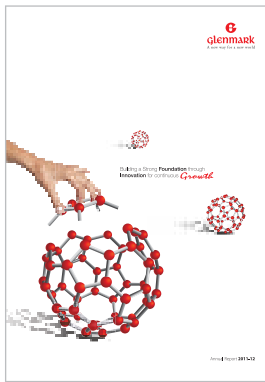


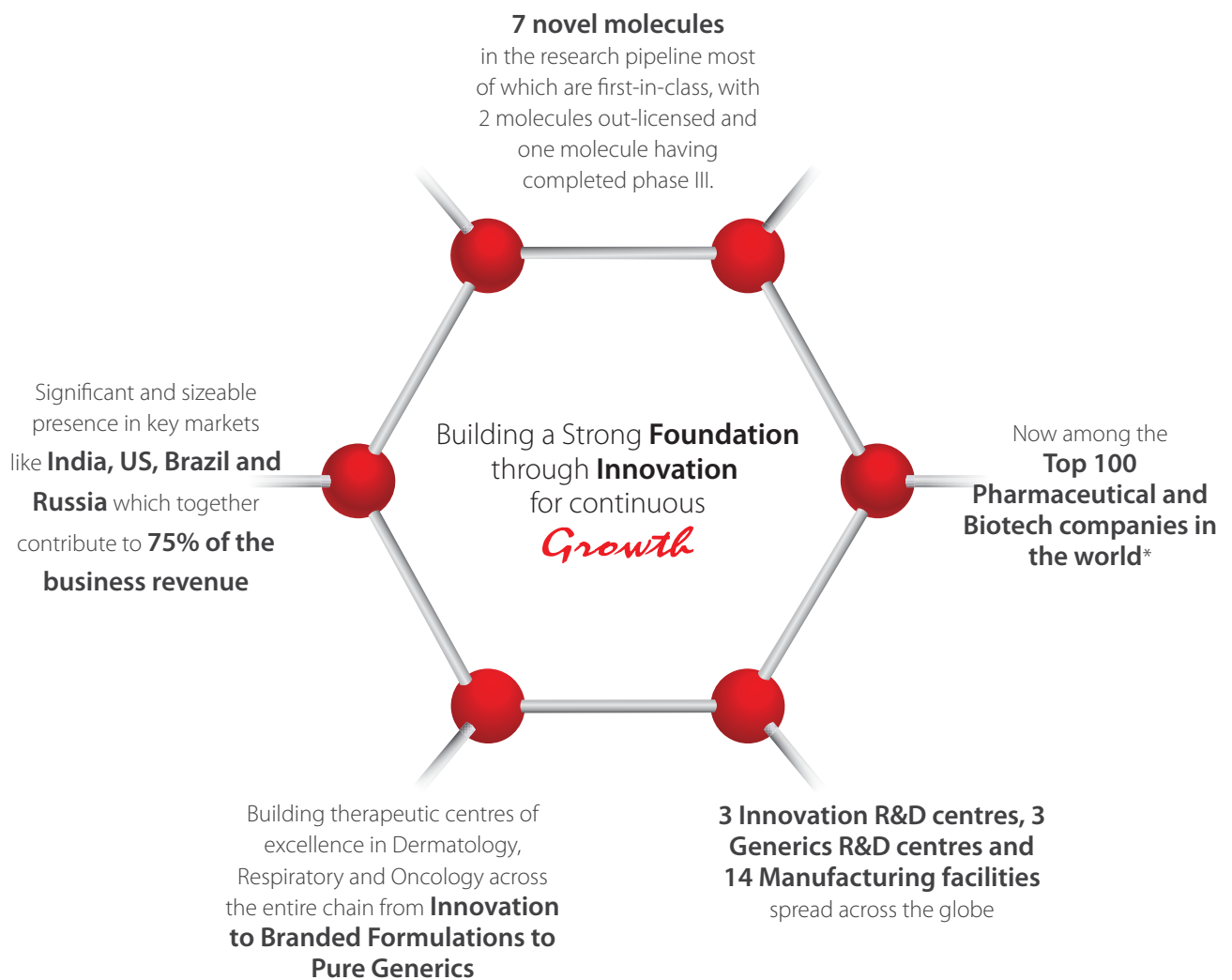
Building a Strong **Foundation** through
Innovation for continuous *Growth*



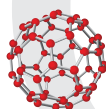
The image on the cover page represents the creation of a Buckyball (Buckminsterfullerene) molecule in progress. Buckyball, a spherical fullerene molecule made fully of carbon, is one of the strongest, roundest and most symmetrical large molecules known to man and even today continues to astonish with one amazing property after another.

The ability to withstand high speed collisions – like slamming into a stainless steel plate at 15000 mph and merely bouncing back unharmed; and on compression upto 70%, gaining twice the hardness of a diamond are just two of such amazing properties. Being the only molecule composed of a single element to form a hollow spheroid which provides the potential for filling it up, Buckyball also finds use in novel drug delivery systems.

The 'creation in progress' visual of the Buckyball molecule is a representation of **Glenmark's efforts to build a strong Foundation through Innovation for continuous Growth.**



*As per SCRIP 100 – the annual listing of world's leading companies as per pharma sales



Corporate Information

Registered Office

B/2, Mahalaxmi Chambers, 22, Bhulabhai Desai Road,
Mumbai – 400026, Maharashtra

Corporate Office

Glenmark House, HDO – Corporate Building, Wing A, BD Sawant Marg,
Chakala, Off Western Express Highway, Andheri (East),
Mumbai – 400099, India, Tel. : +91 22 40189999,
Site : www.glenmarkpharma.com
Email : webmaster@glenmarkpharma.com

Auditors

- Walker, Chandiok & Co.
Chartered Accountants, Mumbai

Cost Auditors

- Sevekari Khare and Associates, Cost Accountants, Mumbai

Solicitor

- Kanga and Co. Mumbai
- Trilegal, Mumbai

Registrar and Transfer Agents

- Karvy Computershare Pvt. Ltd., Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081
Tel.: 040 – 23420815; 23420818 – 828
Fax: 040 – 23420814

Banker

- Bank of India

Company Secretary

- Mr. Marshall Mendonza

Manufacturing Facilities

Formulations

- E 37, MIDC Industrial Area, D Road, Satpur, Nasik – 422007 Maharashtra
- Plot No. 7, Colvale Industrial Estate, Bardez – 403115, Goa
- D 42, Plot no. 50, Kundaim Industrial Estate, Kundaim – 403115, Goa
- Unit - I, Vill Kishanpura, Baddi-Nalagarh Road, Teh Baddi, Dist. - Solan HP, Pin - 174101
- Unit - II, Vill Bhattanwala, PO Rajpura, Teh Nalagarh, Dist. - Solan HP, Pin - 174101
- Unit - III, Vill Kishanpura, Baddi-Nalagarh Road, Dist. - Solan HP, Pin - 174101

- Plot No 2, Phase -II, Pharma Zone, Special Economic Zone Area, Pithampur, Indore 454775, Madhya Pradesh
- Rua Assahi, 33-1 Andar CEP 09633-0110, Rudge, Ramos Sao Bernardo Do Campo, Sao Paulo, Brazil
- Rua Frei Liberato De Gries, 548, Jardim Arpoadar, CEP : 05572-210, Sao Paulo, Brazil
- Glenmark Pharmaceuticals s.r.o., Fibichova 143, 56617, Vysoke Myto, Czech Republic
- Calle 9 Ing Meyer Oks N 593, Parque Industrial Pilar, B1629MX Buenos Aires, Argentina

API

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

Manufacturing Facilities under construction

Formulations

- Growth Centre, Samlik-Marchak, Dist. - East Sikkim, Sikkim

API

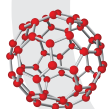
- Z-103 I, Dahej SEZ, Dahej District, Bharuch, Gujarat
- Plot No. B-25, Five Star MIDC, Shendra, Dist. - Aurangabad, Maharashtra

R&D Centres

- Plot No. A 607, TTC Industrial Area, MIDC Mahape, Vashi, Navi Mumbai – 400705, Maharashtra
- Chemin de la Combeta 5, 2300 La Chaux-de-fonds, Switzerland
- Plot No. C 152, MIDC Sinnar Industrial Area, Malegaon, Dist. - Nasik – 422113, Maharashtra
- Plot No. M4, Taloja industrial area, MIDC Taloja, Taluka Panvel. 410208, Dist. - Raigad, Maharashtra

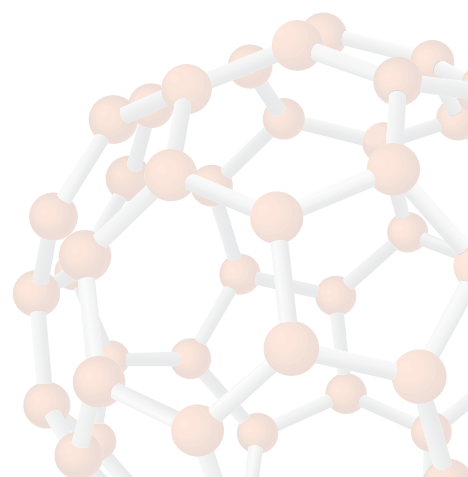
Clinical Research Centres

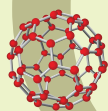
- Plot No. D 508, TTC Industrial Estate, MIDC, Turbhe, Navi Mumbai – 400705, Maharashtra
- C2 7600, The Quorum, Oxford Business Park, North Oxford, OX4 2JZ, UK



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Chairman's Letter

“With two molecules out-licensed and pending milestones to be received in excess of USD 800 million; in addition to one molecule completing phase III; another two programs in phase II - it is indeed one of the most exciting times for Glenmark in the innovation space”

Dear Shareholder,

The year under review has been a good year for Glenmark despite the prevailing turmoil in the global economic environment and a lackluster year for the global pharmaceutical industry.

We registered significant sales growth and also achieved some major milestones on other fronts. With revenue crossing ₹ 40 billion and an exciting pipeline of novel molecules, we can now say that your organization has a strong foundation which is being driven by innovation for consistent and continuous growth.

Our growth story and strategy is now seeing a growing validation by big and small pharmaceutical companies across the globe. When we started out to be a diversified pharmaceutical company with a presence in innovation and generics, there weren't many others in the same space. We have been striving hard for twelve long years to build a sustainable and sizeable base which consists of branded formulations and generics business along with an exciting innovation pipeline. Because we were among the first few organizations to have built our business around this philosophy, we are beginning to reap the fruits of our early efforts.

FY 12 Review

For the year under review, we recorded sales growth of 36% which helped us cross ₹ 40 billion. Your organization has more

than doubled its revenue in last five years. This is an important milestone as we can now say that we have a significant base business. Most importantly our growth during the year under review came from all geographies i.e. India, US, ROW (Rest of World) and Latin America – the growth was not skewed to a particular region.

“We have been striving hard for twelve long years to build a sustainable and sizeable base which consists of branded formulations and generics business along with an exciting innovation pipeline”

In addition to improved performance on the sales front, we also concluded the largest out-licensing deal in our history when we out-licensed our novel monoclonal antibody to Sanofi for USD 613 million receiving USD 50 million as an upfront payment. This is another validation of the work that we are doing on innovation front and once again puts us at the fore-front of cutting edge pharmaceuticals companies. With this deal, we have validated our capabilities in NCEs (New Chemical Entities) and NBEs (New Biologics Entities). This is our sixth out-licensing deal and the first in NBEs. Moreover we now have the strongest



Glenn Saldanha,
Chairman & MD

pipeline than ever before. With two molecules out-licensed and pending milestones to be received in excess of USD 800 million; in addition to one molecule completing phase III; another two programs in phase II and another two in Phase I – it is indeed one of the most exciting times for Glenmark in the innovation space.

On the other molecules, we are excited about Revamilast which is currently undergoing two phase II studies for Asthma and Rheumatoid Arthritis(RA). Besides Revamilast, GRC 17536 is another molecule that is progressing well in the clinics having successfully completed Phase I studies in Netherlands and will begin Phase II study in Neuropathic pain in this year. On Crofelemer, the pivotal study in Adult Acute Diarrhea including cholera has begun recruiting patients and the study is progressing well. We continue to remain excited about innovation as we feel that innovation is the only way to truly transform the organization into a global pharmaceutical organization.

Specialty business

The specialty business recorded strong revenue growth of 30% for the year under review. Once again, the India business outperformed industry growth rate with business growth at 19%. In the last two years, we have renewed our focus on the India business and during the year we have realigned our portfolio by understanding what our focus brands are and invested resources behind these brands. Also, in the early part of the year under review, we completed our addition of medical representatives for the Indian market. This addition of nearly 500 medical representatives along with the focus brand strategy will pay dividends for the organization in the coming financial year too. The India business is on a strong base and we are confident that this business has the ability to outpace industry growth in future. The only detriment for this growth will be how the government's pricing policy will play out.

The ROW region registered 46% revenue

growth due to the strong performance of all three regions - Asia, Africa and CIS. In CIS, the Russian subsidiary still contributes nearly half of the ROW business and the subsidiary recorded in excess of 25% growth. The Russian pharma market is going through a number of regulatory changes and this we feel will impact industry growth in the next couple of financial years. Russia remains a focus market for your organization and we are poised to do well in this financial year due to four derma product approvals received during the year. We see huge potential for your organization in this market as we now have a sizeable business in Russia. The other markets of Asia and Africa performed exceedingly well. Our power brands strategy in these markets and focus on few markets in each of the regions is paying huge dividend. The Asia region recorded strong growth rates and the secondary growth rates are still high. The Africa region also recorded astounding growth despite the difficult political and economic environment. The ROW region as a whole should continue to register strong growth and remain a very profitable region for us in the future.

The Latin American region is another region in focus for the organization. The region grew in revenue by 50% in the year. The key markets for us are Brazil, Mexico and Venezuela. Presently Brazil contributes nearly 70% of revenue for the region and is expected to grow strongly in the next year too. The Brazil market is one of the largest branded formulations markets in the world. We have been operating in this market for the last seven years. Initially we patched a business together, acquired a small company, in-licensed few products, got the manufacturing facility up and running. And now our business has reached a decent size and scale. I am confident that our patience and perseverance will pay us well in the coming years with the Brazilian subsidiary expected to record good growth rates backed by our own product approvals. We are now beginning to get product approvals that we registered few years ago

and these products mostly have limited competition. The other focus market is Mexico where we have also been operating for the last 5-6 years and is the second largest generic market after Brazil in the region. While we have filed for approvals of various products in the dermatology and the respiratory area, we will benefit from the restrictions that have just been lifted in Mexico and the assurance by the regulator to hasten the product approvals process.

“With limited capital expenditure expected and no acquisition plans as of now for next couple of years, the business will continuously generate free cash”

The Latin American region will remain a major growth driver for the business with Brazil, Mexico and Venezuela remaining main focus markets. We have now developed a strong pipeline for the entire Latin American region focusing on three therapeutic areas viz. Oncology, Dermatology and Respiratory. The focus has been to formulate differentiated products with limited competition. With a good pipeline, we are confident that the Latin American region will consistently record good growth in the next couple of years.

The Central Eastern European region grew moderately in this financial year. The economic environment has been very tough in all operating markets viz. Romania and Poland. The strategy for this region would be to remain close to break-even and focus our filings on differentiated products. We expect the current tough economic environment to continue. However we don't see this region impacting the overall numbers significantly.

Generics Business

In the pure generics space, the US business did extraordinarily well, crossing revenue of USD 250 million registering growth in excess of 45%. What is

important is that most of the revenue now constitutes the base business. Even the Para IV exclusivity of Malarone will continue in this financial year.

This is another significant achievement as we have been in this market just around seven years and now this business is larger than the India business. Most importantly the product approvals received in last 18 months have mostly seen limited competition. I would like to mention that our strategy of focusing on limited competition and niche segments is paying off. We now have ten oral contraceptives approved for the US market and five OCs (of combined market opportunity of USD 350 million) will get launched in this financial year. Also in dermatology we have 19 products which we have indigenously developed and easily have one of the largest derma portfolio in the US. Our focus on a differentiated/niche portfolio is beginning to pay dividends and we feel confident that the US business will show good growth in this year.

The Western Europe business has also recorded strong growth in this financial year. This is another business model which is built on limited infrastructure cost. While manufacturing is currently being done from USFDA approved plants, we have limited investments in people across the region. Even at this base of USD 20 million in revenue, the business is profitable and the profitability will only get better with increased sales.

The API business continues to increase its presence in regulated markets and this strategy of focussing on regulated markets will remain for the business. Even for developing markets, the API business will focus on difficult to manufacture molecules and thus maintain profitability of the business.

In this year, we also managed to significantly improve our financial position. Our working capital position has been a cause for concern in the last couple of years. We have consciously been working on this area of our working capital and in a matter of three years we have managed to

bring this down substantially. This reduction in working capital has been achieved on the back of high sales growth and a business model which is spread across many geographies.

“At Glenmark, we believe that R&D is our edge whether it is for formulating products for the branded generics markets or the pure generics markets. We are building centres of excellence around three therapeutic areas i.e. oncology, dermatology and respiratory. We have built capabilities across the spectrum in these areas from innovation to branded generics to pure generics. Because of our unique capabilities we will be able to launch any product in these segments in any of the operating markets”

The free cash for your organization has also significantly increased in this year and as a result we increased dividend payout. With limited capital expenditure expected and no acquisition plans as of now for the next couple of years, the business will continuously generate free cash which will go primarily towards reducing debt.

I would like to sum by saying that your organization is in a unique position and well placed for sustainable growth. For long we have focussed on building capabilities and a strong pipeline and we have now most importantly reached a certain scale in our business which is a solid foundation for growth. At Glenmark, we believe that R&D is our edge whether it is for formulating products for the branded generics markets or the pure generics market. We are building centres of excellence around three therapeutic areas i.e. Oncology, Dermatology and Respiratory. We have built capabilities

across the spectrum in these areas from innovation to branded generics to pure generics. Because of our unique capabilities, we will be able to launch any product in these segments in any of the operating markets.

Another factor is that we have scale in all major markets like the US, India, Russia, and Brazil. These four markets now account for over 75% of our overall business revenue and these businesses are poised for consistent growth rate in the next few years. We have been working hard to reach this size and scale and this entire build-out has been achieved by organic growth.

The road ahead...

In the coming year, we are confident of building on the foundation that we have to grow at an even faster rate. We will continue to focus on accelerating sales growth by maximising our diverse product portfolio, bringing more innovative products to market and continuing to expand our presence in operating geographies. We will also look for innovative ways to grow our generics business and ensure that we get better and better products by investing in R&D.

As we move forward, I would like to thank our shareholders for standing by Glenmark as we grew from strength to strength, despite the many challenges that came our way.

I would also like to reaffirm our commitment to making Glenmark one of the leading global innovation led pharmaceutical organizations and with your support I look forward to another successful year.

Regards,



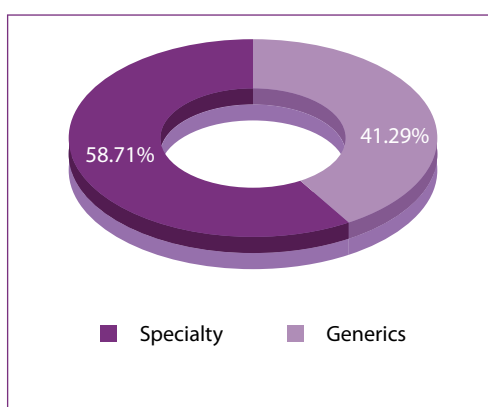
Glenn Saldanha
Chairman & MD

K Key Financials

Consolidated Financial Highlights (In INR Mn, unless otherwise stated)	2011-12	2010-11	2009-10	2008-09	2007-08
Total Revenue	40,299.04	30,895.88	25,496.10	22,900.45	20,550.21
Earning before Depreciation, Finance cost, and Tax expenses [EBDIT]	7,236.24	7,327.89	6,685.29	6,289.95	8,463.46
Depreciation and Amortisation	978.78	946.78	1,206.10	1,026.83	716.80
Profit for the year	4,643.07	4,578.33	3,310.32	1,934.73	6,321.12
Equity dividend%	200%	40%	40%	40%	70%
Equity Share Capital	270.53	270.27	269.84	250.52	248.73
Reserve and Surplus	23,745.77	20,102.10	23,282.49	15,731.04	14,930.00
Net Worth	24,016.30	20,372.37	23,552.33	15,981.56	15,178.73
Total Debt	22,445.01	21,084.62	18,693.91	20,943.47	9,909.39
Gross Fixed Assets	28,384.24	24,685.23	27,763.12	23,839.86	14,613.30
Net Fixed Assets	24,247.59	21,517.50	23,880.78	21,116.52	12,557.43
Total Assets	58,834.27	50,977.77	43,651.32	37,525.84	26,048.43
Market Capitalisation	83,230.25	76,649.15	71,844.25	39,532.02	122,049.73
Closing market price as on 31 March	307.65	283.60	266.25	157.80	490.70
Key Indicators					
Earning Per Share (₹)	17.03	16.78	12.40	7.70	25.84
Debt : Equity ratio	0.93	1.03	0.79	1.31	0.65
Return on Equity [PAT / Net Worth]	19.33%	22.47%	14.06%	12.11%	41.64%

Note: It must be noted that the financial information for FY 11 and FY 12 has been prepared under International Financial Reporting Standards (IFRS), where as prior years' financial information have been prepared under Indian Generally Accepted Accounting Principles (I-GAAP); accordingly FY 11 and FY 12 information is not strictly comparable with prior years' information.

Revenue Split





Board of Directors

Mr. Gracias Saldanha

Founder & Chairman Emeritus

Mr. Glenn Saldanha

Chairman & Managing Director

Mrs. Cherylann Pinto

Executive Director

Mr. Rajesh V. Desai

Executive Director & CFO

Mrs. B. E. Saldanha

Non-Executive Director

Mr. D. R. Mehta

Non-Executive Director

Ex Deputy Governor, Reserve Bank of India and Ex Chairman, Securities and Exchange Board of India, he has over 4 decades of rich experience in civil services.

Mr. Bernard Munos

Non-Executive Director

The Founder, InnoThink Center for Research in Biomedical Innovation served Eli Lilly and Company, USA as Advisor - Corporate Strategy. He has presented his findings at numerous meetings sponsored by academies, foundations, universities in the US and Europe.

Dr. Brian W Tempest

Non-Executive Director

A CSCI, CCHEM, FRSC, BSC, PHD, he has worked in the Pharmaceutical Industry for the last 40 years and managed healthcare businesses across numerous regions; He is a Fellow of the Royal Society of Chemistry and a Fellow of the Royal Society of Medicine. He worked at Ranbaxy Laboratories assuming positions of Chief Executive Officer and Vice-Chairman.

Mr. Julio F. Ribeiro

Non-Executive Director

A retired Government officer, he has served the country under various assignments like Ex-Commissioner of Police, Mumbai and Former Special Secretary to Government of India, Ministry of Home Affairs.

Mr. Hocine Sidi Said

Non-Executive Director

Founder & Director, Bio-nAble - an investment company, he has over two decades of experience in global pharma industry having been associated with companies like Pfizer and UCB.

Mr. Sridhar Gorthi

Non-Executive Director

Presently a partner at Trilegal, he has been involved in legal advisory services to various multinational and domestic corporations on restructuring, debt finance, joint ventures, acquisition/mergers etc.

Mr. N. B. Desai

Non-Executive Director

Founder of Equitorial Bank PLC, UK, he has rich experience of over four decades in the Banking sector globally, having assumed leadership positions like Ex Chairman, Bank of Baroda Uganda Ltd.