

Glenmark Pharmaceuticals Limited
Statement of Profit and Loss for the quarter and year ended 31 March, 2017

(Rs. In Millions)

Particulars [Refer notes below]	Standalone (Ind AS)					Consolidated (Ind AS)					Consolidated (IFRS)				
	Quarter ended 31/03/2017 (Unaudited)	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 31/03/2016 (Unaudited)	Year ended 31/03/2017 (Audited)	Year ended 31/03/2016 (Audited)	Quarter ended 31/03/2017 (Unaudited)	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 31/03/2016 (Unaudited)	Year ended 31/03/2017 (Audited)	Year ended 31/03/2016 (Audited)	Quarter ended 31/03/2017 (Unaudited)	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 31/03/2016 (Unaudited)	Year ended 31/03/2017 (Audited)	Year ended 31/03/2016 (Audited)
Revenue from operations															
(a) Net sales	19,385.61	21,149.46	17,195.01	76,948.30	59,069.71	24,244.14	24,629.53	21,994.49	89,700.86	74,579.23	24,244.14	24,629.53	21,994.49	89,700.86	74,579.23
(b) Other operating income	1,265.26	768.33	2,116.78	4,006.70	2,961.10	327.69	720.55	1,072.27	2,155.95	1,916.60	327.69	720.55	1,072.27	2,155.95	1,916.60
Revenue from operations	20,650.87	21,917.79	19,311.79	80,955.00	62,030.81	24,571.83	25,350.08	23,066.76	91,856.81	76,495.83	24,571.83	25,350.08	23,066.76	91,856.81	76,495.83
II Other income	(502.49)	1,063.58	669.17	1,482.39	1,172.83	(512.87)	145.67	116.93	373.65	200.00	(512.87)	144.93	116.93	372.90	200.00
III Total income (I + II)	20,148.38	22,981.37	19,980.96	82,437.39	63,203.64	24,058.96	25,495.75	23,183.69	92,230.46	76,695.83	24,058.96	25,495.01	23,183.69	92,229.71	76,695.83
IV Expenses															
Cost of materials consumed	5,478.75	5,615.27	5,339.43	22,420.13	17,922.43	5,189.69	5,600.88	4,674.15	23,548.13	19,287.47	5,189.69	5,600.88	4,674.15	23,548.13	19,287.47
Purchase of stock-in-trade	560.33	661.52	613.66	2,669.96	2,199.75	3,606.46	1,578.60	1,443.52	7,191.20	5,139.97	3,606.46	1,578.60	1,443.52	7,191.20	5,139.97
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.02	72.99	374.52	(835.17)	(735.51)	(1,026.67)	(1,189.09)	1,321.58	(4,596.07)	(1,401.60)	(1,026.67)	(1,189.09)	1,321.58	(4,596.07)	(1,401.60)
Employee benefits expense	2,211.26	2,274.07	2,300.21	9,144.71	7,662.54	3,847.40	4,016.81	3,481.65	16,408.06	13,781.95	3,847.40	4,016.81	3,488.85	16,408.06	13,781.95
Finance costs	497.21	495.39	102.62	1,526.02	362.24	696.70	617.37	475.00	2,373.18	1,788.85	696.70	617.37	475.00	2,373.18	1,788.85
Depreciation and Amortisation expense	273.17	263.36	260.61	1,049.32	998.10	689.04	625.26	584.11	2,643.68	2,342.84	845.28	788.44	780.64	3,167.61	2,691.42
Other expenses	5,678.52	4,849.88	5,531.19	18,568.95	17,328.81	8,516.52	7,692.64	9,111.27	28,938.49	25,316.52	8,516.52	7,692.38	9,122.08	28,938.49	25,360.32
Total expenses (IV)	14,700.26	14,232.48	14,522.25	54,543.92	45,738.36	21,519.14	18,942.47	21,091.28	76,506.67	66,256.00	21,675.38	19,105.39	21,305.82	77,030.60	66,648.38
V Profit/(loss) before exceptional items and tax (III - IV)	5,448.12	8,748.89	5,458.72	27,893.47	17,465.28	2,539.82	6,553.28	2,092.41	15,723.79	10,439.83	2,383.58	6,389.62	1,877.87	15,199.11	10,047.45
VI Exceptional items	2,364.51	-	-	2,364.51	-	809.49	-	-	809.49	-	2,597.59	-	-	2,597.59	-
VII Profit/(loss) before tax	3,083.61	8,748.89	5,458.72	25,528.96	17,465.28	1,730.33	6,553.28	2,092.41	14,914.30	10,439.83	(214.01)	6,389.62	1,877.87	12,601.52	10,047.45
VIII Tax expense :															
Current tax	1,462.71	1,635.82	1,176.85	6,040.24	3,746.15	1,655.10	1,498.51	1,717.21	6,190.43	5,114.42	1,642.65	1,498.50	1,748.75	6,177.97	5,145.96
Deferred tax	(1,949.67)	12.00	(835.29)	(1,917.36)	(1,123.54)	(1,762.38)	295.76	(1,112.79)	(2,363.66)	(2,105.04)	(2,068.06)	305.15	(1,301.18)	(2,735.66)	(2,119.96)
IX Profit/(loss) for the period (VII - VIII)	3,570.57	7,101.07	5,117.16	21,406.08	14,842.67	1,837.61	4,759.01	1,487.99	11,087.53	7,430.45	211.40	4,585.97	1,430.30	9,159.21	7,021.45
X Other comprehensive income															
A (i) Items that will not be reclassified to profit or loss	35.90	(35.30)	(13.43)	(34.40)	(53.74)	29.99	(35.32)	3.00	(47.01)	11.98	29.99	(35.32)	3.00	(47.01)	11.98
(ii) Income tax relating to items that will not be reclassified to profit or loss	(12.20)	12.00	4.57	11.70	18.27	(11.46)	12.00	(0.60)	13.29	(2.40)	(11.46)	12.00	(0.60)	13.29	(2.40)
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	(2,242.82)	(380.75)	(804.92)	(1,744.70)	(3,177.66)	(2,304.31)	(321.95)	(766.96)	(1,758.73)	(3,006.45)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI Total comprehensive income	3,594.27	7,077.77	5,108.30	21,383.38	14,807.20	(386.68)	4,354.94	685.47	9,309.11	4,262.37	(2,074.38)	4,240.70	665.74	7,366.76	4,024.58
XII Earning Per Share (of Re 1/- each) (not annualised)															
Basic Earnings Per Share (in Rupees)	12.65	25.17	18.15	75.86	52.94	6.51	16.87	5.27	39.29	26.47	0.75	16.25	5.07	32.46	25.01
Diluted Earnings Per Share (in Rupees)	12.65	25.16	18.15	75.84	52.93	6.51	16.86	5.27	39.28	26.46	0.75	16.25	5.07	32.45	25.00

Notes:

- The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 11 May, 2017.
- During the quarter two subsidiaries were incorporated viz. Glenmark Ukraine LLC and Glenmark-Pharmaceuticals Ecuador S.A. The list of subsidiaries as of 31 March, 2017 is provided in Annexure A.
- The Company operates in one reportable business segment i.e., Pharmaceuticals.
- As at 31 March, 2017, pursuant to Employee Stock Option Scheme 2003, 47,000 options were outstanding, which upon exercise are convertible into equivalent number of equity shares. Pursuant to Employee Stock Options Scheme 2016, 6,19,757 options were outstanding, which upon exercise are convertible into equivalent number of equity shares.
- Diluted EPS has been computed considering the effect of conversion of ESOPs.
- Tax expenses is computed after considering MAT credit and other income tax benefits.
- The Company has for the first time adopted Indian Accounting Standards (Ind AS) from 1 April, 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34. The format for unaudited quarterly financial results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30 November, 2015 has been modified to comply with the requirements of SEBI's circular dated 5 July, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 which are applicable to companies that are required to comply with Ind AS. The Company has also voluntarily presented the consolidated results in accordance with the recognition and measurement principles as per IFRS in the format as per Regulation 33(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Reconciliation between financial results as previously reported under previous GAAP (Indian GAAP) and Ind AS for the quarter and year ended 31 March, 2016 is given in Annexure B
- In accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors have performed an Audit of the Standalone and Consolidated Financial Results of the Company for the Financial Year ended 31 March, 2017. There are no qualifications in the Audit Report issued for the said period.
- The figures for the quarter ended 31 March are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the figures for the third quarter of the relevant financial year.
- The disclosure of Statement of Assets and Liabilities as per Regulation 33(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are an integral part of these results.
- The Board has recommended a final dividend of 200% i.e. Rs. 2 per Equity Share of the face value of Re. 1 each for Financial Year 2016-17. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting.
- Pursuant to SEBI notification no. NSE/CML/2016/12, previous period's net sales figures have been presented inclusive of excise duty.
- Exceptional items:
 Stand-alone: Exceptional items for the quarter and year ended 31 March 2017 represents impairment loss relating to investment and trade receivables from the Company's subsidiary in Venezuela. The Company has not received approvals from the Venezuelan government to repatriate any amounts during the year ended 31 March 2017 and considering the uncertainty around repatriation, the Company believes it's appropriate to impair such investments and trade receivables from the said subsidiary.
 Consolidate: Exceptional items for the quarter and year ended 31 March 2017 represents impairment loss relating to certain intangibles assets under development owing to the Company's future research and development strategy for such products.
- Previous period's figures have been re-grouped/re-classified wherever necessary.

For and on behalf of the Board of Directors

Glenn Saldanha
 Chairman & Managing Director

Mumbai, 11 May, 2017

Glenmark Pharmaceuticals Limited**Annexure A****List of entities included in the consolidated financial results for the year ended 31 March 2017**

Sr. No	Name of Entities
1	Glenmark Pharmaceuticals (Europe) R&D Ltd., U.K.
2	Glenmark Pharmaceuticals Europe Ltd., U.K.
3	Glenmark Pharmaceuticals S.R.O.
4	Glenmark Pharmaceuticals SK, S.R.O.
5	Glenmark Pharmaceuticals S. A.
6	Glenmark Holding S.A.
7	Glenmark Pharmaceuticals S.R.L
8	Glenmark Pharmaceuticals SP z.o.o.
9	Glenmark Pharmaceuticals Inc. (formerly Glenmark Generics Inc.)
10	Glenmark Therapeutics Inc.
11	Glenmark Farmaceutica Ltda
12	Glenmark Generics S.A
13	Glenmark Pharmaceuticals Mexico, S.A. DE C.V.
14	Glenmark Pharmaceuticals Peru SAC
15	Glenmark Pharmaceuticals Colombia SAS, Colombia (Formerly known as Glenmark Pharmaceuticals Colombia Ltda., Colombia)
16	Glenmark Uruguay S.A.
17	Glenmark Pharmaceuticals Venezuela, C.A
18	Glenmark Dominicana SRL
19	Glenmark Pharmaceuticals Egypt S.A.E.
20	Glenmark Pharmaceuticals FZE
21	Glenmark Impex L.L.C
22	Glenmark Philippines Inc.
23	Glenmark Pharmaceuticals (Nigeria) Ltd
24	Glenmark Pharmaceuticals Malaysia Sdn Bhd
25	Glenmark Pharmaceuticals (Australia) Pty Ltd
26	Glenmark South Africa (pty) Ltd
27	Glenmark Pharmaceuticals South Africa (pty) Ltd
28	Glenmark Pharmaceuticals (Thailand) Co. Ltd
29	Glenmark Pharmaceuticals B.V.(Formerly known as Glenmark Generics B.V.)
30	Glenmark Arzneimittel Gmbh
31	Glenmark Pharmaceuticals Canada Inc. (formerly Glenmark Generics Canada Inc.)
32	Glenmark Pharmaceuticals Kenya Ltd
33	Glenmark Therapeutics AG
34	Viso Farmaceutica S.L., Spain
35	Glenmark Specialty SA
36	Glenmark Pharmaceuticals Distribution s.r.o.
37	Glenmark Pharmaceuticals Nordic AB
38	Glenmark Ukraine LLC
39	Glenmark-Pharmaceuticals Ecuador S.A.

Glenmark Pharmaceuticals Limited

Annexure B

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

Reconciliations of equity reported under previous GAAP to equity under Ind AS

Sr.no	Particulars	Note no.	Consolidated		Standalone	
			Equity as at 31 March 2016	Equity as at 01 April 2015	Equity as at 31 March 2016	Equity as at 01 April 2015
	Equity as per previous Indian GAAP		30,564.41	17,834.94	72,857.51	49,520.53
1	Amortisation of intangible assets	1	196.83	-	122.90	
2	Deferred tax assets on used tax losses	2	4,813.81	4,933.02		
3	Proposed dividend and tax thereon	3	679.20	656.10	679.20	656.10
4	Non-controlling interest	4	(3.01)	(1.87)		
5	Reversal of expected credit loss		45.14	-		
	Equity as per Ind AS		36,296.38	23,422.19	73,659.61	50,176.63

Reconciliation of profit reported under previous GAAP to profit under Ind AS

Sr.no	Particulars	Note no.	Consolidated	Standalone
			For the year ended 31 March 2016	For the year ended 31 March 2016
	Net profit as per previous Indian GAAP		7,199.09	14,684.31
1	Amortisation of intangible assets		174.79	122.90
2	Deferred tax adjustments	2	21.23	(18.27)
3	Remeasurement benefits	5	(9.59)	53.74
4	Reversal of expected credit loss		44.93	
	Net profit as per Ind AS		7,430.45	14,842.67

Notes:

1 Intangible assets

As at the date of transition, group has elected to consider the previous GAAP carrying value of all the items of intangible assets as deemed cost. So, there is no impact on equity as at the date of transition. There are few items of intangible assets which has been amortised in previous GAAP considering the useful life of five years. Under Ind AS, these assets has been considered as having infinite useful life and amortisation charges is nil on these assets after the date of transition. Instead, these assets has been tested for impairment on an annual basis. The adjustment on account of change in useful life have a positive impact of INR 174.79 million on equity reported under previous GAAP as at 31 March 2016.

2 Deferred tax

Deferred tax assets and liabilities under Indian GAAP were recorded only on timing differences. However, on transition to Ind AS, deferred tax assets and liabilities are recorded on temporary differences. On transition to Ind AS, the carrying values of assets and liabilities have undergone a change as a result of the adjustments indicated above, and accordingly, the deferred tax position has been recomputed after considering the new carrying amounts. Further, for some entities, deferred tax assets was not created on tax losses and other deductible temporary differences due to the fact that there were no virtual certainty of availability future taxable profits. In Ind AS, due to existence of reasonable certainty, these deferred tax assets has been recognised. These adjustments on account of deferred taxes have a positive impact of INR 4,813.81 million and INR 4933.02 million on equity reported under previous GAAP as at 31 March 2016 and 31 March 2015 respectively.

3 Proposed dividend

In preparation of the financial statements in accordance with Previous GAAP, the Company provided for proposed dividend and tax thereon to comply with the schedule III requirements of the Companies Act, 2013. On transition to Ind AS, proposed dividend is recognised based on the recognition principles of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Considering that the dividend has been proposed after the date of financial statements and becomes payable only after approval by the shareholders, there is no present obligation to pay this dividend as at the date of statement of balance sheet. Accordingly, the liability for proposed dividend and tax thereon has been reversed.

4 Non-controlling interest

Under Indian GAAP, financial statements are prepared as per the requirements of Schedule III of The Companies Act, 2013. Under Schedule III, non-controlling interest is not included in the total shareholders' equity and is disclosed separately on the face of the balance sheet. On transition to Ind AS, the Group has included the non-controlling interest in the statement of equity under the total shareholders' equity. Further, the non-controlling interest under Ind AS has been calculated using the minority's share of the net assets of the subsidiary.

5 Remeasurement benefits

Under previous GAAP, remeasurement benefits on defined benefit obligation has been recognised in the consolidated statement of profit and loss. Ind AS 19 - Employee benefits required these remeasurement benefits to be recognised in other comprehensive income instead of statement of profit and loss.

6 Presentation differences

In the preparation of these Ind AS financial statements, the Group has made several presentation differences between Previous GAAP and Ind AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these financial statements, some line items are described differently (renamed) under Ind AS as compared to Previous GAAP, although the assets and liabilities included in these line items are unaffected.