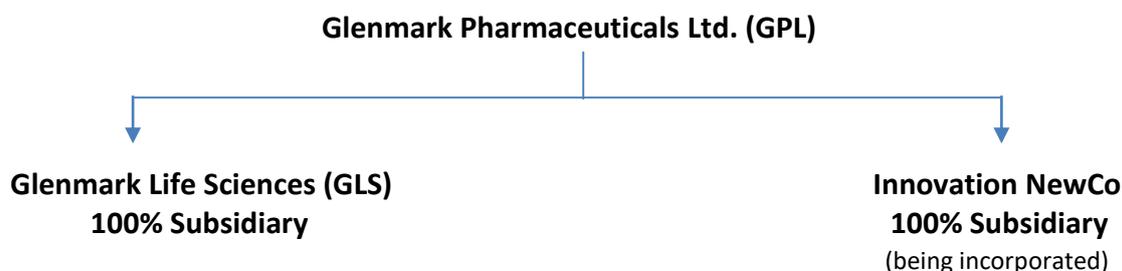


Management Discussion & Analysis for the Fourth quarter of FY 2018-19

Glenmark has recently reorganised its businesses into three separate entities.



Each of these three entities are operating independently with separate management teams. We have provided an update on each of these entities separately in this document.

Revenue Figures for the Consolidated Glenmark Pharmaceuticals Ltd.

(Rs. In Millions)

	Fourth quarter ended March 31			Year ended March 31		
	FY 2018-19	FY 2017-18	Growth	FY 2018-19	FY 2017-18	Growth
India	6,677.94	6,086.70	9.71%	27,769.71	25,142.52	10.45%
US	7,696.00	6,995.59	10.01%	31,392.70	32,075.72	-2.13%
Rest of World (ROW)	3,852.85	2,985.36	29.06%	12,759.35	10,992.24	16.08%
Europe	3,184.07	3,189.56	-0.17%	11,207.09	9,058.10	23.72%
Latin America	1,204.07	1,276.23	-5.65%	4,179.53	4,066.95	2.77%
API	2,487.77	2,048.62	21.44%	9,493.11	8,778.91	8.14%
Total	25,102.69	22,582.06	11.16%	96,801.48	90,114.44	7.42%
Other Revenue	532.04	216.10	146.20%	1,853.20	916.26	102.26%
Consolidated Revenue	25,634.74	22,798.16	12.44%	98,654.68	91,030.70	8.38%
Consolidated Revenue excluding gZetia®	---	---	---	98,654.68	87,811.20*	12.35%

*gZetia® sales estimated to be USD 50 Mn in FY 2017-18

Average conversion rate in 12M FY 2018-19 considered as INR 69.76/USD 1.00

Average conversion rate in 12M FY 2017-18 considered as INR 64.39/USD 1.00

USD figures are only indicative

Review of Operations for the quarter ended March 31, 2019

For the fourth quarter ended March 31, 2019, Glenmark's consolidated revenue was at Rs. 25,634.74 Mn (USD 364.61 Mn) as against Rs. 22,798.16 Mn (USD 354.67 Mn) recording an increase of 12.44%.

For the financial year ended March 31, 2019, Glenmark's consolidated revenue was at Rs. 98,654.68 Mn (USD 1,414.20 Mn) as against Rs. 91,030.70 Mn (USD 1,413.68 Mn) recording an increase of 8.38%.

We would now like to give you an update on each of the three businesses separately:

GLENMARK PHARMACEUTICALS LTD. (GPL)

GPL is primarily focused on building a global Generics, Specialty and OTC business in the therapy areas of Dermatology, Respiratory and Oncology. It also has strong regional/country-specific presence in other therapeutic areas like diabetes, cardiovascular and oral contraceptives.

India

Sales from the formulation business in India for the fourth quarter ended March 31, 2019 was at Rs. 6,677.94 Mn (USD 94.90 Mn) as against Rs. 6,086.70 Mn (USD 94.70 Mn) in the previous corresponding quarter, recording a growth of 9.71%.

The India business continued to strengthen itself across its focused therapy areas viz. dermatology, Cardio-metabolic, respiratory and oncology. It continues to outperform the industry growth and remains one of the fastest growing companies in the Indian pharmaceutical market. As per IQVIA MAT Mar 2019, Glenmark's India formulation business is ranked 14th, with market share of 2.18%. Glenmark now has 9 brands among the 'Top 300 Brands in the Indian Pharmaceutical Market.'

Most of the core therapy areas witnessed an increase in market share from IQVIA MAT March 2018 data to MAT March 2019 respectively. The Cardiac segment market share increased from 4.26% to 4.51%; the Respiratory segment market share rose from 4.75% to 4.77%; the Anti-diabetic segment market share changed from 1.65% to 1.61%; and the Derma segment market share changed from 9.17% to 9.08%.

In April 2019, Glenmark announced the launch of its novel, patent protected and globally-researched sodium glucose co-transporter-2 (SGLT2) inhibitor Remogliflozin etabonate (Remogliflozin) in India. Glenmark is the first company in the world to launch Remogliflozin. The molecule has been studied in 26 clinical trials globally, covering about 2,500 people from various ethnicities. Glenmark received regulatory approval for Remogliflozin etabonate tablets 100 mg after successfully completing Phase 3 clinical trials in which Remogliflozin etabonate demonstrated good efficacy and safety profile in a head-to-head comparison against Dapagliflozin.

India – Glenmark Consumer Care Business

Glenmark's consumer care business continued to strengthen itself in this financial year growing in excess 35% in the fourth quarter of FY 2018-19. The consumer business grew around 29% growth to around Rs. 1,900 Mn for the FY 2018-19. The consumer business has increased its distribution reach during the financial year which resulted in the non-pharmaceutical distribution network growing by 59% during the year. For the full year secondary sales growth for the consumer business was at 31%.

During the year, all the three major brands witnessed strong growth in the market. As per IQVIA MAT March 2019, Glenmark's leading brand Candid Powder recorded 28% value growth, highest amongst the top 3 Brands which account for majority of the sales in the category. Candid Powder continues to be the market leader with share of about 45%. Likewise, VWash Plus continues to hold leading position in its category with more than 50% market share as per IQVIA. VWash Plus recorded 45% growth in the fourth quarter FY 2018-19. During the year, the company launched VWash WOW Sanitary napkins as an extension to build a franchise of women intimate hygiene care. The entire VWash franchise grew by 48% in the financial year 2018-19. Scalpe+, operating in the anti-dandruff shampoo category, registered 10% value growth and market share of 12%, which is the highest in its operating category, as per IQVIA.

USA

Glenmark Pharmaceuticals Inc., USA registered revenue from the sale of finished dosage formulations of Rs. 7,696.00 Mn (USD 109.39 Mn) for the quarter ended March 31, 2019 as against revenue of Rs. 6,995.59 Mn (USD 108.87 Mn) for the previous corresponding quarter, recording an increase of 10.01%.

Generics Business:

In the financial year 2018-19, Glenmark was granted approval for 25 Abbreviated New Drug Applications (ANDA), comprising of 20 final approvals and 5 tentative approvals. Notable approvals include: Colesevelam Hydrochloride Tablets, Colesevelam Hydrochloride for Oral Suspension, Estradiol Vaginal Inserts USP, 10 mcg, Azelaic Acid Gel, 15% and Sevelamer Hydrochloride Tablets, 400 mg and 800 mg. The Company filed a total of 13 ANDAs with the US FDA throughout the financial year.

Glenmark completed the successful launch of 21 products during the financial year 2018-19, consisting of a mix of semi-solid preparations, delayed- and immediate-release oral solids, and hormone products. Notable launches include securing 180 days of exclusivity at commercialization for Hydrocortisone Valerate Ointment USP, 0.2% as the company's first ever competitive generic therapy [CGT] granted product launch; and being the first generic available for Colesevelam Hydrochloride for Oral Suspension.

In the fourth quarter of financial year 2018-19, Glenmark was granted final approval and launched Sevelamer Hydrochloride Tablets, 400 mg and 800 mg. In addition, Glenmark launched the previously approved products Calcipotriene Ointment USP, 0.005%, Hydrocortisone Valerate

Ointment USP, 0.2% and Fluocinolone Acetonide Oil, 0.01% (Ear Drops); and a newly in-licensed product, Trimipramine Maleate Capsules. The Company filed eight ANDA applications with the US FDA in the quarter, and plans to file an additional four applications in the forthcoming quarter.

Glenmark's marketing portfolio through March 31, 2019 consists of 152 generic products authorized for distribution in the US market. The Company currently has 53 applications pending in various stages of the approval process with the US FDA, of which 28 are Paragraph IV applications.

Specialty Business: Glenmark Therapeutics Inc., USA (GTI)

Dermatology:

Earlier in the year, Glenmark announced its foray into the branded dermatology segment in the US when GTI acquired rights to seven branded dermatology products from Exeltis USA, Inc. The acquisition includes Ecoza® (econazole nitrate) topical foam, 1%, an antifungal medicine indicated for the treatment of interdigital tinea pedis or athlete's foot, and Recedo® topical gel, a leading prescription product for scar management. All acquired products are currently approved and marketed in the US with cumulative annual sales of USD 9 Mn. During the fourth quarter, the sales from the dermatology products was insignificant as the company was integrating the acquisition with the organisation. With the dermatology branded business now streamlined, we expect to garner increasing sales from this division starting first quarter of FY 2019-20.

Respiratory:

Glenmark intends to commercialize two respiratory products in this division: Ryaltris™ and the in-licensed product Otiprio. Glenmark is evaluating bringing in a partner to jointly commercialize Ryaltris™ in the US market.

Ryaltris™

Ryaltris™ (olopatadine hydrochloride and mometasone furoate) Nasal Spray is the company's leading respiratory pipeline asset and is currently under review with the U.S. Food and Drug Administration (FDA) as a treatment for seasonal allergic rhinitis in the USA. The extended PDUFA date for Ryaltris™ remains June 21, 2019. Further, in May 2019, Glenmark announced positive results from a Phase 3 study of Ryaltris™ in patients aged 6 to under 12 years wherein it met its primary endpoint in achieving clinically meaningful and statistically significant change from baseline in average morning and evening Reflective Total Nasal Symptom Score (rTNSS) compared to placebo.

Glenmark has studied Ryaltris™ in seven clinical trials involving more than 4,000 adult and adolescent patients (12 years of age and older). Results from those clinical trials of Ryaltris™ have been previously presented at key medical meetings and full results from the study of Ryaltris™ in pediatric patients aged 6 to under 12 years of age will be published and presented at future meetings.

During the quarter, the company had announced the out-licensing agreement for the China and the Korea markets with Grand Pharma, China and Yuhan Corporation, Korea respectively. Ryaltris™ represents the continued commitment towards building a global branded business in the specialty respiratory segment. The Company plans to commercialize Ryaltris™ in several key markets globally and has already initiated product filings in its key markets.

Otiprio®

In May 2019, GTI announced a co-promotion agreement with Otonomy, Inc., a biopharmaceutical company based in the US to promote Otiprio® (ciprofloxacin otic suspension) for the treatment of acute otitis externa (AOE) in patients 6 months of age and older due to *Pseudomonas aeruginosa* and *Staphylococcus aureus* in ear, nose and throat in the US and its territories. This agreement will significantly benefit the branded respiratory franchise as GTI will be able to leverage the commercial infrastructure invested for the launch of Ryaltris™.

All brand names and trademarks are the property of their respective owners.

Africa, Asia and CIS Region (ROW)

For the fourth quarter, revenue from Africa, Asia and CIS region was Rs. 3,852.85 Mn (USD 54.88 Mn) as against Rs. 2,985.36 Mn (USD 46.44 Mn) for the previous corresponding quarter, recording an increase of 29.06%.

As per IQVIA data for MAT March'19, Glenmark Russia recorded growth of 8.3% in value vis-à-vis overall retail market growth of 5.8%. As per IQVIA, Glenmark Russia business ranks at 44 as per MAT March 2019 data. In the dermatology segment Glenmark showed growth of 1.6% in value vis-à-vis overall dermatology market growth of 2.2% in value. As per IQVIA, Glenmark dermatology business ranks 11 in the market.

In April 2019, Glenmark Russia business received approval from the Ministry of Healthcare, Russia to market Momate Rhino (Mometasone Furoate 50 mcg) metered nasal spray as an over-the-counter (OTC) product for the treatment of seasonal and perennial allergic rhinitis in patients above 18 years of age. This product launch will help the Russian business to further strengthen itself in the respiratory area.

In other CIS markets, Glenmark Ukraine showed secondary sales growth of 29% in value in the fourth quarter of the financial year 2018-19, as well as YTD March 2019 growth of 26% in value vis-à-vis the same period last year. In units, Glenmark Ukraine showed growth of 30.3% vs. relevant market growth of 2.6%. The other CIS subsidiaries recorded a moderate performance during the quarter.

The Asia region recorded good performance in the fourth quarter with sales growing in excess of 25% and for the full year at around 20%. The business continued to deliver strong growth in key Asian markets such as the Philippines and Malaysia.

The Africa region performed well in the financial year 2018-19 recording growth in excess of 30%. The subsidiaries in South Africa and Kenya grew in excess of 30% for the financial year. The Africa

region launched 15 products across the markets in the fourth quarter and 56 products in the region for the entire financial year.

Europe

Glenmark Europe's operations revenue for the fourth quarter FY 2018-19 was at Rs. 3,184.07 Mn (USD 45.33 Mn) as against Rs. 3,189.56 Mn (USD 49.59 Mn) recording an decrease of 0.17%.

While the Europe region recorded strong growth in the first nine months of the financial year 2018-19, the fourth quarter for the European business was subdued as both the Western and the Central Eastern European regions did not perform as per expectations. During the fourth quarter, businesses in the UK, Germany and the Poland recorded de-growth. Nevertheless, the overall region witnessed multiple new product launches across all key markets during the financial year. During the fourth quarter, the Czech subsidiary launched 5 products, the UK subsidiary launched 3 products and the German subsidiary launched one product.

The European subsidiary also signed multiple licensing agreements during the financial year 2018-19 for products listed herewith: Abacavir+Lamivudine, Erlotinib, Glicalzide, Tramadol+Paracetamol, Posaconazole Oral Solution, Levetiracetam Oral Solution, Tamsulosin, Dermikelp, Vinorelbine, Fingolimod, Lenalidomide, Tamsulosine/Dutasteide, Olmesartan+Amlodipine+HCT, and Duloxetine.

Latin America

Glenmark's revenue from its Latin American and Caribbean operations was at Rs. 1,204.07 Mn (USD 17.14 Mn) for the fourth quarter FY 2018-19, as against Rs. 1,276.23 Mn (USD 19.85 Mn), recording a decrease of 5.65%. Glenmark recorded good growth in constant currency in Mexico whereas the Brazil unit recorded de-growth of ~5% in the fourth quarter. Overall performance for the overall region continued to remain subdued in the financial year 2018-19.

GPL Specialty/Innovative R&D Pipeline

GBR 310

- During FY 2018-19, Glenmark announced results from a Phase 1 study that suggest similarity in pharmacokinetic, pharmacodynamic, safety and immunogenicity profiles between GBR 310, and the reference product, omalizumab, marketed in the US under the brand name Xolair®.
- The Company is in active discussions with potential partners and is targeting to conclude a deal before initiating Phase 3 studies.

GSP 304

- GSP 304 is a long-acting muscarinic antagonist administered by nebulization being studied for the long term, once-daily, maintenance treatment of bronchospasm associated with COPD.

- The GSP 304 program is ongoing and is currently in Phase 2 for patients with mild to moderate COPD as established by the Global Initiative for Chronic Obstructive Lung Disease.

GRC 39815 (ROR γ t inhibitor)

- GRC 39815 is a NCE currently being evaluated as an inhaled compound for the possible treatment of Chronic Obstructive Pulmonary Disorder (COPD). It is an inhibitor of the Retinoid-related Orphan Receptor gamma t (ROR γ t).
- The compound is currently in pre-clinical development and the Company plans to initiate a Phase 1 study in FY 2019-20.

GLENMARK LIFE SCIENCES LTD. (GLS)

Glenmark Life Sciences primarily includes manufacturing and marketing of active pharmaceutical ingredient (API) products across all major markets globally. It also includes captive sales (i.e. use of API by GPL for its own formulations).

Glenmark entered the API business in 2003 and built a large business based on strong product selection, focus on key regulated markets, maintaining high operational efficiency and a strong compliance culture. The API business has grown at ~14% CAGR over the last 3 years while maintaining a consistently high EBITDA margin. In order to further its potential in the global API market, Glenmark transferred its API business in to a wholly owned subsidiary titled Glenmark Life Sciences Ltd. which became operational on January 1, 2019.

Over 75% of GLS revenue is supplied to regulated markets of Europe, the US and Japan. The top ten molecules contribute ~60% of the overall revenues of GLS. Some of the leading molecules are Atovaquone, Lercanidipine, Aprepitant, Amiodarone, Olmesartan, Perindopril and Etoricoxib.

For the financial year 2018-19, the unaudited consolidated revenue for Glenmark Life Sciences Ltd. was at Rs. 14,458 Mn as against Rs. 12,899 Mn in FY 2017-18, recording growth of 12.1% over the corresponding period. For the fourth quarter FY 2018-19, revenue from external sale of API globally (excluding captive sales to GPL) was Rs. 2,487.77 Mn (USD 35.39 Mn), as against Rs. 2,048.62 Mn (USD 31.87 Mn) for the previous corresponding quarter, recording an increase of 21.44%.

In spite of a challenging environment in FY 2018-19, mainly due to non-availability of raw materials during the initial months and increasing procurement costs, the material margins for the API business remained fairly steady at ~61%. This was achieved primarily on account of change in product mix as well as development of alternate vendors for sourcing raw materials to off-set the supply constraints in the market. Overall EBITDA margin recorded for the business in FY 2018-19 was in excess of 30%.

As announced recently, Dr. Yasir Rawjee was appointed as the CEO of Glenmark Life Sciences Ltd. Yasir joins GLS from Mylan Inc. where most recently, he was the Head of Global API Operations.

He has held positions of increasing responsibility at Mylan including Senior Vice President of API Technical Operations and Senior Vice President and Head for Sales and Marketing for the API Business. He has more than 25 years of overall experience in the API industry.

INNOVATION NEW COMPANY (NewCo)

NewCo is focused on discovery and development of novel, first-in-class treatments in the therapeutic areas of Immunology, Oncology and Pain. The NewCo has strong capabilities both in biologics (NBE) as well as new chemical entities (NCE).

As part of its strategy to create a leading and cutting edge biotech organisation, Glenmark announced the spin-off of its innovation business into a new company headquartered in the US. The setting up of this new company would provide enhanced focus to the business and help accelerate the pipeline towards commercialization. The new innovation company will be a wholly-owned subsidiary of Glenmark.

Glenmark also recently announced that Alessandro Riva, MD, has joined as the Chief Executive Officer of this new innovation organisation. Alessandro has over 25 years of experience across leading global pharmaceutical organisations, and was most recently the Executive Vice President, Oncology Therapeutics and Cell Therapy for Gilead Sciences. Glenmark is also in the process of putting an Independent Board in place to spearhead the NewCo's growth plans. Additionally, the NewCo is looking to hire a Chief Financial Officer (CFO) and other members of the leadership team over the next two quarters.

All innovative molecules in the pipeline, including preclinical assets and technology; the R&D centres in Switzerland, R&D centre at Paramus in the US and R&D centre at Navi Mumbai, India related to the innovation business, and the biologics manufacturing facility in Switzerland along with all employees associated with innovative R&D will be part of the new company. The transfer of assets and employees to the new organization is expected to be completed in the next 6 to 9 months.

During the financial year 2018-19, Glenmark invested approximately USD 113 Mn in the innovation NewCo business. Glenmark expects to invest a similar amount in FY 2019-20 for NewCo. NewCo intends to raise capital in the US within the next 12-18 months to fund the development of its pipeline and for future growth plans.

Quarterly Highlights: Innovation Assets

Glenmark's current innovation pipeline consists of 6 assets, including new chemical entities (NCEs) and new biological entities (NBEs), in various stages of development in the areas of immunology, oncology and pain management.

Amongst the 5 assets in clinical development, 2 assets are currently in Phase 2b studies (GBR 830 and GRC 27864), 1 asset is gathering data in anticipation of entering Phase 2b (GRC 17536), and 2 oncology assets are in Phase 1a/1b. The remaining asset (GRC 5xxxx) is currently in pre-clinical

development. Of the 6 assets, Glenmark has shown positive clinical proof-of-concept (POC) for 2 assets (GBR 830 and GRC 17536).

Update on Clinical Pipeline

Clinical Asset	Therapy	MoA/Class	Potential Indication	Current Stage	Expected Data Readout	Comments
GBR 830	Immunology	OX40 Antagonist	Atopic Dermatitis	Phase 2b ongoing	H1 CY 2020	157/312 patients enrolled
			Systemic Lupus Erythematosus	Phase 2a to be initiated	H2 CY 2021	Initiating trial in H2 CY 2019
GRC 27864	Pain	mPGES-1 Inhibitor	Osteoarthritic Pain	Phase 2b ongoing	H2 CY 2019	411/624 patients enrolled
GRC 17536		TRPA1 Antagonist	Painful Diabetic Neuropathy	Phase 2a completed	--	Initiating Phase 2b in H1 CY 2020
GBR 1302	Oncology	HER2xCD3	Breast Cancer	Phase 1a/1b ongoing	H1 CY 2021	Initiating weekly dosing
GBR 1342		CD38xCD3	Multiple Myeloma	Phase 1a/1b ongoing	H1 CY 2021	Initiating weekly dosing

Note: GBR – biologics; GRC – chemical entities

Update on Pre-clinical Pipeline

Pre-clinical Asset	Therapy	MoA/Class	Potential Indication	Comments
GRC 5xxxx	Oncology	MAP4K1 Inhibitor	TBD	Initiate Phase 1 in H2 CY 2020

NewCo will continue to leverage its capabilities in NBEs and NCEs, particularly through the BEAT® (Bispecific Engagement by Antibodies based on the T cell receptor) platform and is planning to bring additional biological and small molecule clinical candidates in CY 2021 and CY 2022.

Immunology

GBR 830 (OX40 antagonist)

- A Phase 2b study of GBR 830 has been initiated and will enrol 312 adult patients with moderate-to-severe atopic dermatitis. As of May 2019, 157 patients have been recruited with 75 sites actively open to enrol patients in the US, Canada, Germany, Czech Republic and Poland. Top-line results of the Phase 2b study are expected to be available in H1 CY 2020.
- New post-hoc analysis of data from Phase 2a, proof-of-concept study of GBR 830 in atopic dermatitis were presented at the American Academy of Dermatology (AAD) Annual Meeting in March 2019.
- Preparation for a Phase 2a proof-of-concept study has been initiated in patients with systemic lupus erythematosus (SLE).
- In addition, evaluation of GBR 830 for the treatment of multiple immunology indications such as ulcerative colitis (UC) and systemic sclerosis/scleroderma (SSc) is ongoing.

Pain Management

GRC 27864 (mPGES-1 inhibitor)

- GRC 27864 is a non-opioid, selective, and orally bioavailable inhibitor of microsomal prostaglandin E synthase-1 (mPGES-1). Enrolment for a Phase 2b study in 624 patients with osteoarthritic pain of the knee and hip, is progressing as per plan with 41 active sites and 411 patients recruited for the study as of May 2019.
- Top-line results of the Phase 2b study are expected to be available in H2 CY 2019

GRC 17536 (TRPA1 antagonist)

- A positive Phase 2a proof of concept study of GRC 17536 conducted in Europe and India in patients with painful diabetic neuropathy has been completed.
- The Company is targeting to initiate a Phase 2b dose range finding study in neuropathic pain in H1 CY 2020.

Oncology

GBR 1302 (HER2xCD3 bsAb)

- The GBR 1302 Phase 1, first-in-human study with bi-weekly dosing to determine the maximum tolerated dose (MTD) in patients with HER2-positive cancers has completed enrolment.
- The company plans to initiate a GBR 1302 Phase 1 study to evaluate a weekly dosing regimen in H2 CY 2019.

GBR 1342 (CD38xCD3 bsAb)

- For GBR 1342, a Phase 1, first-in-human study to determine the MTD in a bi-weekly dosing regimen in patients with refractory multiple myeloma is ongoing. Cohorts 1-9 have been completed, and the study continues with the enrolment of patients into Cohort 10.
- The company plans to amend the current protocol to include a weekly dosing regimen in the current study in H2 CY 2019.

GRC 5xxxx

- The Company is developing GRC 5xxxx, a MAP4K1 inhibitor compound which has the potential to be used as a monotherapy or in combination with approved therapies to address unmet needs in cancer treatment.
- The compound is currently progressing through pre-clinical studies. The Company is targeting to initiate Phase 1 studies in H2 CY 2020.

Non-core assets include GBR 1372, GBR 500 and GRC 4039. These molecules are candidates for out-licensing.

FY 2019-20 OBJECTIVES FOR GLENMARK PHARMACEUTICALS LTD.

- Target revenue growth in the range of 10-15%
- Manpower cost as % to sales to trend lower as compared to FY 2018-19
- Conclude at least one partnership on innovative/specialty assets
- Total R&D expenditure to be lower in absolute value as compared to FY 2018-19
- Bring in a minority investor in to Glenmark Life Sciences Ltd.
- Divest other non-core global assets

Disclaimer

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