark Life Sciences Limited having CIN L74900PN2011PLC139963 and having registered office at Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpeth Solapur 413 213 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on 31 March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	DIN	Name of Director	Date of Appointment in Company
1.	00050607	Mr. Glenn Saldanha	06 July 2018
2.	01082878	Mr. V. S. Mani	06 July 2018
3.	01965174	Dr. Yasir Yusufali Rawjee	02 May 2019
4.	08748014	Mr. Sumantra Mitra	26 June 2020
5.	00035824	Mr. Sridhar Gorthi	30 October 2020
6.	03135959	Mr. Taruvai Laxminarayanan Easwar	08 January 2021
7.	06921105	Mrs. Manju Agarwal	30 October 2020
8.	07128438	Ms. Gita Nayyar	17 February 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: 23847
CP No.:15957
PR Certificate No.: 1917/2022
UDIN: A023847D000173040

Place: Mumbai
Date: 20 April 2022

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Glenmark Life Sciences Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Glenmark Life Sciences Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

4. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
The Company's revenue principally comprises of sales of active pharmaceutical ingredients and is recognised in accordance with the accounting policy described in Note 2.4 to the accompanying financial statements. Refer Note 17 for details of revenue recognised during the year. The Company recognises revenue when control of the goods is transferred to the customer, which is determined in accordance with the arrangement with the customers but generally occurs on delivery to the customer. The Company records revenue net of discounts and allowances given and accruals for estimated future returns and rebates. We have identified recognition of revenue as key audit matter since; 1) The Company and its external stakeholders focus on revenue as a key performance measure, which could create an incentive for revenue to be overstated or recognised before control has been transferred. 2) Due to the aforesaid factors and as per the requirements of Standards of Auditing, Revenue is determined to be an area involving significant risk and hence, required significant auditor attention.	Our key audit procedures around revenue recognition included, and not limited to, the following: 1) Obtained an understanding of the Company's process of revenue recognition and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to revenue recognition; 2) Assessed the appropriateness of the revenue recognition accounting policy and its compliance with Ind AS 115, Revenue from Contracts with Customers; 3) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products recorded during the year, and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/ shipping documents; 4) Performed cut-off testing procedures by testing samples of revenue transactions recorded in specific periods before and after year end to conclude such revenue has been recorded in the correct period;

Key audit matter	How our audit addressed the key audit matter
	5) Performed analytical review procedures which includes ratio analysis and period on period variance analysis on revenue recognised during the year to identify any unusual and/or material variances. 6) Evaluated the adequacy of disclosures made in the financial statements in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

7. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

15. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, 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 accompanying financial statements;

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

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

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

    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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act.

As stated in note 11(d) to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AHLFTN4838

Place: Mumbai
Date: 20 April 2022

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Glenmark Life Sciences Limited on the financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically 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 property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets during the year. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks and such returns are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, 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, with the appropriate authorities. 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) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Excise duty on domestic clearance	14.18	14.18	FY 2004-05 to FY 2009-10	CESTAT, Mumbai
The Central Excise Act 1944	Excise duty on domestic clearance	7.99	7.99	FY 2010-11	CESTAT, Mumbai
The Central Excise Act 1944	Disallowance of refund on duty wrongly paid	2.40	2.40	FY 2007-08	CESTAT, Mumbai

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AHLFTN4838

Place: Mumbai
Date: 20 April 2022

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements 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 financial statements of Glenmark Life Sciences Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk

that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AHLFTN4838

Place: Mumbai
Date: 20 April 2022

FINANCIAL STATEMENTS

BALANCE SHEET

as at 31 march 2022

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

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	**3**	5,846.48	5,648.88
Capital work-in-progress	**3**	916.88	140.98
Intangible Assets	**3**	103.80	79.11
Financial Assets	**4**		
(i) Investments		0.77	0.77
(ii) Other financial assets		55.60	85.46
Income Tax Assets (Net)	**5**	-	11.51
Other non-current assets	**7**	140.70	13.63
Total non- current assets		**7,064.23**	**5,980.34**
Current assets			
Inventories	**8**	5,162.44	5,134.21
Financial Assets	**9**		
(i) Trade receivables		6,734.87	6,195.00
(ii) Cash and cash equivalents		5,121.57	1,155.96
(iii) Bank Balance other than cash and cash equivalents		0.07	-
(iv) Other financial assets		59.05	275.89
Other current assets	**10**	567.84	1,229.35
Total current assets		**17,645.84**	**13,990.41**
Total assets		**24,710.07**	**19,970.75**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	**11 &12**	245.05	19.60
Other Equity		20,298.07	7,507.87
Total Equity		**20,543.12**	**7,527.47**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	**31**	12.04	-
Deferred tax liabilities (net)	**6**	314.95	228.88
Total non-current liabilities		**326.99**	**228.88**
Current liabilities			
Financial Liabilities			
(i) Lease Liabilities	**31**	16.80	-
(ii) Trade payables	**13**		
(a) Total outstanding dues of Micro enterprises and Small enterprises		229.53	357.71
(b) Total outstanding dues of other than Micro enterprises and Small enterprises		2,847.65	1,855.34
(iii) Other current financial liabilities	**13**	447.59	9,550.87
Other current liabilities	**14**	34.01	114.53
Provisions	**15**	144.35	199.02
Income tax liabilities (net)	**16**	120.03	136.93
Total current liabilities		**3,839.96**	**12,214.40**
Total liabilities		**4,166.95**	**12,443.28**
Total equity and liabilities		**24,710.07**	**19,970.75**

See accompanying notes to the financial Statement.

As per our report of even date.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date: 20 April 2022

For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Bhavesh Pujara
Chief Financial officer

Place: Mumbai
Date: 20 April 2022

V S Mani
Director
DIN : 01082878

Rudalf Corriea
Company Secretary & Compliance Officer

FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	**17**	21,232.14	18,851.65
Other income	**18**	147.04	8.11
Total income		**21,379.18**	**18,859.76**
Expenses			
Cost of materials consumed	**19**	10,015.63	9,761.98
Changes in inventories of finished goods and work-in-progress	**20**	413.24	(707.01)
Employee benefits expense	**21**	1,687.23	1,491.31
Finance costs	**22**	279.62	875.47
Depreciation and amortisation expense	**3**	378.77	333.94
Other expenses	**23**	2,955.44	2,394.63
Total expenses		**15,729.93**	**14,150.32**
Profit before Tax		**5,649.25**	**4,709.44**
Tax expense:	**6**		
Current tax		1,376.27	1,127.46
Deferred tax		85.74	66.17
Total tax expense		**1,462.01**	**1,193.63**
Profit for the year		**4,187.24**	**3,515.81**
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation	**24**	1.30	(7.03)
- Income tax relating to the above		(0.33)	1.77
Other comprehensive income / (loss) for the year		**0.97**	**(5.26)**
Total comprehensive income for the year		**4,188.21**	**3,510.55**
Earnings per equity share of ₹ 2 each	**27**		
Basic (in ₹)		35.63	32.61
Diluted (in ₹)		35.63	32.61

See accompanying notes to the financial Statement.

As per our report of even date.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date: 20 April 2022

For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Bhavesh Pujara
Chief Financial officer

Place: Mumbai
Date: 20 April 2022

V S Mani
Director
DIN : 01082878

Rudalf Corriea
Company Secretary & Compliance Officer

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at 31 March 2020	**19.60**
Add: Equity shares issued	-
Balance as at 31 March 2021	**19.60**
Add: Bonus shares issued	196.01
Add: Equity shares issued	29.44
Balance as at 31 March 2022	**245.05**

Refer notes 11 and 12 for details on equity share capital

B. OTHER EQUITY

Particulars	Reserve & Surplus			Total
	Securities Premium	Employee Stock Option Reserves	Retained Earnings	
Balance as at 31 March 2020	**-**	**-**	**3,997.32**	**3,997.32**
Add: Profit for the year	-	-	3,515.81	3,515.81
Add: Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax)	-	-	(5.26)	(5.26)
Balance as at 31 March 2021	**-**	**-**	**7,507.87**	**7,507.87**
Add: Profit for the year	-	-	4,187.24	4,187.24
Add: Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax)	-	-	0.97	0.97
Less: Dividend on Equity Shares	-	-	(1,286.54)	(1,286.54)
Less: Bonus Issue	-	-	(196.01)	(196.01)
Add: Share Based payment	-	34.98	-	34.98
Add: Issue of Share Capital (Net of Issue Expenses ₹ 521.03)	10,049.56	-	-	10,049.56
Balance as at 31 March 2022	**10,049.56**	**34.98**	**10,213.53**	**20,298.07**

See accompanying notes to the financial Statement.

As per our report of even date.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date: 20 April 2022

For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

Bhavesh Pujara
Chief Financial officer

Place: Mumbai
Date: 20 April 2022

V S Mani
Director
DIN : 01082878

Rudalf Corriea
Company Secretary & Compliance Officer

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

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

Sr. No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax	5,649.25	4,709.44
	Adjustments for:		
	Depreciation and amortisation expenses	378.77	333.94
	Finance costs	279.62	874.70
	Interest income	(67.81)	(4.30)
	Loss on sale of Property, plant and equipments (Net)	7.43	5.84
	Provision for gratuity and compensated absence	31.79	34.98
	Share Based Payment Expense	34.98	-
	Trade Receivable written-off	48.19	-
	Unrealised foreign exchange loss/ (gain)	(3.11)	87.94
	Operating profit before working capital changes	**6,359.11**	**6,042.54**
	Adjustments for changes in working capital:		
	- (Increase)/Decrease in trade receivables	(592.15)	81.01
	- (Increase)/Decrease in other receivables	881.29	(491.21)
	- Increase in inventories	(28.23)	(1,006.46)
	- Increase in trade and other payables	737.49	340.89
	Cash generated from operations	**7,357.51**	**4,966.77**
	- Taxes paid (net of refunds)	(1,381.66)	(1,085.64)
	Net cash generated from operating activities	**5,975.85**	**3,881.13**
B.	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets (including Capital work in progress)	(1,321.72)	(679.93)
	Proceeds from sale of Property, plant and equipment and Intangible assets	4.69	16.34
	Redemption /(Investment) in Fixed deposit (net)	28.05	(28.05)
	Interest received	66.70	4.30
	Net cash used in investing activities	**(1,222.28)**	**(687.34)**

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

Sr. No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares (net of issue expenses)	10,118.54	-
	Dividend Paid	(1,286.54)	-
	Payment of Lease Liabilities	(13.65)	-
	Interest Paid	(0.72)	-
	Proceeds from /(repayment) of borrowings from related parties and Payment of business purchase liability	(9,605.59)	(2,137.81)
	Net cash used in financing activities	**(787.96)**	**(2,137.81)**
	Net increase in cash and cash equivalents	**3,965.61**	**1,055.98**
	Opening balance of cash and cash equivalents	**1,155.96**	**99.98**
	Closing balance of cash and cash equivalents	**5,121.57**	**1,155.96**
	Cash and cash equivalents comprise of :		
	Cash on hand	1.05	1.10
	Balances with banks in current accounts	220.52	1,154.86
	Balances with Banks in Deposits (original maturity less than 3 months)	4,900.00	-
		5,121.57	**1,155.96**

Note :

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.

2 Figures in bracket indicate cash outflow.

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

See accompanying notes to the financial Statement.

As per our report of even date.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date: 20 April 2022

For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V S Mani
Director
DIN : 01082878

Bhavesh Pujara
Chief Financial officer

Rudalf Corriea
Company Secretary & Compliance Officer

Place: Mumbai
Date: 20 April 2022

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

NOTE 1 – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY INFORMATION

Glenmark Life Sciences Limited (the "Company") is a public limited company incorporated in Pune, India. The registered office of the Company is at Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur - 413213, Maharashtra, India.

The Company is primarily engaged in the business of development, manufacture and marketing of active pharmaceutical ingredients. The Company₹s research and development facilities are located at Mahape, Ankleshwar and Dahej in India and manufacturing facilities are located at Ankleshwar, Dahej, Mohol, and Kurkumbh.

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

2.1 These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act and it requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to these financial statements are disclosed in section 2.18.

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

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

2.2 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

2.3 FOREIGN CURRENCY TRANSACTIONS

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

2.4 REVENUE RECOGNITION

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

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

Revenue (other than sale)

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

Export benefits

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

Revenue from Sale of Products

Revenue from sale of products is recognised when the Company satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers as per the terms of the underlying contracts. Invoices are issued as per the general business terms and are payable in accordance with the contractually agreed credit period.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances. A receivable is recognised by the Company when control of the goods and services is transferred and the Company's right to an amount of consideration under the contract with the customer is unconditional, as only the passage of time is required.

2.5 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

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

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

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

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

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The below given useful lives best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Factory and other buildings	26 - 61 years
Plant and machinery	1 – 21 years
Furniture, fixtures and office equipment	1 – 10 years
Vehicles	1– 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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

2.6 BORROWING COSTS

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported under 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

2.7 INTANGIBLE ASSETS

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as incurred.

The Company's internal drug development expenditure is capitalised only if they meet the recognition criteria as mentioned above. Where uncertainties exist that the said criteria may not be met, the expenditure is recognised in the statement of profit and loss as incurred. Where the recognition criteria are met, intangible assets are recognised. Based on the management estimate of the useful lives, indefinite useful life assets are tested for impairment and assets with limited life amortised on a straight-line basis over their useful economic lives from when the asset is available for use. During the periods prior to their launch (including periods when such products have been out-licensed to other companies), these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use or disposal. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, are capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software.

Amortisation

Amortisation of intangible assets, intangible assets not available for use and intangible assets having indeterminable life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

The estimated useful lives of intangible assets are 1 - 10 years.

2.8 IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current

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

market assessments of the time value of money and the risks specific to the asset. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 INVESTMENTS AND FINANCIAL ASSETS

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **air value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income/expenses. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income/ expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments at fair value other than those elected to be at cost under Ind AS 27. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in

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

the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets
A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.10 FINANCIAL LIABILITIES

Non derivative financial liabilities include trade and other payables.

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments.

2.11 INVENTORIES

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

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

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

2.12 ACCOUNTING FOR INCOME TAXES

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

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

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.

2.13 LEASES

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

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

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

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

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

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

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

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carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

2.14 EQUITY

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

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

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

2.15 EMPLOYEE BENEFITS

Short-term benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Defined benefit costs are recognised as follows:

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

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

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

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

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Compensated leave of absence

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

Termination benefits

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

2.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

Contingent assets are not recognised.

2.17 SHARE BASED COMPENSATION

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

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

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

2.18 CRITICAL ACCOUNITNG ESTIMATES AND SIGNIFICANT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

When preparing these financial statements, management undertakes a number of judgments', estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Company's accounting policies, the following judgments have been made apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statement. Judgments are based on the information available at the date of balance sheet.

Leases

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

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease

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

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate
- estimating the lease term

Estimation Uncertainty

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

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

Useful lives of various assets

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

Post-employment benefits

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

Fair value of financial instruments

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

Impairment

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

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

Current and deferred income taxes

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

Expected credit loss

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

i Trade receivables.

ii Financial assets measured at amortised cost other than trade receivables."

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

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

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

2.19 RECENT ACCOUNTING PRONOUNCEMENTS

New and amended standards adopted by the Company:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24th March, 2021 to increase the transparency and provide additional disclosures to users of the financial statements. These amendments were applied w.e.f 1st April, 2021.

New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23rd March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022, which amends certain accounting standards, and are effective from 1st April, 2022. These amendments are not expected to have a material impact on the Company or future reporting periods and on foreseeable future transactions.

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NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT COMPRISE THE FOLLOWING:

Particulars	Leasehold land* (ROU)	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Building (ROU)	Total	Capital work-in-progress
Cost										
Balance as at 31 March 2020	**166.16**	**1,863.40**	**3.35**	**3,671.61**	**127.04**	**34.06**	**0.13**	**-**	**5,865.75**	**107.30**
- Acquisitions	7.18	169.27	87.08	322.31	9.73	10.82	0.37	-	606.76	362.27
- Disposals/ Transfers/ adjustments	-	(3.88)	-	(43.06)	(2.35)	(1.20)	(0.38)	-	(50.87)	(328.59)
Balance as at 31 March 2021	**173.34**	**2,028.79**	**90.43**	**3,950.86**	**134.42**	**43.68**	**0.12**	**-**	**6,421.64**	**140.98**
- Acquisitions	101.04	113.78	2.07	295.17	14.12	9.07	3.17	40.51	578.93	876.96
- Disposals/ Transfers/ adjustments	-	-	-	(22.39)	(0.70)	(1.12)	-	-	(24.21)	(101.06)
Balance as at 31 March 2022	**274.38**	**2,142.57**	**92.50**	**4,223.64**	**147.84**	**51.63**	**3.29**	**40.51**	**6,976.36**	**916.88**
Accumulated Depreciation										
Balance as at 31 March 2020	**5.55**	**51.77**	**0.20**	**376.35**	**28.11**	**12.86**	**0.13**	**-**	**474.97**	**-**
- Depreciation charge for the year	3.59	36.29	0.08	261.50	16.19	8.47	0.37	-	326.49	-
- Disposals/ Transfers/ adjustments	-	(0.97)	-	(23.98)	(2.17)	(1.20)	(0.38)	-	(28.70)	-
Balance as at 31 March 2021	**9.14**	**87.09**	**0.28**	**613.87**	**42.13**	**20.13**	**0.12**	**-**	**772.76**	**-**
- Depreciation charge for the year	4.07	39.67	1.68	285.01	16.77	8.66	0.12	13.22	369.20	-
- Disposals/ Transfers/ adjustments	-	-	-	(10.37)	(0.58)	(1.13)	-	-	(12.08)	
Balance as at 31 March 2022	**13.21**	**126.76**	**1.96**	**888.51**	**58.32**	**27.66**	**0.24**	**13.22**	**1,129.88**	**-**
Carrying value										
As at 1 April 2020	**160.61**	**1,811.63**	**3.15**	**3,295.26**	**98.93**	**21.20**	**0.00**	**-**	**5,390.78**	**107.30**
As at 31 March 2021	**164.20**	**1,941.70**	**90.15**	**3,336.99**	**92.29**	**23.55**	**-**	**-**	**5,648.88**	**140.98**
As at 31 March 2022	**261.17**	**2,015.81**	**90.54**	**3,335.13**	**89.52**	**23.97**	**3.05**	**27.29**	**5,846.48**	**916.88**

Note:

Addition to Property, Plant and Equipment for the year ended 31 March 2022 includes capital expenditure of ₹ 16.09 (31 March 2021 - ₹ 19.25) incurred at approved R&D centres. (Refer Note 26)

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

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Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	911.66	5.22	-	-	916.88

Capital work-in-progress ageing schedule for the year ended March 31, 2021 is as follows:

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	113.33	0.64	4.44	22.57	140.98

NOTE 3 - INTANGIBLE ASSETS

Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total
Cost			
Balance as at 31 March 2020	**36.45**	**46.01**	**82.46**
- Additions	9.76	5.12	14.88
- Disposals/ Transfers/ adjustments	-	-	-
Balance as at 31 March 2021	**46.21**	**51.13**	**97.34**
- Additions	7.08	27.18	34.26
- Disposals/ Transfers/ adjustments	-	-	-
Balance as at 31 March 2022	**53.29**	**78.31**	**131.60**
Amortisation and impairment			
Balance as at 1 April 2020	**10.78**	**-**	**10.78**
- Amortisation for the year	7.41	0.04	7.45
- Disposals/ Transfers/ adjustments	-	-	-
Balance as at 31 March 2021	**18.19**	**0.04**	**18.23**
- Amortisation for the year	9.57	-	9.57
- Disposals/ Transfers/ adjustments	-	-	-
Balance as at 31 March 2022	**27.76**	**0.04**	**27.80**
Carrying value			
Balance as at 1 April 2020	**25.67**	**46.01**	**71.68**
Balance as at 31 March 2021	**28.02**	**51.09**	**79.11**
Balance as at 31 March 2022	**25.53**	**78.27**	**103.80**

At the year end, the intangible with indefinite or indeterminable lives were tested for impairment based on conditions at that date. In performing the impairment testing management considers various factors such as the size of the target market, competition, future possible price/volume erosion.

The expected useful life of product development/brands is determined based on the management's best estimates of their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the company.

There are no additions that are acquired through business combinations.

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

NOTE 4 - NON-CURRENT FINANCIAL ASSETS

(I) INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted		
Equity shares (FVTPL)		
76,800 shares of Narmada Clean Tech	0.77	0.77
Total	**0.77**	**0.77**

Note - The fair values of investments in equity shares being carried at ₹ 0.77 (31 March 2021 - ₹ 0.77) cannot be reliably determined and therefore the Company is carrying these investments at cost less impairment charge if any being the management's best estimate of their fair values.

(II) OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits*	55.60	85.46
Total	**55.60**	**85.46**

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

NOTE 5 - INCOME TAX ASSETS (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision for tax)	-	11.51
Total	**-**	**11.51**

NOTE 6 - TAXES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax expense	1,376.27	1,127.46
Deferred income tax expense	85.74	66.17
Total	**1,462.01**	**1,193.63**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Income tax expense at tax rates applicable	**1,421.80**	**1,185.27**
Tax adjustments		
- Disallowance of donation/corporate social responsibility expenses	18.91	11.33
- Other (Allowances)/ Disallowance	21.30	(2.97)
Actual tax expense (net)	**1,462.01**	**1,193.63**

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

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

For the year ended 31 March 2022:

Particulars	As at 31 March 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets				
Provision for sales return	8.15	(8.15)	-	-
Other items	12.11	(1.04)	(0.33)	10.74
Total	**20.26**	**(9.19)**	**(0.33)**	**10.74**
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	249.14	76.30	-	325.44
Other taxable temporary differences	-	0.25	-	0.25
Total	**249.14**	**76.55**	**-**	**325.69**
Net deferred income tax asset / (liabilities)	**(228.88)**	**(85.74)**	**(0.33)**	**(314.95)**

For the year ended 31 March 2021:

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

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable including taxable temporary difference in the future periods are reduced.

NOTE 7 - OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	140.70	13.63
Total	**140.70**	**13.63**

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

NOTE 8 - INVENTORIES

Particulars	As at 31 March 2022	As at 31 March 2021
Raw material	1,646.70	1,170.22
Packing material	12.46	11.51
Work-in-progress	3,104.54	3,418.94
Stores and spares	146.82	182.78
Finished goods	251.92	350.76
Total	**5,162.44**	**5,134.21**

NOTE 9 - CURRENT FINANCIAL ASSETS

(I) TRADE RECEIVABLES

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good* (Refer note 32)	6,734.87	6,195.00
Total	**6,734.87**	**6,195.00**
*Includes amount receivable from related parties (Refer Note 25)	3,056.99	2,833.90

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

Ageing schedule for the year ended as on March 31, 2022

Particulars	Not dues	Outstanding for following periods from due of payments					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivable - considered good	3,800.92	2,928.08	5.87	-	-	-	6,734.87
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

Ageing schedule for the year ended as on March 31, 2021

Particulars	Not dues	Outstanding for following periods from due of payments					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivable - considered good	4,240.01	1,317.11	522.51	18.94	17.04	79.39	6,195.00
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

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

(II) CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
In current accounts	220.52	1,154.86
Deposit with original maturity less than 3 months	4,900.00	-
Cash on hand	1.05	1.10
Total	**5,121.57**	**1,155.96**

(III) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked Balances with Bank - Unpaid dividend	0.07	-
Total	**0.07**	**-**

(IV) OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Export incentives	51.46	241.64
Bank Deposit	1.11	28.05
Other receivable	6.48	6.20
Total	**59.05**	**275.89**
*Includes amount receivable from related parties (Refer Note 25)	6.48	-

NOTE 10 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Advances recoverable	219.11	621.35
Input taxes receivable	191.63	445.85
Advance to vendors	155.47	152.73
Prepaid expenses	1.63	9.42
Total	**567.84**	**1,229.35**

NOTE 11 - EQUITY AND RESERVES

a) Ordinary shares

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

The Company has an authorised share capital of 200,000,000 equity shares of ₹ 2 each (31 March 2021 - 200,000,000 of ₹2 each).

b) Preference shares

The Company has an authorised share capital of 600,000 Cumulative Convertible Preference Shares of ₹ 100 each (31 March 2021 - 600,000).

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

c) Reserves

Securities premium reserve – The amount received by the Company over and above the face value of shares issued is shown under this head.

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

Stock compensation reserve - stock compensation reserve consists of employee compensation cost allocated over the vesting period of options granted to employees. Such cost is recognised in statement of profit and loss and is credited to the reserve. Upon exercise of options, such reserves are reclassified to equity share capital and security premium.

d) Dividends

The company declares and pays dividends in Indian rupees. Dividends are taxable in the hands of the shareholders and tax is deducted by the Company at applicable rates

The Board has recommend a final Dividend of ₹ 10.50 per equity share of face value of ₹ 2/- for the year ended 31st March, 2022 subject to approval of shareholders in ensuing Annual General Meeting. The interim Dividend of ₹ 10.50 per share was paid on December 03, 2021. The total Dividend for the financial year ended 31st March, 2022 amounts to ₹ 21.00 per share of face value of ₹ 2/- each.

NOTE 12 - EQUITY SHARE CAPITAL

(a) Share capital	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 2 each (31 March 2021- ₹ 2 each)	200,000,000	400.00	200,000,000	400.00
Cumulative Convertible Preference Shares of ₹ 100 each	600,000	60.00	600,000	60.00
Issued, subscribed and fully paid-up equity shares (refer note 12(d))				
At the beginning of the year of ₹ 2 each (31 March 2020- ₹ 10 each)	**9,800,450**	**19.60**	**1,960,090**	**19.60**
Add: Increase in share on account of sub-division	-	-	7,840,360	-
- Bonus issue	98,004,500	196.01	-	-
- Fresh issue (Refer Note 12(g))	14,722,222	29.44	-	-
At the end of the year of ₹ 2 each (31 March 2021- ₹ 2 each) (A)	**122,527,172**	**245.05**	**9,800,450**	**19.60**
Other equity (B)		**20,298.07**		**7,507.87**
Total Equity (A+B)		**20,543.12**		**7,527.47**

(b) List of shareholders holding more than 5% shares	As at 31 March 2022		As at 31 March 2021	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Glenmark Pharmaceuticals Limited	82.84%	101,504,950	100%	9,800,450

(c) Right, Preference and restriction on shares

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

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

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

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

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

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

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

(e) Shares held by promoters at March 31, 2022

	No. of Shares	% of Total Shares	% change during the year
Glenmark Pharmaceuticals Limited - Promoter	101,504,950	82.84%	-17.16%
Glenn Mario Saldanha - Promoter Group	7,800	0.0%	100%

(f) Employees Stock options Schemes 2021

i) Scheme details

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

9,51,734 ESOP options have been granted to the eligible employees/Directors at Nomination and Remuneration Committee meeting held on May 17, 2021. During the Financial Year 2021-2022, 6,983 options were cancelled and no options were issued or exercised under Employees Stock Options Scheme viz. ESOS' 2021. As of 31 March 2022, 9,44,751 options were outstanding and are due for exercise.

On exercising the 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. Employee stock compensation charged during the year is ₹ 34.98 (Refer Note 21)

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

Scheme	Grant	No. of Options	Vest 1 10%	Vest 2 20%	Vest 3 30%	Vest 4 40%	Grant Date	Exercise price	Weighted Average Fair value of option at grant date
ESOS 2021	Grant I	539,025	Jul/22	Jul/23	Jul/24	Jul/25	17-May-21	461.0	153.0
ESOS 2021	Grant II	412,709	Jul/22	Jul/23	Jul/24	Jul/25	17-May-21	716.0	84.0

ii) Movement in Options duing the year

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-	-
Granted during the year	951,734	-
Terminated / Cancelled	(6,983)	-
Balance at the end of the year	944,751	-

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

iii) Fair Value of Options

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs

Particulars	ESOS 2021 Scheme
Dividend Yield (%)	0%
Expected Volatility (%)	32.9% to 34.7%
Risk free Interest Rate (%)	5% to 5.5%
Weighted average share price (₹)	444
Exercise Price (₹)	461 (Grant I), 716 (Grant II)
Expected life of Options granted in years	3.21 to 4.71

(g) Initial Public Offering (IPO)

The Company has completed the IPO of 21,022,222 equity shares comprising a fresh issue of 14,722,222 equity shares and offer for sale of 6,300,000 equity shares of face value of ₹ 2 each at premium of ₹ 718 per share aggregating to ₹ 15,136 million. Pursuant to the IPO, the equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited with effect from August 06, 2021.

Details of Utilisation of IPO Proceeds is as under:

Particulars	Estimated net proceeds as per Prospectus	Revised Net Proceeds	Utilised up to 31 Mar'22	Unutilised as on 31 Mar'22
Payment of outstanding purchase consideration to the Promoter for the spin-off of the API business from the Promoter into our Company pursuant to the Business Purchase Agreement dated October 9, 2018	8,000.00	8,000.00	8,000.00	-
Funding the capital expenditure requirements	1,527.64	1,527.64	628.49	899.15
General corporate purposes	576.75	494.40	494.40	-
Total	**10,104.39**	**10,022.04**	**9,122.89**	**899.15**

NOTE 13 - CURRENT FINANCIAL LIABILITIES

(I) TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables outstanding dues to Micro and small enterprises under MSMED Act, 2006 (Refer Note (i) below)	229.53	357.71
Trade payables outstanding dues to creditors other than micro and small enterprises	2,735.18	1,629.91
Trade payables to related party (Refer note 25)	112.47	225.43
Total	**3,077.18**	**2,213.05**

Ageing Schedule

As on 31 March 2022

Particulars	Not due	Outstanding for following periods from due of payments*				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	229.53	-	-	-	-	229.53
(ii) Others	1,707.74	1,121.73	16.39	1.16	0.63	2,847.65
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

*Ageing calcuated from date of transaction where due date was not available

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

As on 31 March 2021

Particulars	Not due	Outstanding for following periods from due of payments*				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	357.71	-	-	-	-	357.71
(ii) Others	899.90	749.90	75.48	84.57	45.49	1,855.34
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

*Ageing calcuated from date of transaction where due date was not available

Note (i)

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

Particulars	As at 31 March 2022	As at 31 March 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	229.53	357.71
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding yearss, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year, except stated above.

(III) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Employee dues	4.43	4.99
Sundry creditors for capital goods	166.86	12.90
Accrued expenses	276.23	204.31
Payable to related parties (Refer note 25)	-	9,328.67
Unpaid Dividends	0.07	-
Total	**447.59**	**9,550.87**

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	9,328.67	10,591.78
Interest Accrued	276.92	874.70
Repayments of Borrowings during the year	-	-
Amount repaid during the year	(9,605.59)	(2,137.81)
Closing balance	-	9,328.67
Represented by-		
Other current financial liability	-	9,328.67

NOTE 14 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	22.75	41.63
Advance from customers	11.26	72.90
Total	**34.01**	**114.53**

NOTE 15 - PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for sales return	-	32.40
Provisions for employee benefits :		
Provision for gratuity (Refer note 24)	81.75	102.76
Provision for compensated absences (Refer note 24)	62.60	63.86
Total	**144.35**	**199.02**

Movement in provision for sale return	As at 31 March 2022	As at 31 March 2021
Opening balance	32.40	-
Additions/(Reversal) during the year	(32.40)	32.40
Closing balance	**-**	**32.40**

NOTE 16 - INCOME TAX LIABILITIES (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax & TDS of ₹ 3,628.06 (FY 2021 - ₹ 2,234.90)	120.03	136.93
Total	**120.03**	**136.93**

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

NOTE 17 - REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	20,874.48	18,613.95
Other operating revenue*	357.66	237.70
Total	**21,232.14**	**18,851.65**

*Other Operating revenue primarily comprises of Export incentives of ₹ 92.49 (31 March 2021 - ₹ 118.46), and Sale of scrap and others of ₹ 265.17 (31 March 2021 - ₹ 119.24).

Disaggregation of revenue :

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

Geographical area	Year ended 31 March 2022	Year ended 31 March 2021
Within India	11,518.91	10,480.71
Outside India	9,713.23	8,370.94
Total	**21,232.14**	**18,851.65**

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

Geographical area	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	21,257.23	18,897.55
Less: Trade discounts, sales and expiry returns	25.09	45.90
Revenue from contract with customers	**21,232.14**	**18,851.65**

Contract liabilities from contracts with customers :

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Advance from Customer	11.26	72.90

NOTE 18 - OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income	67.81	4.30
Exchange gain (net)	76.04	-
Miscellaneous income	3.19	3.81
Total	**147.04**	**8.11**

NOTE 19 - COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of raw material and packing material	9,779.57	9,481.65
Consumption of stores and spares	236.06	280.33
Total	**10,015.63**	**9,761.98**

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

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(Increase)/Decrease in stock of finished goods, work-in-process	413.24	(707.01)
Total	**413.24**	**(707.01)**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	251.92	350.76
Work-in-process	3,104.54	3,418.94
	3,356.46	3,769.70
At the beginning of the year		
Finished goods	350.76	345.71
Work-in-process	3,418.94	2,716.98
	3,769.70	3,062.69
Changes	**413.24**	**(707.01)**

NOTE 21 - EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	1,546.33	1,389.57
Contribution to provident and other funds and retirement benefits (Refer note 24)	96.63	95.02
Share Based Payments to Employees (Refer Note 12(f))	34.98	-
Staff welfare expenses	9.29	6.72
Total	**1,687.23**	**1,491.31**

NOTE 22 - FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses on		
- Business Purchase Consideration (Refer Note 25)	276.92	874.70
- Lease Liabilities	1.98	-
- Others	0.72	0.77
Total	**279.62**	**875.47**

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

NOTE 23 - OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power, fuel and water charges	1,009.15	741.90
Labour charges	608.27	403.56
Stores and spares consumed	121.54	83.74
Repairs and maintenance - plant and machinery	37.02	55.60
Repairs and maintenance - building	22.53	34.99
Repairs and maintenance - others	188.42	196.86
Rent (Refer note - 31)	2.20	1.63
Other manufacturing expenses	26.58	18.16
Selling and Marketing expenses	4.44	9.72
Sales promotion expenses	54.96	60.55
Export commission	89.54	127.74
Travelling expenses	54.22	45.63
Freight outward	168.87	139.87
Telephone expenses	1.03	1.67
Rates and taxes	26.15	21.96
Insurance premium	34.41	33.12
Auditors remuneration*		
- Audit Fees	8.58	4.00
- Out of pocket expenses	0.64	0.72
Loss on sale of assets	7.43	5.84
Exchange loss (net)	-	34.59
Corporate Social Responsibility Activities and Donations (Refer Note 34)	74.88	44.97
Test and Trials and Development Expenses	-	2.90
Legal & professional expenses	36.84	35.45
Other expenses	377.74	289.46
Total	**2,955.44**	**2,394.63**

* Paid professional fees of ₹ 19.18 to the statutory auditors for the initial public offer during the year were debited to security premium.

NOTE 24 - EMPLOYEE POST- RETIREMENT BENEFITS

The following are the employee benefit plans applicable to the employees of the Company.

a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age.

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

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

Particulars	31 March 2022	31 March 2021
Current service cost	13.24	12.34
Net interest on defined benefit schemes	6.42	5.78
Net periodic expense	19.66	18.12

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

Particulars	31 March 2022	31 March 2021
Actuarial (gains)/losses		
Based on adjustment of financial assumptions	(6.54)	3.30
Based on adjustment of demographic assumptions	-	-
Due to liability experience adjustment	5.64	4.06
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.40)	(0.33)
Total remeasurement gain recognised in the statement of other comprehensive income	(1.30)	7.03

The following table shows the change in present value of defined benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's defined benefit plans.

Particulars	31 March 2022	31 March 2021
Present value of funded obligations	105.10	105.54
Fair value of plan assets	(23.35)	(2.78)
Net defined benefit liability	81.75	102.76
Being:		
Retirement benefit assets	(23.35)	(2.78)
Retirement benefit liabilities	105.10	105.54

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

Particulars	31 March 2022	31 March 2021
Beginning balance	102.76	84.57
Cost recognised in statement of profit and loss	19.66	18.12
Remeasurement (gains) / losses recognised in other comprehensive income	(1.30)	7.03
Actual employer contributions	(20.00)	-
Benefits paid	(19.37)	(6.96)
Closing balance	81.75	102.76

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

Particulars	31 March 2022	31 March 2021
Beginning balance	105.54	87.01
Current service cost	13.24	12.34
Interest cost on the defined benefit obligations	6.59	5.78
Actual benefit payments	(19.37)	(6.96)
Actuarial (gains)/losses	(0.90)	7.37
Closing balance	105.10	105.54

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

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

Particulars	31 March 2022	31 March 2021
Beginning balance	2.78	2.45
Interest income on plan assets	0.17	-
Actual employer contributions	20.00	-
Actual return on assets (excluding interest income on plan assets)	0.40	0.33
Closing balance	23.35	2.78

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

Particulars	31 March 2022	31 March 2021
Discount Rate	7.00%	6.25%
Salary Escalation rate (%)	3.00%	3.00%

Mortality rates have been set in accordance with current best practices. The average remaining working life in years on the balance sheet date is as follows:

Particulars	31 March 2022	31 March 2021
Average remaining working life (years)	25.01	25.16

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

Particulars	31 March 2022	31 March 2021
Assets administered by respective insurance companies	100%	100%

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

Particulars	31 March 2022	31 March 2021
Present value of funded obligations	105.10	105.54
Fair value of plan assets	(23.35)	(2.78)
Net defined benefit liability	81.75	102.76

A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the breakup presented below, the varying impact of changes in the key assumptions is shown as below.

Particulars	31 March 2022	31 March 2021
Discount rate +0.5 % p.a.	(4.03)	(4.11)
Discount rate - 0.5 % p.a.	4.31	4.41
Rate of compensation increase + 0.5 % p.a.	4.23	4.30
Rate of compensation decrease - 0.5 % p.a.	(3.99)	(4.05)

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	8 years

Expected cash flows over the next (valued on undiscounted basis):	31 March 2022
1 year	10.21
2 to 5 years	35.56
6 to 10 years	39.20
More than 10 years	118.89

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

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

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

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

Particulars	31 March 2022	31 March 2021
Current service cost	12.84	10.26
Personnel expenses	12.84	10.26
Net interest on long term benefit schemes	3.98	3.83
Actuarial (gains)/losses	-	-
Based on adjustment of financial assumptions	(4.30)	2.23
Based on adjustment in demographic assumptions	-	-
Due to liability experience adjustment	0.30	0.87
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	(0.00)	(0.33)
Net periodic expense	**12.82**	**16.86**

The following table shows the change in present value of long term benefit obligations, the change in plan assets and the funded status recognised in the financial statements for the Company's long term benefit plans.

Particulars	31 March 2022	31 March 2021
Present value of funded obligations	65.55	66.64
Fair value of plan assets	(2.95)	(2.78)
Net long term benefit liability	62.60	63.86
Being:		
Retirement benefit assets	(2.95)	(2.78)
Retirement benefit liabilities	65.55	66.64

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

Particulars	31 March 2022	31 March 2021
Beginning balance	63.86	55.26
Cost recognised in the statement of profit and loss	12.82	16.86
Actual employer contributions	-	-
Benefits paid	(14.08)	(8.26)
Closing balance	62.60	63.86

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

Particulars	31 March 2022	31 March 2021
Beginning balance	66.64	57.71
Current service cost	12.84	10.26
Interest cost on the long term benefit obligations	4.15	3.83
Actual benefit payments	(14.08)	(8.26)
Actuarial (gains)/losses - Financial assumptions	(4.30)	2.23
Actuarial (gains)/losses - Demographic assumptions	-	-
Actuarial (gains)/losses - Liability experience adjustment	0.30	0.87
Closing balance	65.55	66.64

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

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

Particulars	31 March 2022	31 March 2021
Beginning balance	2.78	2.45
Actual employer contributions	-	-
Interest income on plan assets	0.17	-
Return on plan assets	0.00	0.33
Closing balance	2.95	2.78

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

Particulars	31 March 2022	31 March 2021
Discount rate (weighted average)	7.00%	6.25%
Rate of compensation increase (weighted average)	3.00%	3.00%

Mortality rates have been set in accordance with current best practices. The average remaining working life in years on the balance sheet date is as follows:

Particulars	31 March 2022	31 March 2021
Average remaining working life (in years)	25.01	25.16

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

Particulars	31 March 2022	31 March 2021
Insurance contracts	100%	100%

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

Particulars	31 March 2022	31 March 2021
Present value of obligations	65.55	66.64
Fair value of plan assets	(2.95)	(2.78)
Net long term benefit liability	62.60	63.86

A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the breakup presented below, the varying impact of changes in the key assumptions is shown below.

Particulars	31 March 2022	31 March 2021
Discount rate + 0.5 % p.a.	(2.64)	(2.77)
Discount rate - 0.5 % p.a.	2.82	2.97
Rate of compensation increase + 0.5 % p.a.	2.92	3.06
Rate of compensation decrease - 0.5 % p.a.	(2.75)	(2.87)

c) Provident fund and others (defined contribution plan)

Apart from being covered under the gratuity plan described earlier, employees participate in a provident fund plan; a defined contribution plan. The Company makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Company does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. During the year ended 31 March 2022, the Company contributed approximately ₹ 64.84 (31 March 2021 - ₹ 60.04) towards the provident fund plan.

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

NOTE 25 - RELATED PARTY DISCLOSURES

a) Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31 March 2022	31 March 2021
Glenmark Pharmaceuticals Ltd.	Immediate and ultimate parent entity	India	82.84%	100%

b) Entities under common control (Fellow subsidiary companies)

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K. (liquidated with effect from 04 January, 2022)

Glenmark Pharmaceuticals Europe Ltd., U.K.

Glenmark Pharmaceuticals S.R.O., Czech Republic

Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic

Ichnos Sciences SA, Switzerland

Glenmark Holding S. A., Switzerland

Glenmark Pharmaceuticals SP z.o.o., Poland

Glenmark Pharmaceuticals Inc., USA

Glenmark Therapeutics Inc., USA

Glenmark Farmaceutica Ltda., Brazil

Glenmark Generics SA., Argentina

Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico

Glenmark Pharmaceuticals Peru SAC., Peru

Glenmark Pharmaceuticals Colombia SAS, Colombia

Glenmark Uruguay S.A., Uruguay

Glenmark Pharmaceuticals Venezuela., C.A , Venezuela

Glenmark Dominicana, SRL, Dominican Republic

Glenmark Pharmaceuticals Egypt S.A.E., Egypt

Glenmark Pharmaceuticals FZE., United Arab Emirates

Glenmark Impex L.L.C., Russia

Glenmark Philippines Inc., Philippines

Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria

Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia

Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia

Glenmark South Africa (Pty) Ltd., South Africa

Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa

Glenmark Pharmaceuticals B.V., Netherlands

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

Glenmark Arzneimittel Gmbh., Germany

Glenmark Pharmaceuticals Canada Inc., Canada

Glenmark Pharmaceuticals Kenya Ltd, Kenya

Viso Farmaceutica S.L.U., Spain

Glenmark Specialty S A, Switzerland

Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic

Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand

Glenmark Pharmaceuticals Nordic AB, Sweden

Glenmark Ukraine LLC, Ukraine

Glenmark-Pharmaceuticals Ecuador S.A., Ecuador

Glenmark Pharmaceuticals Singapore Pte. Ltd., Singapore

Ichnos Sciences Biotherapeutics SA, Switzerland

Ichnos Sciences Inc., USA

c) Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation

Glenmark Aquatic Foundation

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

Glenmark Pharmaceuticals Inc., USA

Glenmark Pharmaceuticals Ltd., India

Glenmark Pharmaceuticals Europe Ltd., U.K.

Glenmark Farmaceutica Ltda., Brazil

Viso Farmaceutica S.L.U., Spain

Glenmark Foundation

Glenmark Aquatic Foundation

Dr. Yasir Rawjee (Managing Director & CEO)

Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)

Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)

Ms. Ruchita Gandhi (effective from 1 January 2019 and till 1 December 2020)

Mr. Rudalf Corriea (Company Secretary & Compliance Officer with effect from 23 February 2021)

e) Key Management Personnel

Mr. Glenn Saldanha (Chairman & Non-executive Director)

Mr. V S Mani (Non-executive Director)

Ms. Cherylann Pinto (Non-executive Director with effect from 16 March 2020 till 22 February 2021)

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

Dr. Yasir Rawjee (Managing Director & CEO)

Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)

Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)

Ms. Ruchita Gandhi (Chief Financial Officer till 1 December 2020)

Mr. Sridhar Gorthi (Non-executive Independent Director with effect from 30 October 2020)

Ms. Manju Agarwal (Non-executive Independent Director with effect from 30 October 2020)

Mr. Taruvai Laxminarayanan Easwar (Non-executive Independent Director with effect from 8 January 2021)

Ms. Gita Nayyar (Non-executive Independent Director with effect from 17 February 2021)

Mr. Rudalf Corriea (Company Secretary & Compliance Officer with effect from 23 February 2021)

f) Related party transaction

		Year ended 31 March 2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2021
1	**Sale of materials & services**		8,882.29		7,702.88
	Glenmark Pharmaceuticals Inc., USA	412.20		951.67	
	Glenmark Pharmaceuticals Egypt S.A.E., Egypt	-		(0.50)	
	Glenmark Pharmaceuticals Ltd., India	8,470.09		6,751.71	
2	**Purchase of materials & services**		293.96		552.62
	Glenmark Pharmaceuticals Ltd., India	239.01		490.16	
	Glenmark Pharmaceuticals B.V., Netherlands	-		10.87	
	Viso Farmaceutica S.L.U., Spain	11.21		9.97	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	4.53		5.43	
	Glenmark Farmaceutica Ltda., Brazil	39.21		36.19	
3	**Purchase of Property, Plant and Equipment**		1.72		
	Glenmark Pharmaceuticals Ltd., India	1.72			
4	**Expenses Reimbursed**				
	Glenmark Pharmaceuticals Ltd., India	4.56	40.45	16.50	29.97
	Glenmark Pharmaceuticals Inc., USA	35.89		13.47	
5	**Expenses Recovered**		164.76		
	Glenmark Pharmaceuticals Ltd., India	162.22			
	Glenmark Pharmaceuticals Europe Ltd., U.K.	2.54			
6	**Expenditure incurred for CSR activities to**		61.07		42.00
	Glenmark Foundation	36.90		42.00	
	Glenmark Aquatic Foundation	24.17			

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

		Year ended 31 March 2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2021
7	**Key management personnel**				
	Remuneration*		99.82		72.51
	Ms. Ruchita Gandhi (Chief Financial Officer effective from 1 January 2019 and till 1 December 2020)	-		9.02	
	Dr. Yasir Rawjee (Managing Director & CEO)	65.82		50.71	
	Mr. Sumantra Mitra (Executive Director with effect from 26 June 2020)	13.31		8.02	
	Mr. Bhavesh Pujara (Chief Financial Officer with effect from 1 December 2020)	19.04		4.63	
	Mr. Rudalf Corriea (Company Secretary & Compliance Officer with effect from 23 February 2021)	1.65		0.13	
8	**Loan repaid to related parties**		-		0.21
	Glenmark Pharmaceuticals Ltd., India	-		0.21	
9	**Interest expense on business purchase transaction**		276.92		874.70
	Glenmark Pharmaceuticals Ltd., India	276.92		874.70	
10	**Payment of amount due for business purchase transaction**		9,605.59		2,137.60
	Glenmark Pharmaceuticals Ltd., India	9,605.59		2,137.60	
11	**Dividend Paid**		1,065.80		
	Glenmark Pharmaceuticals Ltd., India	1,065.80			

*In the case of key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Company as a whole.

g) Related party balances

		Year ended 31 March 2022	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2021
1	**Receivable/(Payable) from/ (to) Fellow Subsidiaries / Holding Company**		2,951.00		(6,720.20)
	Glenmark Farmaceutica Ltda., Brazil	(31.99)		(8.44)	
	Glenmark Pharmaceuticals B.V., Netherlands	-		(121.39)	
	Glenmark Pharmaceuticals Europe Ltd., U.K.	(1.13)		(71.39)	
	Glenmark Pharmaceuticals Inc., USA	285.38		1,471.41	
	Viso Farmaceutica S.L.U., Spain	(3.59)		(24.21)	
	Glenmark Pharmaceuticals Ltd., India	2,702.33		(7,966.18)	
	Glenmark Foundation	(0.00)		(0.00)	

NOTE 26 - RESEARCH AND DEVELOPMENT EXPENSES

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenditure incurred at our R&D facilities approved by Department of Scientific and Industrial Research	419.83	289.88
Expenditure incurred at Other R&D facilities	152.13	115.29
	571.96	**405.17**

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

NOTE 27 - EARNINGS PER SHARE ("EPS")

The basic earnings per share has been calculated using the net profits attributable to equity shareholders.

Calculation of basic and diluted EPS is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity shareholders, for basic and diluted	4,187.24	3,515.81
Weighted average number of shares outstanding during the year end*	117,525,650	9,800,450
Equity shares post bonus (Refer Note - 12(d))		
Weighted average number of shares outstanding during the year for basic EPS	117,525,650	107,804,950
Weighted average number of shares outstanding during the year for diluted EPS	117,534,252	107,804,950
Basic (in ₹)	**35.63**	**32.61**
Diluted (in ₹)	**35.63**	**32.61**

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

NOTE 28 - SEGMENT REPORTING

Business segment:

The Chief Operating Decision Maker ("CODM") reviews the financial performance, has been identified as the Managing Director (MD) of the company. The company has identified only one segment i.e. API as reporting segment based on the information reviewed by CODM.

Geographical information:

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

1 Within India

2 Outside India

Information about revenues by geography :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Revenue from external customers		
Within India	11,518.91	10,480.71
Outside India	9,713.23	8,370.94
	21,232.14	**18,851.65**

Analysis of assets by geography:

As at 31 March 2022	India	Total
Tangible Assets	5,846.48	5,846.48
Intangible Assets	103.80	103.80
Total	**5,950.28**	**5,950.28**

As at 31 March 2021	India	Total
Tangible Assets	5,648.88	5,648.88
Intangible Assets	79.11	79.11
Total	**5,727.99**	**5,727.99**

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

NOTE 29 - COMMITMENTS AND CONTINGENCIES

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed taxes and duties	22.16	22.16

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2022 aggregate ₹ 482.00 (31 March 2021 ₹ 150.12).

NOTE 30- FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at 31 March 2022				As at 31 March 2021			
	FVTPL	Amortised cost	Total carrying value	Total fair value	FVTPL	Amortised cost	Total carrying value	Total fair value
Financial assets								
Non-current financial assets	-	55.60	55.60	55.60	-	85.46	85.46	85.46
Trade receivables	-	6,734.87	6,734.87	6,734.87	-	6,195.00	6,195.00	6,195.00
Cash and cash equivalents	-	5,121.57	5,121.57	5,121.57	-	1,155.96	1,155.96	1,155.96
Bank Balance other than cash and cash equivalents	-	0.07	0.07	0.07	-	-	-	-
Investments	0.77	-	0.77	0.77	0.77	-	0.77	0.77
Other current financial assets	-	59.05	59.05	59.05	-	275.89	275.89	275.89
Total	**0.77**	**11,971.16**	**11,971.93**	**11,971.93**	**0.77**	**7,712.31**	**7,713.08**	**7,713.08**
Financial Liabilities								
Trade payables	-	3,077.18	3,077.18	3,077.18	-	2,213.05	2,213.05	2,213.05
Lease Liabilities	-	28.84	28.84	28.84	-	-	-	-
Other current financial liabilities	-	447.59	447.59	447.59	-	9,550.87	9,550.87	9,550.87
Total	**-**	**3,553.61**	**3,553.61**	**3,553.61**	**-**	**11,763.92**	**11,763.92**	**11,763.92**

Trade receivables comprise amounts receivable from the sale of goods and services.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The management considers that the carrying amount of trade payables approximates to their fair value.

Fair value hierarchy :

Level 1 : Category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2 : Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable.

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

Level 3 : Category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

NOTE 31: LEASES

Company as lessee

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

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense relating to short-term leases and low value assets	2.20	1.63

(ii) The following are the changes in the carrying value of right of use assets

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at 1st April	-	-
Additions	40.51	-
Depreciation	(13.22)	-
Balance as at 31st March	**27.29**	**-**

(iii) The movement in lease liabilities during the year

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at 1st April	-	-
Additions	40.51	-
Finance cost accrued	1.98	-
Payments	(13.65)	-
Balance as at 31st March	**28.84**	**-**

(iv) The following is the break-up of current and non-current lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current Lease Liabilities	16.80	
Non-Current Lease Liabilities	12.04	
Total	**28.84**	**-**

(v) The following is contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 Year	18.22	-
1 to 5 Years	12.14	-
More than 5 Years	-	-
Total	**30.36**	**-**

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

NOTE 32- RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company focuses on actively securing its short to medium term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, accounts receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and deposits are invested with banks.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Foreign Currency sensitivity

The foreign currency sensitivity analysis has been performed in relation to US Dollar (USD) and Euro (EUR)

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

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

Particulars	31 March 2022		31 March 2021	
	USD (million)	INR	USD (million)	INR
Short-term exposure				
Financial assets	40.09	3,027.63	51.78	3,791.85
Financial liabilities	(9.33)	(704.82)	(9.16)	(670.86)
Total	**30.76**	**2,322.81**	**42.62**	**3,120.99**

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

Particulars	31 March 2022	31 March 2021
	INR	INR
Net results for the year	(232.28)	(312.10)

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

Particulars	31 March 2022	31 March 2021
	INR	INR
Net results for the year	232.28	312.10

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 2022		31 March 2021	
	EUR (million)	INR	EUR (million)	INR
Short term exposure				
Financial assets	0.69	57.78	0.43	37.27
Financial liabilities	(0.03)	(2.35)	(1.77)	(152.05)
Total	**0.66**	**55.43**	**(1.34)**	**(114.78)**

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

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

Particulars	31 March 2022	31 March 2021
	INR	INR
Net results for the year	(5.54)	11.48

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

Particulars	31 March 2022	31 March 2021
	INR	INR
Net results for the year	5.54	(11.48)

Credit risk analysis

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	31 March 2022	31 March 2021
Cash & cash equivalents	5,121.57	1,155.96
Bank Balance other than cash and cash equivalents	0.07	-
Trade receivables	6,734.87	6,195.00
Current financial assets	59.05	275.89
Non current financial assets	56.37	86.23
Total	**11,971.93**	**7,713.08**

Trade receivables are usually due within 60-180 days. Generally and by practice most customers enjoy a credit period of approximately 180 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates and are of good credit quality, including those that are past due. None of the Company's financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Company's credit risk exposure towards any single counterparty or any group of counterparties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

The Company manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

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

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

As at 31 March 2022

	Current	Non-Current
	Within 1 year	1to 5 years
Trade payable	3,077.18	-
Lease Liabilities	28.84	-
Other current financial liabilities	447.59	-
Total	**3,553.61**	**-**

As at 31 March 2021

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

NOTE 33 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the Capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt.

Net Debt = total borrowings less cash and cash equivalent. Total ‘equity’ as shown in the balance sheet.

	31 March 2022	31 March 2021
Total debt	-	9,328.67
Less: Cash & cash equivalents	5,121.57	1,155.96
Net debt	**(5,121.57)**	**8,172.71**
Total Equity	**20,543.12**	**7,527.47**

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

NOTE 34 - NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year is as follow:

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
i)	Amount required to be spent by the company during the year	74.88	43.42
(ii)	Amount of expenditure incurred	75.13	43.47
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	NA	NA
(vi)	Nature of CSR activities	Promoting education, Promoting health care including preventive health care, Eradicating hunger, poverty and malnutrition, Disaster Response (including COVID 19), Promoting Skill Development, Community Development and Training to promote Olympic Sports	
(vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (Refer Note 25)	61.07	42.00
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA
(ix)	Excess amount available for set-off in succeeding financial years	0.25	NA

There are no amounts spent separately for construction/acquisition of any asset.

NOTE 35- COMPARATIVES

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

NOTE 36 - RATIOS

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% Variance
Current Ratio	Current Assets	Current Liabilities	4.60	4.85	-5.22%
Debt to Equity	Total Debt[1]	Shareholder's Equity	NA	1.24	-100.00%
Debt Service Coverage Ratio	Earning before interest and taxes	Debt Service (includes interest)	0.62	2.61	-76.38%
Return on Equity (ROE)	Net Profit	Average Shareholder's Equity	29.83%	60.91%	-51.02%
Inventory Turnover Ratio	Cost of Goods Sold[2]	Average Inventories of Finished Goods and Work-in-progress	3.44	3.04	13.05%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	3.28	3.00	9.59%
Trade Payables Turnover Ratio	Purchases of Materials	Average Trade Payables	4.20	4.61	-8.88%
Return on investment (ROI)			NA	NA	
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	1.54	1.70	-9.41%
Net Profit Ratio	Net Profit	Revenue from Operations	19.72%	18.65%	5.74%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital Employed[3]	28.57%	32.84%	-13.01%

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

1. It comprised of outstanding purchase consideration payable to the Parent Company for acquisition of the API business according to the Business Purchase Agreement dated October 9, 2018. The Company repaid the entire debt following IPO.

2. Cost Materials Consumed + Changes in inventories of finished goods and work-in-progress + Direct manufacturing expenses

3. Tangible Net Worth + Total Debt + Deferred Tax Liability

Reasons for variance:

A. Debt to Equity & Debt Service Coverage Ratio

The Company repaid the entire debt following IPO which resulted in better debt equity ratio and worsen debt service coverage ratio for the year

B. Return on Equity (ROE)

Lower due to higher base of shareholder's equity on account of IPO.

NOTE 37

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vi) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(vii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

NOTE 38 - AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors at their meeting held on 20th April, 2022

As per our report of even date.

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

Ashish Gupta
Partner
Membership Number - 504662

Place: Mumbai
Date: 20 April 2022

For and on behalf of the Board of Directors

Glenmark Life Sciences Limited

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V S Mani
Director
DIN : 01082878

Bhavesh Pujara
Chief Financial officer

Rudalf Corriea
Company Secretary & Compliance Officer

Place: Mumbai
Date: 20 April 2022

Glenmark
LIFE SCIENCES

Glenmark Life Sciences Limited

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