



Glenmark Pharmaceuticals Limited

Registered Office: B/2, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026
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CIN: L24299MH1977PLC019982;
Website: www.glenmarkpharma.com; Email: complianceofficer@glenmarkpharma.com

Notice of Postal Ballot

(Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014

Notice is hereby given to the Members of Glenmark Pharmaceuticals Limited ('the Company') pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), that the resolution given below is proposed to be passed by the Members through postal ballot / electronic voting (e-voting):

Special Business

Consider and approve the transfer of the Company's Active Pharmaceutical Ingredients (API) Business to its wholly owned subsidiary:

To consider and, if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 or any amendment or re-enactment thereof, and any other provisions of the said Act or regulation, as may be applicable, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("Board") to transfer by way of sale or otherwise the Company's Active Pharmaceutical Ingredients (API) Business undertaking to its wholly owned subsidiary Glenmark Life Sciences Limited, as a whole or part thereof on such terms and conditions as the Board may consider fit and proper and to do all such things as may be considered necessary or expedient to give effect to the same."

An explanatory statement pertaining to the aforesaid resolution setting out the material facts concerning the proposal and the reasons therefore is annexed hereto along with a Postal Ballot Form/E-voting particulars for your consideration.

The Board, at its meeting held on August 10, 2018, has appointed Mr. Surjan Singh Rauthan, Practicing Company Secretary, (Membership No. 4807, C.P. No. 3233) as the Scrutinizer ("Scrutinizer") for conducting the postal ballot / e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope so as to reach the Company not later than 5.00 P.M. IST on Tuesday, September 25, 2018. Postage will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Members, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelope. Please note that, Postal Ballot Forms received after 05.00 P.M. hours IST on Tuesday, September 25, 2018 shall be deemed invalid.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions under the section 'Voting through Electronic Means', annexed to this Notice. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman or any other authorized person of the Company after the completion of the scrutiny of the postal ballots, including e-voting. The result of the postal ballot shall be declared by the Chairman or any other authorized person at the Corporate Office of the Company on or before Thursday, September 27, 2018. The said results would be displayed at the Registered Office as well as the Corporate Office of the Company, intimated to the Stock Exchanges where the Company's equity shares are listed and displayed along

with the Scrutinizer's report on the Company's website viz: www.glenmarkpharma.com and the website of Karvy Computershare Private Limited. viz: <https://evoting.karvy.com>

by order of the Board of Directors
for Glenmark Pharmaceuticals Limited
sd/-
Harish Kuber
Company Secretary & Compliance Officer

Date: August 20, 2018
Place: Mumbai

NOTES:

1. The Statement Annexed to the Postal Ballot Notice and reasons for the aforesaid Ordinary Resolution pursuant to Section 102 of the Companies Act, 2013 setting out material facts are appended herewith.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members and the list of Beneficial Owners received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on Friday, August 17, 2018(EOD).
3. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up Equity Share capital as on Friday, August 17, 2018(EOD). The person/corporate who are not a member as on the said date should treat this Notice for information purpose only.
4. In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Obligations Regulation, the Company is pleased to offer evoting facility as an option to all the Members of the Company. The Company has entered into an agreement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
5. As per Section 110 of the Companies Act, 2013 and Rule 22 of Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company for this purpose are being sent Postal Ballot Notice by e-mail and Members who have not registered their e-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through Registered/Speed post /Courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the link <https://evoting.karvy.com> or from the 'Investors' section on the Company's website www.glenmarkpharma.com.
6. The resolution shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting i.e. Tuesday, September 25, 2018.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Glenmark Pharmaceuticals Limited (the Company) is a global innovative pharmaceutical company with operations in more than 50 countries. Company's business is spread across the pharmaceutical value chain - Drug discovery and development, API manufacturing and marketing and Branded Generic formulations. It has a diverse pipeline with several compounds in various stages of clinical development, primarily focused in the areas of oncology, respiratory disease and dermatology.

API Business of the Company (the 'Business') not only focuses on meeting the requirements of large generic manufacturers across the globe but also supplies some of the APIs for captive requirements. Business includes manufacturing plants and about 1400 employees are currently working within this Business.

In the year ended March 31, 2018, the Business had revenues of Rs 877.9 crores.

API business of the Company has highly attractive financial profile and has grown at a CAGR of ~14% over the last 3-4 years. Push towards reduction in healthcare cost is providing increased opportunities for generic players and API businesses across companies are poised for growth. Hence, Glenmark is looking to provide an alternate growth path to this Business. The Board thought that it would be prudent to transfer the API business to a wholly owned subsidiary. Transfer of Business to a new entity will provide more focus to the API segment enabling the Company to grow it further. In addition, it will also help the parent Entity to deploy more capital to Formulations and Innovation Business.

It is proposed that the Business will be transferred to Glenmark Life Sciences Limited (GLL), a wholly owned subsidiary at book value at about Rs.1,118 crores which is certified by Chartered Accountant(s). The consideration value is subject to the necessary adjustments as per applicable accounting policies at the time of closure of the transaction. A copy of the certificate will be available for inspection at the Corporate Office of the Company on any working day between 11:00 am IST and 05:00 pm IST up to Tuesday, September 25, 2018.

The Board recommends for approval by the Members, the proposal to transfer the API business of the Company as a going concern. Salient features of the proposal are:

- The API Business shall be transferred to a wholly owned subsidiary of the Company GLL as a going concern by way of a slump sale.
- The consideration for the transfer of the Business will be about Rs 1,118 crores, subject to necessary adjustments as per applicable accounting policies at the time of giving effect to the transaction and payable in cash.
- Employees in the API business will be transferred to the GLL with continuity of service on terms no less favourable than those prevailing on the transfer date.
- The transaction will be implemented after receiving the approval of shareholders and all other necessary statutory approvals.

Section 180(1)(a) of the Companies Act, 2013 (the 'Act') provides that the Board of Directors of a public company shall not, without the consent of such public company by way of a special resolution, sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, the whole or substantially the whole of any such undertaking. The said Section also defines an undertaking 'as an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year'.

The API Business proposed to be transferred will not fall within the aforesaid criteria and accordingly the requirement of approval of the shareholders by means of a special resolution would not apply.

However, the aforesaid proposal to transfer the API Business of the Company would qualify as a material Related Party Transaction in terms of Section 188 of the Act, not in the ordinary course of business and needs to be approved by the shareholders. In accordance with the said Section read with regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the shareholding entities of the Company belonging to the Glenmark Group, being 'Related Parties', shall abstain from voting on the proposed resolution.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 as amended in 2015, the requirement of passing a resolution is not applicable for the transactions entered into between the holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

The above transaction is with the wholly owned subsidiary. Since the accounts of Glenmark Life Sciences Limited are not consolidated with the Company for the year ended March 31, 2018 and as a good corporate governance, the Company is seeking the approval of the shareholders.

The Board has, at its meeting held on August 10, 2018, resolved to seek the approval of shareholders for the aforesaid proposal through Postal Ballot as envisaged under Section 110 of the Act. This resolution is therefore being sent to the Members for recording their assent or dissent in the ballot form attached hereto or through the e-voting.

The purpose of this resolution is to authorize the Board to transfer the undertaking of the API Business as aforesaid, subject to obtaining all other necessary statutory approvals, on terms and conditions mentioned above or on such modified terms as the Board may consider fair and reasonable.

No Director or Key Managerial Personnel (KMP) of the Company has any concern or interest in the resolution except to the extent of their shareholding in the Company and/ or their employment with the Company under the terms of their employment.

by order of the Board of Directors
for Glenmark Pharmaceuticals Limited
sd/-
Harish Kuber
Company Secretary & Compliance Officer

Date: August 20, 2018
Place: Mumbai