BOARD'S REPORT

Your Directors have pleasure in presenting the Ninth 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 2020.

1. FINANCIAL RESULTS:

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

(Amount in Rs. Mn)

Particulars	**For the financial year ended March 31, 2020**	**For the financial year ended March 31, 2019***
Net Sales/Income from operations		
Income from operations	15,373.13	8,864.21
Other Income	119.90	4.44
Total Income	**15,493.03**	**8,868.65**
Total Expenses	11,282.68	6,585.68
Profit before exceptional and extraordinary items and tax	4,210.67	2,282.97
Less: Exceptional Items		-
Profit/(Loss) Before Tax	4,210.67	2,282.97
Less: Current tax	985.42	258.95
Less Deferred Tax	94.27	68.10
Net Profit/(Loss) After Tax	**3,130.98**	**1,955.92**

*The Company acquired API division of Glenmark Pharmaceuticals Limited (the parent company) on 01 January 2019. Due to accounting guidance under Ind AS 103 for common control transaction the Company has restated the transactions from period 10 July 2018 to 31 December 2018 i.e. considering 10 July 2018 as the effective date on which the parent company acquired the common control. Accordingly, amounts for year ending March 31, 2019 are inclusive of amounts for the period 10 July 2018 to 31 December 2018 related to parent company.

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

2. STATE OF THE COMPANY'S AFFAIRS:

The Company has achieved gross revenue of Rs. 15,373.13 Mn as compared to Rs. 8,864.21 Mn in the previous year and the operating profit before tax and exceptional item was 4,210.67 Mn as compared to 2,282.97 Mn in the previous year.

3. AMOUNT PROPOSED TO BE CARRIED TO ANY RESERVES:

The Company has not transferred any amount to general reserves for the financial year 2019-20.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company is a wholly owned Subsidiary of Glenmark Pharmaceuticals Limited. However, the Company does not have any Subsidiary, Joint venture or Associate Company.

5. DIVIDEND:

Your Directors do not recommend any dividend for the year under review due to conservation of Profit.

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

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no dividend declared during the period under report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Yasir Yusufali Rawjee was appointed as the Chief Executive Officer by the Board of Directors at its meeting held on 2 May 2019. Further, Mr. Yasir Yusufali Rawjee (DIN-01965174) was appointed as an Additional Director and Managing Director of the Company at the Board Meeting held on 13 August 2019. The Shareholders, at the Eighth Annual General Meeting ('AGM') of the Company has approved the regularization of Mr. Rawjee as Managing Director by passing an Ordinary Resolution.

Mrs. Cherylann Pinto (DIN-00111844) has been appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 16 March 2019, subject to the approval of the Shareholders of the Company at the ensuing AGM. Brief profile of Mrs. Cherylann Pinto is given in the Notice convening the Ninth AGM for the reference of the Shareholders.

Mr. Sumantra Mitra (DIN- 08748014) has been appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 26 June 2020, subject to the approval of the Shareholders of the Company at the ensuing AGM. Brief profile of Mr. Sumantra Mitra is given in the Notice convening the Ninth AGM for the reference of the Shareholders.

Mr. Kanish Malik (DIN - 03612432) resigned from the Board of Directors with effect from 6 June 2019, due to personal reasons. The Board places on record its appreciation for his invaluable contribution and guidance.

8. MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review the Board met Six (6) times. The details of attendance at the meetings were as follows:
Y– Present for the meeting in person
N– Absent for the meeting
NA – Not Applicable being not a director at the time of meeting

Sr. No.	Date of Board Meeting	Names of Directors				
		Mr. Glenn Saldanha	Mr. V.S. Mani	Mr. Kanish Malik	Mr. Yasir Yusufali Rawjee	Mrs. Cherylann Pinto
1	02.05.2019	Y	Y	Y	NA	NA
2	29.05.2019	Y	Y	N	NA	NA
3	13.08.2019	Y	Y	NA	Y	NA
4	14.11.2019	Y	Y	NA	Y	NA
5	14.02.2020	Y	Y	NA	Y	NA
6	16.03.2020	Y	Y	NA	Y	Y

9. 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 adopted and applied them consistently and 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 at the end of the financial year 31st March 2020 and of the profit of the Company for that the period;
c) proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of this Act 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) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. MEETINGS OF THE MEMBERS:

During the year under review the shareholders met Two (2) times. Eighth AGM of the members was held on 26 September 2019. Members of the Company also met at an Extra-ordinary general meeting held on 27 June 2019 for transacting Special Business.

11. 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 Ninth AGM to be held on 28th September, 2020.

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 Audit:

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.

Secretarial Audit Report in prescribed Form No. MR-3 is annexed to this report as "Annexure 1". There are no qualifications or reservations or adverse remarks in the Secretarial Audit Report.

c) Cost Audit:

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 has appointed M/s. Sevekari, Khare & Associates, Practicing Cost Accountants to audit the cost records of the Company for the financial year 2020 - 21. 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 Eighth Annual General Meeting. Board recommends the same for approval of members.

There was no qualification, reservations or adverse remarks made by the Auditors in their report.

12. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under consideration, there were no frauds reported by auditors under sub-section (12) of Section 143.

13. STATEMENT OF INTERNAL FINANCIAL CONTROL:

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

14. RISK MANAGEMENT POLICY:

The Company has in place an adequate Risk Management Policy commensurate with the size and nature of the business.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:

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.

16. MATERIAL EVENTS OCCURING AFTER BALANCE SHEET DATE:

There were no material changes and commitments affecting the financial position between the end of the financial year end and date of this report.

17. INCREASE IN THE AUTHORISED SHARE CAPITAL:

During the year under review, the shareholders of the Company at their Extraordinary Meeting held on June 27, 2019 had approved increase in Authorised Share Capital of the Company from Rs. 200,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100/- each (Rupees Hundred each).

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure II to this report. The disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in Notes to the Balance Sheet as on 31st March, 2020.

19. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

During the year under review, pursuant to Section 13, 61 and all other applicable provisions, if any, of the Companies Act 2013, the Shareholders of the Company at the Extraordinary General Meeting held on 27 June 2019, approved the Ordinary Resolution put to vote, to substitute Clause V(a) of the Memorandum of Association of the Company.

Which subject to its substitution increased to Rs. 20,00,00,000 (Rupees Twenty Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) Equity Shares of Rs. 10 (Rupees Ten Only) each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs. 100 (Rupees Hundred Only) each.

20. 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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as follows:

a) <u>Conservation of Energy:</u>

Your Company continues to take various measures on energy saving. However, efforts are continuously made to monitor its use.

b) <u>Technology absorption</u>:

Efforts to absorb new and better technologies were made throughout the year under review.

c) <u>Foreign Exchange Earnings & Outgo are as follows:</u>

(Amount in Rs. Mn)

Sr.No.	Particulars	March 31, 2020	March 31, 2019
1.	Foreign Exchange Inflow	6,266.05	72.29
2.	Foreign Exchange Outflow	2,924.24	38.62

21. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

22. CORPORATE SOCIAL RESPONSIBILITY:

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

23. EXTRACT OF THE ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with the Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure IV in Form **MGT-9** and is attached to this Report.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no instances during the year attracting the provisions of Rule 8 (5) (vii) of the

Companies (Accounts) Rules, 2014.

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

There were no complaints reported under the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

26. VIGIL MECHANISM:

As the Company has not borrowed money from Banks and Public Financial Institutions in excess of Rs.50 Crores, therefore provisions related to Vigil Mechanism are not applicable to the Company.

27. 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.

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Yasir Rawjee	**V S Mani**
Managing Director & CEO	**Director**
(DIN 01965174)	**(DIN 01082878)**

Place: Mumbai
Date: June 26, 2020

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 Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To,
The Members,
Glenmark Life Sciences Limited
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 **March 31, 2020** ("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 **March 31, 2020** according to the provisions of:

i. The Companies Act, 2013 and the Rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; ***Not Applicable***
iii. The Depositories Act,1996 and the Regulations and Bye- laws framed thereunder; ***Not Applicable***
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 SEBI Act, 1992 are as follows:- ***Not Applicable***
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 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 until the Audit period has not offered Employee Stock Option Scheme and Employee Stock Purchase Scheme under the Securities and Exchange Board of India (share based Employee Benefits) Regulations, 2014.
e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; and
h) 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;

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

ii. The Listing Agreement entered into by the Company with BSE and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as Amended from time to time. ***Not Applicable***

During the period under review and as per the explanations and clarifications given to me, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further rely on the information & explanations made by the Company & its officers for systems and mechanism formed by the Company for compliance under other applicable acts, laws and regulations to the Company.

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

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

(b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) 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 filed 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.

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. Authorised capital of the Company was increased from Rs.2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lakhs) Equity shares of Rs.10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10/- each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs.100/- each by creation of additional capital of Rs.18,00,00,000/- (Rupees Eighteen Crores Only) divided into 1,20,00,000/- (One Crore Twenty Lakhs) Equity Shares of Rs.10/- each and 6,00,000 (Six Lakhs) Cumulative Convertible Preference Shares of Rs.100/- each and the Clause V (a) of the Memorandum of Association of the Company is altered by way of passing an Ordinary Resolution in Extra Ordinary General Meeting dated June 27, 2019.
2. The Company acquired API division of Glenmark Pharmaceuticals Limited (the parent company) on 01 January 2019. Due to accounting guidance under Ind AS 103 for common control transaction the Company has restated the transactions from period 10 July 2018 to 31 December 2018 i.e. considering 10 July 2018 as the effective date on which the parent company acquired the common control. Accordingly, amounts for year ending March 31, 2019 are inclusive of amounts for the period 10 July 2018 to 31 December 2018 related to parent company.

For **Bhadresh Shah and Associates,**
Practicing Company Secretary

Sd/-
Bhadresh Shah
Proprietor
Membership No.: 23847
COP No.: 15957
UDIN: A023847B000402247

Place: Mumbai
Date: 26th June, 2020

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. We believe that the processes and practices we followed provide a reasonable basis for our 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. I have obtained the management's representation about the compliances of laws, rules, regulations and happenings of events, wherever required.
6. Compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

Disclaimer:

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

For **Bhadresh Shah and Associates,**
Practicing Company Secretary

Sd/-
Bhadresh Shah
Proprietor
Membership No.: 23847
COP No.: 15957

Place: Mumbai
Date: 26th June, 2020

Annexure II

AOC 2

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

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

1. No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended 31 March 2020, 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 Subsidiary)
Nature of contracts/ arrangements/ transactions	Sale/Purchase-Materials & Services
Duration of the contracts/ arrangements/ transactions	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any: Based on Transfer Pricing Guidelines	Sale: Rs. 5040.23 million Purchase: Rs. 413.25 million
Date(s) of approval by the Audit Committee/ Board	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

Sd/-	**Sd/-**
Yasir Rawjee	**V S Mani**
Managing Director & CEO	**Director**
(DIN 01965174)	**(DIN 01082878)**

Place: Mumbai
Date: June 26, 2020

Annexure III

Annual Report on the Corporate Social Responsibility (CSR) activities

1. **A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PREOJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:**

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

   Glenmark Foundation is the CSR arm of Glenmark Life Sciences Limited. The foundation focuses on two core areas which are child health and sustainable livelihoods. The Foundation currently implements its projects through various Non-Governmental Organisations (NGO) partners, government bodies and other social institutions.

   We have identified the following focus areas for our interventions:

   Child Health: Our commitment towards Child Heath is to reduce infant mortality and child mortality in children between 0 to 5 years by focusing on:
   • Reducing malnutrition
   • Implementing immunization, sanitation and hygiene programs
   • Promoting preventive healthcare for mothers and care givers

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

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

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

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

2. **The Composition of the CSR Committee:**

Sr. No.	Name	Designation
1.	Mrs. Cherylann Pinto	Chairperson – Non-Executive Director
2.	Mr. V S Mani	Non-Executive Director
3.	Dr. Yasir Rawjee	Managing Director & CEO

3. **AVERAGE NET PROFIT OF THE COMPANY FOR THE YEAR 2019-2020:**
   Rs. 762.39 million

4. **PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 2 ABOVE):**
   Rs. 15.25 million

5. **DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR :**
   (a)Total amount to be spent for the F.Y.: Rs. 15.25 million
   (b) Amount unspent: Nil
   (c) Manner in which the amount spent during the F.Y. is detailed below:
   During the year, the Company has spent Rs. 26.28 million on child and skill development project as under:

Sr. No.	CSR Project or Activity identified	Sector	Location of the Project/Program	Amount outlay (Rs. in million) (Budget) projects or programs wise	Amount Spent on the projects or programs (Rs. In Million)	Amount spent: Direct or through implementing agency
1.	Social and Economic Development	Child and Skill development	Mumbai, Kurkumbh, Mohol - Maharashtra & Ankleshwar, Dahej - Gujarat	26.28	26.28	Glenmark Foundation
			Total	**26.28**	**26.28**	

6. **THE IMPLEMENTATION AND MONITORING OF CSR POLICY IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY.**

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

   Not Applicable

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Yasir Rawjee	**V S Mani**
Managing Director & CEO	**Director**
(DIN 01965174)	**(DIN 01082878)**
Place: Mumbai	
Date: June 26, 2020	

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

Sl.	Particulars	Details
1	CIN	U74900PN2011PLC139963
2	Registration Date	23/06/2011
3	Name of the Company	Glenmark Life Sciences Limited
4	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5	Address of the Registered Office and contact details	Plot No 170-172 Chandramouli Industrial Estate, Mohol Bazarpeth, Solapur Maharashtra
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel No.: +91 40 67161500, Fax No.: +91 40 23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture and marketing of various pharmaceuticals and medicaments	210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable section
1	Glenmark Pharmaceuticals Limited	L24299MH1977PLC019982	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) CATEGORY-WISE SHARE HOLDING

Sl. No	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total Shares	
A)	**Promoters**									
1)	**Indian**									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	Nil	1960090	1960090	100	Nil	1960090	1960090	100	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
	Sub Total (A1)	Nil	1960090	1960090	100	Nil	1960090	1960090	100	-
2)	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
	Sub Total (A2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter [A=A1+A2]	Nil	1,960,090	1,960,090	100	Nil	1,960,090	1,960,090	100	-
B)	**Public Shareholding**									
1)	**Institutions**	-	-	-	-	-	-	-	-	-

a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Sub Total (B1)	-								
			-	-	-	-	-	-	-	-
2)	**Non- Institutions**		-	-	-	-	-	-	-	-
a)	Bodies Corp.	-	-	-	-	-	-	-	-	-
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding ***nominal*** share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share capital ***in excess*** of Rs 1lakh	-	-	-	-	-	-	-	-	-
	Sub Total (B2)	-								
	Total Public Shareholding [B=B1+B2]	-								
			-	-	-	-	-	-	-	-
	Grand Total [A+B]	**Nil**	**1,960,090**	**1,960,090**	**100**	**Nil**	**1,960,090**	**1,960,090**	**100**	**-**

ii) SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares
1	Glenmark Pharmaceuticals Limited	1,960,090	100	NIL
	TOTAL	**1,960,090**	**100**	**NIL**

iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Glenmark Pharmaceuticals Limited	1,960,090	100	NIL	1,960,090	100	NIL	100
	TOTAL	**1,960,090**	**100**	**NIL**	**1,960,090**	**100**	**NIL**	**1,960,090**

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):NA

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company

1	**At the beginning of the year**	Not Applicable
2	**Changes during the year**	
a)	Date wise Increase in Shareholding during the year specifying the reasons for increase (e.g. allotment/ bonus/ sweat equity etc)	
b)	Date wise Decrease in Shareholding during the year specifying the reasons for transfer etc)	
3	**At the End of the year**	

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares
A.	**DIRECTORS**						
1	Mr. Glenn Saldanha	-	-	-	-	-	-
2	Mr. V.S. Mani	-	-	-	-	-	-
3	Mr. Kanish Mallik#	-	-	-	-	-	-
4	Mr. Yasir Yusufali Rawjee*	-	-	-	-	-	-
5	Mrs. Cherylann Pinto**	-	-	-	-	-	-
6	Ms. Ruchita Gandhi	-	-	-	-	-	-
7	Mr. Sumantra Mitra***	-	-	-	-	-	-
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

***Appointed as Chief Executive with effect from 2 May 2019 and Managing Director with effect from 13 August 2019**

**** Appointed as an Additional Director with effect from 16 March 2020**

***** Appointed as an Additional Director with effect from 26 June 2020**

 # Ceased to be Director with effect from 6 June 2019

V) **INDEBTEDNESS:** (Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Sl. No.	Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
A)	**Indebtedness at the beginning of the financial year**				
i)	Principal Amount	-	0.21	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Sub Total [A=i)+ii)+iii)]		0.21	-	-
B)	**Change in Indebtedness during the financial year**				
	Addition	-	-	-	-
	Reduction	-	-	-	-
	Net Change				
C)	**Indebtedness at the end of the financial year**				
i)	Principal Amount	-	0.21	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Sub Total [C=i)+ii)+iii)]	-	0.21	-	-
	TOTAL [A)+B)+C)]	-	0.21	-	-

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Rs. In Million

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Yasir Rawjee	
1	**Gross salary**		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.69	27.69
b)	Value of perquisites u/s 17(2) Income-tax Act,1961	1.48	1.48
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	**Stock Option**	-	-
3	**Sweat Equity**	-	-
4	**Commission**	-	-
a)	as % of profit	-	-
b)	Others; specify…	-	-
5	**Others, please specify**	-	-

	Total A)	**29.17**	**29.17**
	Ceiling as per the Act		

B) REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
1	**Independent Directors**	-	-	-
a)	Fee for attending board / committee meetings	-	-	-
b)	Commission	-	-	-
c)	Others, please specify	-	-	-
	Total 1)	-	-	-
		-	-	-
2	**Other Non-Executive Directors**	-	-	-
a)	Fee for attending board committee meetings	-	-	-
b)	Commission	-	-	-
c)	Others, please specify	-	-	-
	Total 2)	-	-	-
	Total [B=1)+2)]	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Rs. Million)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Ms. Ruchita Gandhi CFO	Total
1	**Gross salary**	-	-		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	7.14	7.14
b)	Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	4.79	4.79
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	
2	**Stock Option**	-	-	-	
3	**Sweat Equity**	-	-	-	
4	**Commission**	-	-	-	
a)	as % of profit	-	-	-	
b)	Others; specify…	-	-	-	
5	**Others; please specify**	-	-	-	
	Total	-	-	**11.94**	**11.94**

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sl. No.	TYPE	SECTION OF THE CO ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT/ COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
A	**COMPANY**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B	**DIRECTORS**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C	**OTHER OFFICERS IN DEFAULT**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

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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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, 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

3. 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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 for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

6. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.

9. As part of an audit in accordance with Standards on Auditing, 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 with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

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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;

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.

Report on Other Legal and Regulatory Requirements

10. 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.

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. 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 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 June 2020 as per Annexure B expressed 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 2020;

        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 2020;

        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 2020; and

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iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACC5939

Place: New Delhi
Date: 26 June 2020

Annexure A

Independent Auditor's Report of even date to the members of Glenmark Lifesciences Limited, on the financial statement for the year ended 31 March 2020.

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as

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applicable, to 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 become payable.

(b) There are no dues in respect of sales tax and duty of customs, that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income tax, good and services tax, service tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ In million)	Amount paid under protest (₹ In million)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Exice duty on domestic clearance	14.18	14.18	FY 2004-05 to FY 2009-10	CESTAT, Mumbai
The Central Excise Act 1944	Exice 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) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACC5939

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 26 June 2020

Annexure B

Independent Auditor's Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Glenmark Life Sciences Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility 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 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 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

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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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 20504662AAAACC5939

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 26 June 2020

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Balance Sheet
(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non current assets			
Property, plant and equipment	3	5,390.78	4,499.71
Capital work-in-progress	3	107.30	803.29
Intangible Assets	4	71.68	63.34
Intangible Assets under development	4	-	0.65
Financial Assets	5		
(i) Investments		0.77	0.77
(ii) Other financial assets		84.32	78.94
Other non-current assets	7	0.05	0.29
Total non- current assets		**5,654.90**	**5,446.99**
Current assets			
Inventories	8	4,127.75	4,008.43
Financial Assets	9		
(i) Trade receivables		6,386.28	4,480.88
(ii) Cash and cash equivalents		99.98	20.61
(iii) Other financial assets		207.70	57.87
Other current assets	10	779.43	739.17
Total current assets		**11,601.14**	**9,306.96**
Total assets		**17,256.04**	**14,753.95**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11 &12	19.60	19.60
Other Equity		3,997.32	861.65
Total equity		**4,016.92**	**881.25**
LIABLITIES			
Non-current liabilities			
Deferred tax liabilities (net)	6	164.48	68.56
Total non-current liabilities		**164.48**	**68.56**
Current liabilities			
Financial Liabilities	13		
(i) Borrowings		0.21	0.21
(ii) Trade payables			
(a) Total outstanding dues of Micro enterprises and Small enterprises		100.66	220.92
(b) Total outstanding dues of other than Micro enterprises and Small enterprises		1,910.05	1,607.96
(iii) Other current financial liabilities		10,736.57	11,763.14
Other current liabilities	14	103.72	47.93
Provisions	15	139.83	140.44
Current tax liabilities	16	83.60	23.54
Total current liabilities		**13,074.64**	**13,804.14**
Total liabilities		**13,239.12**	**13,872.70**
Total equity and liabilities		**17,256.04**	**14,753.95**

See accompanying notes to the financial statements.

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: New Delhi
Date: 26 June 2020

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V S Mani
Director
DIN: 01082878

Ruchita Gandhi
Chief Financial officer

Place: Mumbai
Date: 26 June 2020

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 ★

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Profit and Loss
(All amounts in million of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	17	15,373.13	8,864.21
Other income	18	119.90	4.44
Total income		**15,493.03**	**8,868.65**
Expenses			
Cost of materials consumed	19	6,951.00	6,538.87
Changes in inventories of finished goods and work-in-process	20	(46.42)	(3,015.89)
Employee benefits expense	21	1,422.80	1,062.80
Finance costs	22	335.15	6.05
Depreciation and amortisation expense	3 & 4	293.68	192.62
Other expenses	23	2,326.15	1,801.23
Total expenses		**11,282.36**	**6,585.68**
Profit before Tax		**4,210.67**	**2,282.97**
Tax expense:	6		
Current tax		985.42	258.95
Deferred tax		94.27	68.10
Total tax expense		**1,079.69**	**327.05**
Profit for the Year		**3,130.98**	**1,955.92**
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurement of the post-employment benefit obligation	24	6.35	1.55
- Income tax relating to the above		(1.66)	(0.45)
Other comprehensive income / (loss) for the year		**4.69**	**1.10**
Total comprehensive income for the year		**3,135.67**	**1,957.02**
Earnings per equity share of Rs 10 each	27		
Basic (in Rs)		1,597.37	1,355.76
Diluted (in Rs)		1,597.37	1,355.76

See accompanying notes to the financial statements.

As per our report of even date.
For Walker Chandiok & Co LLP
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Firm Registration No: 001076N/N500013

Ashish Gupta
Partner
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Place: New Delhi
Date: 26 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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Date: 26 June 2020

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Changes in Equity for the year ended
(All amounts in million of Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 01 April 2018	**0.10**
Conversion of loan into equity shares	4.50
Fresh equity shares issued	15.00
Balance as at 31 March 2019	**19.60**
Fresh equity shares issued	-
Balance as at 31 March 2020	**19.60**

Refer notes 11 and 12 for details on equity share capital

B. Other equity

Particulars	Reserves	Total
Balance as at 31 March, 2019	**861.65**	**861.65**
Add: profit for the period	3,130.98	**3,130.98**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (Refer Note 24)	4.69	**4.69**
Balance as at 31 March 2020	**3,997.32**	**3,997.32**

Particulars	Reserves	Total
Balance as at 1 April, 2018	**(14.08)**	**(14.08)**
Add: profit for the period (includes profit presented on account of common control transaction)	1,955.92	**1,955.92**
Other comprehensive income - Remeasurement of the net defined benefit plans (net of tax) (Refer Note 24)	1.10	1.10
Less: Adjustment on account of common control transaction (Refer note 35)	(1,081.29)	**(1,081.29)**
Balance as at 31 March 2019	**861.65**	**861.65**

See accompanying notes to the financial statements.

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: New Delhi
Date: 26 June 2020

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Yasir Rawjee
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WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Cash Flows
(All amounts in million of Indian Rupees, unless otherwise stated)

Sr. No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Profit before tax	4,210.67	2,282.97
	Adjustments for:		
	Depreciation and amortisation expenses	293.68	192.62
	Restatement of business purchase transaction	-	(1,081.29)
	Adjustment in Property, plant and equipment and Intangible assets on account of common control transaction	-	(123.14)
	Assets written off	-	0.44
	Liabilities written off	-	(0.24)
	Finance costs	335.15	6.05
	Interest income	(3.55)	(4.11)
	Loss on sale of Property, plant and equipments	12.30	-
	Provision for gratuity and compensated absence	23.58	4.69
	Unrealised foreign exchange (gain)	(93.77)	(6.50)
	Operating profit before working capital changes	**4,778.06**	**1,271.49**
	Adjustments for changes in working capital :		
	- Increase in trade receivables	(1,781.09)	(858.17)
	- Increase in other receivables	(195.24)	(72.35)
	- Decrease/(Increase) in inventories	(119.32)	588.13
	- Increase /(Decrease) in trade and other payables	193.02	(590.16)
	Cash generated from operations	**2,875.43**	**338.93**
	- Taxes paid (net of refunds)	(925.36)	(235.41)
	Net cash generated from operating activities	**1,950.07**	**103.52**
B.	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets (including Capital work in progress)	(511.66)	(93.25)
	Proceeds from sale of Property, plant and equipment and Intangible assets	2.93	-
	Interest received	3.55	4.11
	Net cash used in investing activities	**(505.18)**	**(89.14)**
C.	**Cash flow from financing activities**		
	Proceeds from fresh issue of share capital including securities premium (net of issue expenses)	-	15.00
	Repayment of business purchase liability to related party	(1,365.52)	(9.65)
	Interest paid to related party	-	-
	Net cash generated /(used in) from financing activities	**(1,365.52)**	**5.35**
	Net increase in cash and cash equivalents	**79.37**	**19.73**
	Opening balance of cash and cash equivalents	**20.61**	**0.07**
	Cash acquired on business purchase	-	**0.81**
	Closing balance of cash and cash equivalents	**99.98**	**20.61**
	Cash and cash equivalents comprise of :		
	Cash on hand	1.10	0.40
	Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	98.88	20.21
		99.98	**20.61**

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099

Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)
Statement of Cash Flows
(All amounts in million of Indian Rupees, unless otherwise stated)
Note :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
2. Figures in bracket indicate cash outflow.
3. Reconciliation of short term borrowings in Financing Activities

Particulars	Amount
As at 31 March 2019	0.21
Borrowings made during the year	-
Amount repaid during the year	-
Amount written off	-
Loan converted to equity	-
As at 31 March 2020	0.21

See accompanying notes to the financial statements.

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: New Delhi
Date: 26 June 2020

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V S Mani
Director
DIN: 01082878

Ruchita Gandhi
Chief Financial officer

Place: Mumbai
Date: 26 June 2020

NOTE 1 – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY INFORMATION

Glenmark Life Sciences Limited (formerly known as Zorg Laboratories Private 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 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 in India and manufacturing facilities are located at Ankleshwar, Dahej, Mohol, Kurkumbh and Aurangabad.

NOTE 2 - BASIS OF PREPARATION AND MEASUREMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

The preparation of these financial statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its 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 3 and 3.1.

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.

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 capitalised along with the borrowing cost.

2.4 Revenue recognition

The Company applies principles provided under Ind AS 115 'Revenue from contracts with customers' which provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical and consumer healthcare products. The average duration of a sales order is less than 12 months.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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GLENMARK LIFE SCIENCES LIMITED * MUMBAI 400 099

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

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Company enters into development and marketing collaborations and out-licences of the Company's compounds or products to other parties. These contracts give rise to fixed and variable consideration from upfront payments, development milestones, sales-based milestones and royalties. Income dependent on the achievement of a development milestone is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, which is usually when the related event occurs. Sales-based milestone income is recognised when it is highly probable that the sales threshold will be reached.

Sales-based royalties on a licence of intellectual property are not recognised until the relevant product sale occurs. If the time between the recognition of revenue and payment from the customer is expected to be more than one year and the impact is material, the amount of consideration is discounted using appropriate discount rates.

Goods and Service Tax and other value added taxes are excluded from revenue.

2.5 Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost 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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation
Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The below given useful lives best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Factory and other buildings	26 - 61 years
Plant and machinery	1 – 21 years
Furniture, fixtures and office equipment	1 – 10 years
Vehicles	1– 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

2.6 Borrowing costs

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported under 'finance costs'. Borrowing costs are recognised using the effective interest rate method.

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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.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised on a straight-line basis, over their useful economic lives from when the asset is available for use. During the periods prior to their launch, these assets are tested for impairment on an annual basis, as their economic useful life is indeterminable till then.

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 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.

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GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 *

2.9 Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income/expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income/expenses in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments
The Company subsequently measures all equity investments other than those elected to be at cost under Ind AS 27 at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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GLENMARK LIFE SCIENCES LIMITED MUMBAI 400 099 *

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.

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
- Taxable temporary differences relating to investments in subsidiaries to the extent the Company is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised/ settled simultaneously.

2.13 Leases

Applicable upto 31 March 2019
Under Ind AS 17, At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases
A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset or the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Land acquired on long term leases
The Company has capitalised the land acquired on long term lease. Such leases are acquired on payment of an upfront amount and do not carry any other minimum lease payments/other rentals over the lease term. The asset is initially recognised at the value of the upfront premium/charges paid to acquire the lease.

Operating leases
Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss over the term of the lease.
Applicable with effect from 1 April 2019
The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

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 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.

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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.

Compensated leave of absence
Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the date of the balance sheet. Such measurement is based on actuarial valuation as at the date of the balance sheet carried out by a qualified actuary.

Termination benefits
Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

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2.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties and timing of cashflows associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

2.17 Share based compensation

All employee services received in exchange for the grant of any equity-settled share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is ultimately recognised as an expense in the statement of profit and loss with a corresponding credit to equity (Stock compensation reserve). If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to expense recognised in prior periods if fewer share options are ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities premium.

3 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
- 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

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Deferred tax

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilise without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Research and developments costs
Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.
Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

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.

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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.

The financial statements have been prepared using the measurement basis specified by Ind AS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 - Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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Note 3 - Property, Plant and Equipment
Property, plant and equipment comprise the following:

Particulars	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost									
Balance as at 1 April 2019	**122.57**	**1,478.56**	**3.35**	**2,970.44**	**88.75**	**23.38**	**0.13**	**4,687.18**	**803.29**
- Acquisitions	43.59	396.62	-	704.56	38.99	10.68	-	1,194.44	29.30
- Disposals/ Transfers/ adjustments	-	(11.78)	-	(3.39)	(0.70)	-	-	(15.87)	(725.29)
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**
Accumulated Depreciation									
Balance as at 1 April 2019	**2.35**	**21.64**	**0.13**	**147.17**	**10.67**	**5.45**	**0.06**	**187.47**	-
- Depreciation charge for the year	3.20	30.45	0.07	229.24	17.61	7.41	0.07	288.05	-
- Disposals/ Transfers/ adjustments	-	(0.32)	-	(0.06)	(0.17)	-	-	(0.55)	-
Balance as at 31 March 2020	**5.55**	**51.77**	**0.20**	**376.35**	**28.11**	**12.86**	**0.13**	**474.97**	-
Carrying value									
As at 1 April 2020	**120.22**	**1,456.92**	**3.22**	**2,823.27**	**78.08**	**17.93**	**0.07**	**4,499.71**	**803.29**
As at 31 March 2020	**160.61**	**1,811.63**	**3.15**	**3,295.26**	**98.93**	**21.20**	**0.00**	**5,390.78**	**107.30**

Particulars	Leasehold land	Factory building	Other building	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total	Capital work-in-progress
Cost									
Balance as at 1 April 2018	-	-	-	-	-	**0.01**	-	**0.01**	-
- Other acquisitions *	120.99	1,464.07	3.24	2,877.07	81.51	19.73	0.09	4,566.70	805.89
- Disposals/ Transfers/ adjustments	1.58	14.49	0.11	93.37	7.24	3.64	0.04	120.47	(2.60)
Balance as at 31 March 2019	**122.57**	**1,478.56**	**3.35**	**2,970.44**	**88.75**	**23.38**	**0.13**	**4,687.18**	**803.29**
Accumulated Depreciation									
Balance as at 1 April 2018	-	-	-	-	-	-	-	-	-
- Depreciation charge for the year	0.77	7.16	0.02	53.80	3.43	1.80	0.02	67.00	-
- Disposals/ Transfers/ adjustments	1.58	14.48	0.11	93.37	7.24	3.65	0.04	120.47	-
Balance as at 31 March 2019	**2.35**	**21.64**	**0.13**	**147.17**	**10.67**	**5.45**	**0.06**	**187.47**	-
Carrying value									
As at 1 April 2018	-	-	-	-	-	0.01	-	0.01	-
As at 31 March 2019	**120.22**	**1,456.92**	**3.22**	**2,823.27**	**78.08**	**17.93**	**0.07**	**4,499.71**	**803.29**

Note:
Addition to Property, Plant and Equipment includes capital expenditure of Rs. 22.76 (2019 - Rs. 83.34) incurred at approved R&D centers.
* Previous year aquisitions include assets acquired as part of the purchase of Active Pharmaceutical Ingredients (API) business from Holding Company i.e Glenmark Pharmaceuticals Limited (Refer note 35)

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NOTE 4- INTANGIBLE ASSET
Intangible assets comprise the following

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2019	**22.48**	**46.01**	**68.49**	**0.65**
- Additions	13.97	-	**13.97**	1.00
- Disposals/ Transfers/ adjustments	-	-	-	(1.65)
Balance as at 31 March 2020	**36.45**	**46.01**	**82.46**	-
Amortisation and impairment				
Balance as at 1 April 2019	**5.15**	-	5.15	-
- Amortisation for the year	5.63	-	5.63	-
- Disposals/ Transfers/ adjustments	-	-	-	-
Balance as at 31 March 2020	**10.78**	-	**10.78**	-
Carrying value				
Balance as at 1 April 2019	17.33	46.01	63.34	0.65
Balance as at 31 March 2020	**25.67**	**46.01**	**71.68**	-

Particulars	Computer software	Product development/ Brands	Total	Intangible assets under development
Cost				
Balance as at 1 April 2018	-	-	-	-
- Additions	19.82	46.01	65.83	0.65
- Disposals/ Transfers/ adjustments	2.66	-	2.66	-
Balance as at 31 March 2019	**22.48**	**46.01**	**68.49**	**0.65**
Amortisation and impairment				
Balance as at 1 April 2018	-	-	-	-
- Amortisation for the year	2.49	-	2.49	-
- Disposals/ Transfers/ adjustments	2.66	-	2.66	-
Balance as at 31 March 2019	**5.15**	-	**5.15**	-
Carrying value				
As at 1 April 2018	-	-	-	-
As at 31 March 2019	**17.33**	**46.01**	**63.34**	**0.65**

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.

Discount rates and long term growth rates
The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each asset. The present value of the expected cash flows of each asset is determined by applying a discount rate in the range of 10% -12% and terminal growth rate of 2% (2019 - 2%).

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

NOTE 5 - NON-CURRENT FINANCIAL ASSETS

(i) INVESTMENTS

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted		
Equity shares (FVTPL)		
76,800 shares of Bharuch Eco-Aqua Infrastructure limited	0.77	0.77
Total	**0.77**	**0.77**

Note - The fair values of investments in equity shares being carried at Rs. 0.77 (2019 - Rs. 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 2020	As at 31 March 2019
Unsecured		
Security deposits considered good*	84.32	78.94
Total	**84.32**	**78.94**

*Security deposits represent utility deposit given in the normal course of business realisable after twelve months from the reporting date.

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NOTE 6 -TAXES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax expense	985.42	258.95
Deferred income tax expense	71.71	90.66
Minimum Alternate Tax (MAT) Credit (Entitlement)/Utilization	22.56	(22.56)
Total	**1,079.69**	**327.05**

Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') Issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate Income tax rate at 22% plus applicable surcharge and cess subject to certain conditions. The Company, upon the amendment, made an assessment of the Impact of the Ordinance and decided to go ahead with the new tax structure from the current financial year itself. The Company has also re-measured its deferred tax liability following the clarification issued by Technical Implementation Group of Ind AS implementation Committee by applying the lower tax rate in measurement of all the component of deferred taxes.

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 2020	Year ended 31 March 2019
Income tax expense at tax rates applicable	**1,059.74**	**349.93**
Tax adjustment for tax-exempt income		
- Income exempt from tax	-	-
Other tax adjustments		
- Additional deduction for research and development expenditure	-	(21.73)
- Change in tax rate impact (reduction in DTL)	(13.10)	-
- Change in tax regime (loss of MAT credit)	22.56	-
- Disallowance of donation/corporate social responsibility expenses	6.65	0.54
- Income exempt from tax		(1.69)
- Other disallowance	3.85	-
Actual tax expense (net)	**1,079.69**	**327.05**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities and a description of the items that create those differences are given below:

Particulars	As at 31 March 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
MAT credit entitlement	22.56	(22.56)	-	-
Other items	0.29	1.02	-	1.31
Total	**22.85**	**(21.54)**	-	**1.31**
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	90.96	72.72	-	163.68
Other taxable temporary differences	0.45	-	1.66	2.11
Total	**91.41**	**72.72**	**1.66**	**165.79**
Net deferred income tax asset / (liabilities)	**(68.56)**	**(94.26)**	**(1.66)**	**(164.48)**

Particulars	As at 31 March 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
MAT credit entitlement	-	22.56	-	22.56
Other items	-	0.29	-	0.29
Total	-	**22.85**	-	**22.85**
Deferred tax liabilities				
Difference in depreciation on Property, plant and equipment	-	90.96	-	90.96
Other taxable temporary differences	-	-	0.45	0.45
Total	-	**90.96**	**0.45**	**91.41**
Net deferred income tax asset / (liabilities)	-	**(68.11)**	**(0.45)**	**(68.56)**

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable including taxable tempropry difference in the future periods are reduced.

Total Advance tax in the books of the Company is Rs. 260.41 (net of provision Rs. 258.95) and Provision for tax is Rs. 985.42 (net of advance tax Rs. 900.36).

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NOTE 7 - OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	0.05	0.29
Total	**0.05**	**0.29**

NOTE 8 - INVENTORIES

Particulars	As at 31 March 2020	As at 31 March 2019
Raw material	864.86	799.62
Packing material	10.59	10.31
Work-in-process	2,716.98	2,826.53
Stores and spares	189.61	182.23
Finished goods	345.71	189.74
Total	**4,127.75**	**4,008.43**

The Company recorded inventory write down of Rs.123.78 (2019 - Rs. 0.38). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-process in the statement of profit and loss as the cas may be.

NOTE 9 - CURRENT FINANCIAL ASSETS
(i) TRADE RECEIVABLES

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good* (Refer note 32)	6,386.28	4,480.88
Considered Doubtful	-	-
Allowance for doubtful debts/ expected credit losses	-	-
Total	**6,386.28**	**4,480.88**
*Includes amount receivable from related parties (Refer Note 25)	3,390.10	1,407.11

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.

(ii) CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts and Exchange Earner's Foreign Currency (EEFC) accounts	98.88	20.21
Cash on hand	1.10	0.40
Total	**99.98**	**20.61**

(iii) OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Export incentives	207.70	57.87
Total	**207.70**	**57.87**

NOTE 10 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Advances recoverable in kind (unsecured)	560.98	135.91
Input taxes receivable	126.07	558.74
Advance to vendors	89.03	44.52
Prepaid expenses	3.35	-
Total	**779.43**	**739.17**

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NOTE 11 - EQUITY AND RESERVES

a) Ordinary shares

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

The Company has an authorised share capital of 2,000,000 equity shares of Re.10 each.

b) Reserves

Reserves – Accumulated earnings include all current and prior period profits as disclosed in the statement of profit and loss.

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NOTE 12 - EQUITY SHARE CAPITAL

	As at 31 March 2020		As at 31 March 2019	
Share capital	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
(I) Authorised				
Equity Shares of Rs 10 each	14,000,000	140.00	2,000,000	20.00
Cumulative Convertible Preference Shares of Rs 100 each	600,000	60.00	-	-
Issued, subscribed and fully paid-up equity shares of Rs 10 each				
At the beginning of the year	**1,960,090**	**19.60**	**10,000**	**0.10**
Add: Issued during the year				
-Loan conversion to Equity	-	-	450,090	4.50
-Preferential Issue	-	-	1,500,000	15.00
At the end of the year(A)	**1,960,090.00**	**19.60**	**1,960,090.00**	**19.60**
Other equity (B)		**3,997.32**		**861.65**
Total Equity (A+B)		**4,016.92**		**881.25**

(II) List of shareholders holding more than 5 % shares	As at 31 March 2020		As at 31 March 2019	
	% of Holding	**No. of Shares**	**% of Holding**	**No. of Shares**
Glenmark Pharmaceuticals Limited	100%	1,960,090	100%	1,960,090

(III) 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.

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NOTE 13 - CURRENT FINANCIAL LIABILITIES

(i) BORROWINGS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured loans		
Loan from related Parties (Refer Note 25)	0.21	0.21
Total	**0.21**	**0.21**

(ii) TRADE PAYABLES

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006 (Refer Note (i) below)	100.66	220.92
Trade payables outstanding dues to creditors other than micro, small and medium enterprises	1,691.70	1,479.71
Trade payables to related party (Refer note 25)	218.35	128.25
Total	**2,010.71**	**1,828.88**

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 2020	As at 31 March 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	100.62	220.92
b) Interest due remaining unpaid to any supplier at the end of the year	0.04	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue 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.

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(iii) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019
Employee dues	0.02	0.02
Sundry creditors for capital goods	23.96	45.05
Accrued expenses	121.02	96.13
Payable to related parties (Refer note 25)	10,591.57	11,621.94
Total	**10,736.57**	**11,763.14**

NOTE 14 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	49.62	19.65
Advance from customers	54.10	28.28
Total	**103.72**	**47.93**

NOTE 15 - PROVISIONS

Particulars	As at 31 March 2020	As at 31 March 2019
Provisions for employee benefits :		
Provision for gratuity (Refer note 24)	84.57	81.06
Provision for compensated absences (Refer note 24)	55.26	59.38
Total	**139.83**	**140.44**

NOTE 16 - CURRENT TAX LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for income tax	83.60	23.54
Total	**83.60**	**23.54**

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NOTE 17- REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	14,943.41	8,521.99
Other operating revenue*	429.72	342.22
Total	**15,373.13**	**8,864.21**

*Other operating revenue primarily comprises of Export incentives of Rs. 282.78 (2019 - Rs. 342.22), and Sale of scrap of Rs. 146.94.

Disaggregation of revenue :

The Company's revenue disaggregated by primary geographical markets is as follows:

Geographical area	Year ended 31 March 2020	Year ended 31 March 2019
Within India	7,874.10	3,559.20
Outside India	7,499.03	5,305.01
Total	**15,373.13**	**8,864.21**

Reconciliation of the amount of revenue recognised in the income statement with the contracted price

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue as per contracted price	15,393.59	8,864.21
Less: Trade discounts, sales and expiry returns	20.46	-
Revenue from contract with customers	15,373.13	8,864.21

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 2020	Year ended 31 March 2019
Advance from Customer	54.10	28.28

NOTE 18 -OTHER INCOME

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	3.55	4.11
Exchange gain (net)	112.39	-
Miscellaneous income	3.96	0.33
Total	**119.90**	**4.44**

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NOTE 19- COST OF MATERIALS CONSUMED

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of raw material and packing material	6,686.61	6,335.60
Consumption of stores and spares	264.39	203.27
Total	**6,951.00**	**6,538.87**

NOTE 20- CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(Increase)/Decrease in stock of finished goods, work-in-process	(46.42)	(3,015.89)
Total	**(46.42)**	**(3,015.89)**
(Increase)/Decrease in stocks		
At the year end		
Finished goods	345.71	189.74
Work-in-process	2,716.98	2,826.53
	3,062.69	3,016.27
At the beginning of the year		
Finished goods	189.74	0.38
Work-in-process	2,826.53	-
	3,016.27	0.38
Changes	**(46.42)**	**(3,015.89)**

NOTE 21- EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,331.03	987.92
Contribution to provident and other funds and retirement benefits (Refer note 24)	79.18	58.85
Staff welfare expenses	12.59	16.03
Total	**1,422.80**	**1,062.80**

NOTE 22 - FINANCE COSTS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on		
- Business Purchase Consideration	335.15	-
- Others	-	6.05
Total	**335.15**	**6.05**

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NOTE 23 - OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Power, fuel and water charges	767.48	578.13
Labour charges	429.41	248.88
Stores and spares consumed	94.89	72.49
Repairs and maintenance - plant and machinery	48.36	42.64
Repairs and maintenance - building	55.92	35.61
Repairs and maintenance - others	160.57	148.25
Rent	0.57	11.11
Other manufacturing expenses	26.81	19.76
Selling and Marketing expenses	15.02	(5.44)
Sales promotion expenses	121.26	95.47
Export commission	31.64	33.51
Travelling expenses	62.74	50.47
Freight outward	95.32	150.17
Telephone expenses	1.62	1.75
Rates and taxes	22.33	17.72
Insurance premium	33.16	2.96
Auditors remuneration		
- Audit Fees	2.50	3.43
- Out of pocket expenses	0.20	0.19
Loss on sale of assets	12.30	6.26
Exchange loss (net)		67.19
Corporate Social Responsibility Activities (Refer Note 34)	26.28	11.80
Test and Trials and Development Expenses	-	1.44
Legal & professional expenses	34.17	80.67
Other expenses	283.60	126.77
Total	**2,326.15**	**1,801.23**

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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.

The Company recognised total retirement benefit costs related to all retirement plans as follows:

Particulars	31 March 2020	31 March 2019
Current service cost	12.53	4.08
Net interest on defined benefit schemes	6.13	1.67
Net periodic expense	18.66	5.75

The remeasurement components recognised in other comprehensive income for the Company's defined benefit plans comprise the following:

Particulars	31 March 2020	31 March 2019
Actuarial (gains)/losses		
Based on adjustment of financial assumptions	(7.65)	-
Based on adjustment of demographic assumptions	(0.06)	-
Due to liability experience adjustment	1.26	(1.55)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	0.10	-
Total remeasurement gain recognised in the statement of other comprehensive income	(6.35)	(1.55)

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 2020	31 March 2019
Present value of funded obligations	87.01	81.06
Fair value of plan assets	(2.45)	-
Net defined benefit liability	84.56	81.06
Being:		
Retirement benefit assets	(2.45)	-
Retirement benefit liabilities	87.01	81.06

The movements in the net defined benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	81.06	-
Cost recognised in statement of profit and loss	18.65	5.75
Remeasurement (gains) / losses recognised in other comprehensive income	(6.35)	(1.55)
Acquired through business transfer	-	76.86
Actual employer contributions	(2.50)	-
Benefits paid	(6.30)	-
Closing balance	84.56	81.06

The change in the present value of defined benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	81.06	-
Current service cost	12.53	4.08
Interest cost on the defined benefit obligations	6.16	1.67
Acquired through business transfer	-	76.87
Actual benefit payments	(6.30)	-
Actuarial (gains)/losses	(6.44)	(1.55)
Closing balance	87.01	81.06

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The following table shows the change in the fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Beginning balance	-	-
Interest income on plan assets	0.05	-
Actual employer contributions	2.50	-
Actual return on assets (excluding interest income on plan assets)	(0.10)	-
Closing balance	2.45	-

The principal actuarial assumptions used for the defined benefit obligations as at 31 March 2020 are as follows:

Particulars	31 March 2020	31 March 2019
Discount Rate	6.65%	7.60%
Salary Escalation rate (%)	3.00%	5.00%

Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Particulars	31 March 2020	31 March 2019
Average remaining working life (years)	25.38	25.81

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Assets administered by respective insurance companies	100%	100%

A breakup of the defined benefit plan related balance sheet amounts as at 31 March 2020 and 2019, is shown below.

Particulars	31 March 2020	31 March 2019
Present value of funded obligations	87.01	81.06
Fair value of plan assets	(2.45)	-
Net defined benefit liability	84.56	81.06

The present value of defined benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	1,514	1,473
Present value of funded obligations	87.01	81.06

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 2020	31 March 2019
Discount rate +0.5 % p.a.	(3.42)	(3.36)
Discount rate - 0.5 % p.a.	3.67	3.61
Rate of compensation increase + 0.5 % p.a.	3.60	3.51
Rate of compensation decrease - 0.5 % p.a.	(3.38)	(3.29)

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The experience adjustment relating to gratuity is summarised as follows:

Particulars	On plan liability (gain)/loss	On plan assets gain/(loss)
2019-20	1.26	-
2018-19	(1.55)	-

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	9 years

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	10.17
2 to 5 years	25.08
6 to 10 years	37.09
More than 10 years	95.75

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 2020	31 March 2019
Current service cost	10.36	2.92
Personnel expenses	**10.36**	**2.92**
Net interest on long term benefit schemes	4.47	1.31
Actuarial (gains)/losses	-	-
Based on adjustment of financial assumptions	(5.88)	-
Based on adjustment in demographic assumptions	(0.04)	-
Due to liability experience adjustment	(4.09)	(5.28)
Return on plan assets (excluding amounts in net interest on defined benefit schemes)	0.10	-
Net periodic expense	**4.92**	**(1.05)**

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 2020	31 March 2019
Present value of funded obligations	57.71	59.38
Fair value of plan assets	2.45	-
Net long term benefit liability	55.26	59.38
Being:		
Retirement benefit assets	2.45	-
Retirement benefit liabilities	57.71	59.38

The movements in the net long term benefit liability recognised within the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	59.38	-
Cost recognised in the statement of profit and loss	4.92	(1.05)
Business transfer	-	60.43
Actual employer contributions	(2.50)	-
Benefits paid	(6.54)	-
Closing balance	55.26	59.38

The change in the present value of long term benefit obligations is as follows:

Particulars	31 March 2020	31 March 2019
Beginning balance	59.38	-
Current service cost	10.36	2.92
Interest cost on the long term benefit obligations	4.52	1.31
Actual benefit payments	(6.54)	-
Actuarial (gains)/losses - Financial assumptions	(5.88)	-
Actuarial (gains)/losses - Demographic assumptions	(0.04)	-
Actuarial (gains)/losses - Liability experience adjustment	(4.09)	(5.28)
Business transfer	-	60.43
Closing balance	57.71	59.38

(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 2020	31 March 2019
Beginning balance	-	-
Actual employer contributions	2.50	
Interest income on plan assets	0.05	-
Return on plan assets	(0.10)	-
Closing balance	2.45	-

The principal actuarial assumptions used for the long term benefit obligations at 31 March 2020 and 2019 are as follows:

Particulars	31 March 2020	31 March 2019
Discount rate (weighted average)	6.65%	7.60%
Rate of compensation increase (weighted average)	3.00%	5.00%

Mortality rates have been set in accordance with current best practices. The average life expectancy in years on the balance sheet date is as follows:

Particulars	31 March 2020	31 March 2019
Average life expectancy	25.38	25.81

The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
Insurance contracts	100%	100%

A breakup of the long term benefit plan related balance sheet amounts at 31 March 2020 and 2019, is shown below .

Particulars	31 March 2020	31 March 2019
Present value of obligations	57.71	59.38
Fair value of plan assets	(2.45)	-
Net long term benefit liability	55.26	59.38

The present value of long term benefit obligations by category of members at 31 March 2020 and 2019, is shown below:

Particulars	31 March 2020	31 March 2019
Active number of employees	1,514	1,473
Present value of obligations	57.71	59.38

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 2020	31 March 2019
Discount rate + 0.5 % p.a.	(2.39)	(2.60)
Discount rate - 0.5 % p.a.	2.56	2.80
Rate of compensation increase + 0.5 % p.a.	2.64	2.85
Rate of compensation decrease - 0.5 % p.a.	(2.48)	(2.67)

c) Provident fund and others (defined contribution plan)

Apart from being covered under the gratuity plan described earlier, employees participate in a provident fund plan; a defined contribution plan. The Company makes annual contributions based on a specified percentage of salary of each covered employee to a government recognised provident fund. The Company does not have any further obligation to the provident fund plan beyond making such contributions. Upon retirement or separation an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund. The Company contributed approximately Rs. 79.18 (2019- Rs. 11.63) towards the provident fund plan during the year ended 31 March 2020.

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NOTE 25 - RELATED PARTY DISCLOSURES

a) Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31 March 2020	31 March 2019
Glenmark Pharmaceuticals Ltd.	Immediate and ultimate parent entity	India	100%	100%

b) Entities under common control (Fellow subsidiary companies)

Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.
Glenmark Pharmaceuticals Europe Ltd., U.K.
Glenmark Pharmaceuticals S.R.O., Czech Republic
Glenmark Pharmaceuticals SK, s.r.o., Slovak Republic
Ichnos Sciences SA (Formerly known as Glenmark Pharmaceuticals S. A.)
Glenmark Holding S. A., Switzerland
Glenmark Pharmaceuticals S.R.L., Romania
Glenmark Pharmaceuticals SP z.o.o., Poland
Glenmark Pharmaceuticals Inc., USA
Glenmark Therapeutics Inc., USA
Glenmark Farmaceutica Ltda., Brazil
Glenmark Generics SA., Argentina
Glenmark Pharmaceuticals Mexico, S.A. DE C.V., Mexico
Glenmark Pharmaceuticals Peru SAC., Peru
Glenmark Pharmaceuticals Colombia SAS, Colombia
Glenmark Uruguay S.A., Uruguay
Glenmark Pharmaceuticals Venezuela., C.A , Venezuela
Glenmark Dominicana, SRL, Dominican Republic
Glenmark Pharmaceuticals Egypt S.A.E., Egypt
Glenmark Pharmaceuticals FZE., United Arab Emirates
Glenmark Impex L.L.C., Russia
Glenmark Philippines Inc., Philippines
Glenmark Pharmaceuticals (Nigeria) Ltd., Nigeria
Glenmark Pharmaceuticals Malaysia Sdn Bhd., Malaysia
Glenmark Pharmaceuticals (Australia) Pty Ltd., Australia
Glenmark South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals South Africa (Pty) Ltd., South Africa
Glenmark Pharmaceuticals B.V., Netherlands
Glenmark Arzneimittel Gmbh., Germany
Glenmark Pharmaceuticals Canada Inc., Canada
Glenmark Pharmaceuticals Kenya Ltd, Kenya
Glenmark Therapeutics AG, Switzerland
Viso Farmaceutica S.L.U., Spain
Glenmark Specialty S A, Switzerland
Glenmark Pharmaceuticals Distribution S.R.O, Czech Republic
Glenmark Pharmaceuticals (Thailand) Co. Ltd., Thailand
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 (Formerly known as Glenmark Biotherapeutics SA), Switzerland
Ichnos Sciences Inc., USA (w.e.f. 31 May, 2019)
Glenmark Distribuidora De Medicamentos E Produtos Cosmeticos Ltda, Brazil. (w.e.f. 20 March 2020)

c) Enterprise over which key managerial personnel exercise significant influence

Glenmark Foundation
Glenmark Aquatic Foundation
Apara Agencies (effective till July 16, 2018)

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

Glenmark Pharmaceuticals Inc., USA
Glenmark Pharmaceuticals Ltd., India
Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)
Glenmark Pharmaceuticals B.V., Netherlands
Glenmark Farmaceutica Ltda., Brazil
Glenmark Pharmaceuticals Ltd.
Viso Farmaceutica S.L.U.
Glenmark Pharmaceuticals Egypt
Glenmark Foundation
Dr. Yasir Rawjee (Managing Director & CEO, CEO with effect from 2 May 2019 and Managing Director with effect from 13 August 2019)
Ms. Ruchita Gandhi (effective from January 01, 2019)

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e) Key Management Personnel
Mr. Glenn Saldanha (Non-executive Director)
Mr. V S Mani (Non-executive Director)
Ms. Cherylann Pinto (Additional Director, Non-executive, with effect from 16 March 2020)
Dr. Yasir Rawjee (Managing Director & CEO, CEO with effect from 2 May 2019 and Managing Director with effect from 13 August 2019)
Ms. Ruchita Gandhi (Chief Financial Officer)
Mr. Kanish Malik (Non-executive Director till 6 June 2019)
Mr. Ashwin Jain (Non-executive Director till July 16, 2018)
Mr. Damanjit Singh (Non-Executive Director till July 16, 2018)
Mr. Sanjay Desai (Non-Executive Director till July 16, 2018)

f) Related party transaction

		Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2019
1	**Sale of materials & services**		6,303.57		2,200.79
	Glenmark Pharmaceuticals Inc., USA	1,262.84		861.71	
	Glenmark Pharmaceuticals Egypt	0.50		-	
	Glenmark Pharmaceuticals Ltd., India	5,040.23		1,339.08	
2	**Purchase of materials & services**		473.74		349.42
	Glenmark Pharmaceuticals Ltd., India	413.25		313.97	
	Glenmark Pharmaceuticals B.V., Netherlands	44.70		27.65	
	Viso Farmaceutica S.L.U.	10.38		7.80	
	Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)	5.41			
3	**Expenses incurred on behalf of Glenmark Lifesciences Ltd**		119.46		85.53
	Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)	5.50		22.42	
	Glenmark Farmaceutica Ltda., Brazil	45.26		28.68	
	Glenmark Pharmaceuticals Ltd., India	68.68		19.22	
	Glenmark Pharmaceuticals Inc., USA	0.02		15.21	
4	**Expenditure incurred for CSR activities to**		26.27		1.82
	Glenmark Foundation	26.27		1.82	
5	**Key management personnel**				
	Remuneration		41.11		1.67
	Ms. Ruchita Gandhi (effective from January 01, 2019)	11.94		1.67	
	Mr. Yasir Rawjee (effective from 2nd May 2019)	29.17		-	
6	**Loan taken from related parties**				
	Loan taken from directors/shareholders				0.38
	Mr. Ashwin Jain (effective till July 16, 2018)	-		0.13	
	Mr. Sanjay Desai (effective till July 16, 2018)	-		0.04	
	Glenmark Pharmaceuticals Ltd., India	-		0.21	
7	**Loan repaid to related parties**				
	Loan repaid to the directors/shareholders		-		10.03
	Mr. Ashwin Jain (effective till July 16, 2018)	-		4.76	
	Mr. Damanjit Singh (effective till July 16, 2018)	-		3.77	
	Mr. Sanjay Desai (effective till July 16, 2018)	-		1.50	
8	**Conversion of loan to equity share capital**				
	Director's loan converted to equity share capital		-		4.50
	Mr. Sanjay Desai (effective till July 16, 2018)	-		4.50	
9	**Business transfer transaction with parent**				
	As part of business transfer agreement, assets and liabilities are taken over for a net consideration		-		11,621.94
	Glenmark Pharmaceuticals Ltd., India	-		11,621.94	
10	**Interest expense on business purchase transaction**		335.15		-
	Glenmark Pharmaceuticals Ltd., India	335.15		-	
11	**Repayment of amount due for business purchase transaction**		1,365.51		-
	Glenmark Pharmaceuticals Ltd., India	1,365.51		-	
12	**Other incomes**				
	Loan written off		-		0.14
	Mr. Sanjay Desai (effective till July 16, 2018)	-		0.14	
12	**Equity shares issued to parent**		-		15.00
	Glenmark Pharmaceuticals Ltd., India	-		15.00	

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g) Related party balances

		As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
1	**Receivable/(Payable) from/ (to) subsidiary companies/enterprise**		**(7,420.03)**		**(10,343.29)**
	Glenmark Farmaceutica Ltda., Brazil	(24.15)		(7.89)	
	Glenmark Pharmaceuticals Egypt	0.52		-	
	Glenmark Pharmaceuticals B.V., Netherlands	(105.66)		(56.11)	
	Glenmark Pharmaceuticals Europe Ltd (Glenmark Generics (Europe) Ltd., U.K.)	(60.46)		(48.14)	
	Glenmark Pharmaceuticals Inc., USA	1,298.43		889.11	
	Viso Farmaceutica S.L.U.	(27.85)		(16.11)	
	Glenmark Pharmaceuticals Ltd., India	(8,500.62)		(11,104.15)	
	Glenmark Foundation	(0.24)		-	

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NOTE 26- RESEARCH AND DEVELOPMENT EXPENSES

During the year, the Company's expenses on research and development is Rs. 329.18 (2019 - Rs. 67.51)

NOTE 27 - EARNINGS PER SHARE (EPS)

The basic earnings per share for the year ended 31 March 2020 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 2020	Year ended 31 March 2019
Profit attributable to equity shareholders, for basic and diluted	3,130.98	1,955.92
Weighted average number of shares outstanding during the year for basic EPS	1,960,090	1,443,493
Weighted average number of shares outstanding during the year for diluted EPS	1,960,090	1,443,493
Basic EPS, in Rs.	**1,597.37**	**1,354.99**
Diluted EPS, in Rs.	**1,597.37**	**1,354.99**

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 2020	Year ended 31 March 2019
(a) Revenue from external customers		
Within India	7,874.10	3,559.20
Outside India	7,499.03	5,305.01
	15,373.13	**8,864.21**

Analysis of assets by geography :

As at 31 March 2020	India	Total
Tangible Assets	5,390.78	5,390.78
Intangible Assets	71.68	71.68
Total	5,462.46	5,462.46

As at 31 March 2019	India	Total
Tangible Assets	4,499.71	4,499.71
Intangible Assets	63.34	63.34
Total	4,563.05	4,563.05

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NOTE 29 - COMMITMENTS AND CONTINGENCIES

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed taxes and duties	22.16	27.64

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for as at 31 March 2020 aggregate Rs. 111.19 (2019 Rs. 144.09).

(b) Estimated amount of contracts remaining to be executed on other than capital commitment and not provided for (net of advances) as at 31 March 2020 aggregate Rs. 255.99 (2019 - Rs. 1,701.17).

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NOTE 30- FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at 31 March 2020				As at 31 March 2019			
	FVTPL	Amortised cost	Total carrying value	Total fair value	FVTPL	Amortised cost	Total carrying value	Total fair value
Financial assets								
Non-current financial assets	-	84.32	84.32	84.32	-	78.94	78.94	78.94
Trade receivables	-	6,386.28	6,386.28	6,386.28	-	4,480.88	4,480.88	4,480.88
Cash and cash equivalents	-	99.98	99.98	99.98	-	20.61	20.61	20.61
Investments	0.77		0.77	0.77	0.77		0.77	0.77
Other current financial assets	-	207.70	207.70	207.70	-	57.87	57.87	57.87
Total	**0.77**	**6,778.28**	**6,779.05**	**6,779.05**	**0.77**	**4,638.30**	**4,639.07**	**4,639.07**
Financial Liabilities								
Trade payables	-	2,010.71	2,010.71	2,010.71	-	1,828.88	1,828.88	1,828.88
Short term borrowings	-	0.21	0.21	0.21	-	0.21	0.21	0.21
Other current financial liabilities	-	10,736.57	10,736.57	10,736.57	-	11,763.14	11,763.14	11,763.14
Total	**-**	**12,747.49**	**12,747.49**	**12,747.49**	**-**	**13,592.23**	**13,592.23**	**13,592.23**

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 2 : All FVTPL financial assets are classified under level 2 of fair value hierarchy.
Level 3 : All amortised cost financial assets and liabilities are classified under level 3 of fair value hierarchy.

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Note 31: LEASES

The Company has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The new Standard has been applied using the modified retrospective approach and therefore comparative periods have not been restated
The adoption of this new Standard will result in the Company recognising a right-of-use asset ("ROU") and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.
On the date of intial application there where no lease contract which resulted in recognition of ROU and lease liablity

Practical expedient opted by Company
For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.

On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

Exemptions availed by Company:
The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value

Company as lessee
The Company has applied 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 ended 31 March 2020

Particulars	Amount
Expense relating to short-term leases and low value assets	0.57

The Company had total cash outflows for leases (short-term and low value) of Rs 0.57 in FY 2019-20.

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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)
US Dollar conversion rate was Rs. 69.32 at the beginning of the year and scaled to a high of Rs. 76.12 and to low of Rs. 68.24. The closing rate is Rs. 74.74. 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 2020		31 March 2019	
	USD (million)	INR	USD (million)	INR
Short-term exposure				
Financial assets	44.82	3,349.97	41.12	2,850.73
Financial liabilities	(7.78)	(581.41)	(8.00)	(554.31)
Total	**37.04**	**2,768.56**	**33.12**	**2,296.42**

If the INR had strengthened against the US Dollar by 10% then this would have the following impact:

Particulars	31-Mar-20	31-Mar-19
	INR	INR
Net results for the year	(276.86)	(229.64)
Equity	-	-

If the INR had weakened against the US Dollar by 10% then this would have the following impact:

Particulars	31-Mar-20	31-Mar-19
	INR	INR
Net results for the year	276.86	229.64
Equity	-	-

EUR conversion rate was Rs. 77.76 at the beginning of the year and scaled to a high of Rs. 84.96 and to low of Rs. 76.28. The closing rate is Rs. 82.21. 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-Mar-20		31-Mar-19	
	EUR (million)	INR	EUR (million)	INR
Short term exposure				
Financial assets	0.29	23.83	0.55	43.03
Financial liabilities	(1.67)	(137.19)	(0.93)	(72.16)
Total	**(1.38)**	**(113.36)**	**(0.38)**	**(29.13)**

If the INR had strengthened against the EUR by 10% then this would have the following impact:

Particulars	As at 31 March 2020	As at 31 March 2019
	INR	INR
Net results for the year	11.34	2.91
Equity	-	-

If the INR had weakened against the EUR by 10% then this would have the following impact:

Particulars	As at 31 March 2020	As at 31 March 2019
	INR	INR
Net results for the year	(11.34)	(2.91)
Equity	-	-

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Credit risk analysis
The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2020	As at 31 March 2019
Cash & cash equivalents	99.98	20.61
Trade receivables	6,386.28	4,480.88
Current financial assets	207.70	57.87
Non current financial assets	85.09	78.94
Total	**6,779.05**	**4,638.30**

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.

Given below is ageing of accounts receivable spread by period of six months:

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding for more than 6 months	283.88	-
Others	6,102.40	4,480.88
Total	**6,386.28**	**4,480.88**

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.

As at 31 March 2020, the Company's liabilities have contractual maturities which are summarised below:

	Current	Non-Current
	Within 1 year	**1to 5 years**
Trade payable	1,910.05	-
Short term borrowings	0.21	-
Other non-current financial liabilities	10,736.57	-
Total	**12,646.83**	-

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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 2020	31 March 2019
Total debt	0.21	0.21
Less: Cash & cash equivalents	99.98	20.61
Net debt (A)	**(99.77)**	**(20.40)**

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 ended 31 March 2020:

(i) The Company is required to incur expenditure on CSR as per the companies act requirement for the year ended 31 March 2020 amounting to Rs. 15.25 (31 March 2019 - NIL)
(ii) Amount spent during the year on child health and skill development project: Rs. 26.28 (2019 - Rs. 1.82).

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NOTE 35 - BUSINESS COMBINATION

Acquisition of business
On 1 January 2019, the Company has acquired the API division of Glenmark Pharmaceuticals Limited (the parent company). The business is transferred in order to provide a separate strategic focus to API business. Since the business is acquired from the parent company and form part of the Glenmark Group, accordingly, the transfer of business is considered as Business combinations of entities under common control as per Appendix C of Ind AS 103. Thus disclosures and accounting is done as per pooling of interest method as per Ind AS 103.

The parent company on 10 July 2018 obtained control of the Company by acquiring the 100% shareholding from its erstwhile shareholders. Thus, in order to comply with the guidance on pooling of interest method prior period transactions are restated from 10 July 2018. However, the transactions for the period prior to 01 January 2019 relating to API division are legally and contractually carried on by the parent company and all statutory liabilities (including income tax, GST, PF, Gratuity etc.) prior to 01 January 2019 have been accounted and discharged by the parent company.

Accordingly, transactions and profit for the period 10 July 2018 to 31 December 2018 related to API division legally, beneficially and contractually carried on by the parent company are shown below as "Transactions undertaken by and attributable to the parent company". Further, the transactions relating to and attributable to the Company, including the transactions in respect of the API Division, are shown below as "Transactions undertaken by and attributable to the Company".

Reconciliation of the Statement of Profit and Loss prepared as per Schedule III of the Act for the year ending 31 March 2019.

Particulars	Total	Transactions undertaken by and attributable to the parent company	Transactions undertaken by and attributable to the Company
Income			
Revenue from operations	8,864.21	4,898.85	3,965.36
Other income	4.44	-	4.44
Total income	8,868.65	4,898.85	3,969.80
Expenses			
Cost of materials consumed	6,538.87	1,641.33	4,897.54
Changes in inventories of finished goods and work-in-progress	(3,015.89)	-	(3,015.89)
Employee benefits expense	1,062.80	768.86	293.94
Finance costs	6.05	-	6.05
Depreciation and amortisation expense	192.62	123.13	69.49
Other expenses	1,801.23	1,284.24	516.99
Total expenses	6,585.68	3,817.56	2,768.12
Profit before exceptional items and tax	2,282.97	1,081.29	1,201.68
Exceptional items	-	-	-
Profit before tax	2,282.97	1,081.29	1,201.68
Tax expense:			
Current tax	258.95	-	258.95
Deferred tax	68.10	-	68.10
Total tax expense	**327.05**	-	**327.05**
Profit for the period	**1,955.92**	**1,081.29**	**874.63**
Other comprehensive income:			
Items than will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	1.55	-	1.55
- Income tax relating to above	(0.45)	-	(0.45)
Other comprehensive income/(loss) for the period, net of tax	1.10	-	1.10
Total comprehensive income for the period	1,957.02	1,081.29	875.71

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Details of the purchase consideration and the net assets acquired for API business are as follows:

Purchase consideration	**Amount**
Payable to Glenmark Pharmaceuticals Ltd.	11,621.94
Total purchase consideration*	**11,621.94**

Net identifiable assets acquired (01 January 2019 balances)	**Amount**
Assets and liabilities taken over	
Fixed Assets	5,298.47
Inventory	4,596.56
Debtors	3,634.43
Other assets and liabilities	640.35
Creditors	(2,547.87)
Net identifiable assets acquired	**11,621.94**

* Purchase consideration outstanding as on 31st March 2020 is Rs.10,591.57 (31st March 2019 - Rs. 11,621.94)

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Note 36 - IMPACT OF COVID-19

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Even in India the outbreak has been declared an epidemic or pandemic and on 24 March 2020, the Government of India ordered a nationwide lockdown, limiting movement of population of India as a preventive measure against the COVID-19 pandemic. As a result most of the businesses are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organisations.

However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

Note 37- 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.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

GLENMARK LIFE SCIENCES LIMITED
MUMBAI
400 099

NOTE 38 - AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 26 June 2020.

As per our report of even date.

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

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★

Ashish Gupta
Partner
Membership Number - 504662

Place: New Delhi
Date: 26 June 2020

For and on behalf of the Board of Directors
Glenmark Life Sciences Limited (Formerly known as Zorg laboratories Private Limited)

Yasir Rawjee
Managing Director & CEO
DIN: 01965174

V S Mani
Director
DIN: 01082878

Ruchita Gandhi
Chief Financial officer

GLENMARK LIFE SCIENCES LIMITED ★ MUMBAI 400 099

Place: Mumbai
Date: 26 June 2020