

Independent Auditor's Report

To the Board of Directors and Shareholders of Glenmark Pharmaceuticals Inc.

We have audited the accompanying financial statements of **Glenmark Pharmaceuticals Inc.**, which comprise the balance sheet as of March 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Glenmark Pharmaceuticals Inc.** as of March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Govind Srivastava

Govind Srivastava, Partner
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May 26, 2021



Branches :

India : Mumbai, Vadodara, Kochi.

Overseas : Dubai, London, New York, Melbourne.

GLENMARK PHARMACEUTICALS INC., USA
BALANCE SHEET AS ON MARCH 31, 2021

ASSETS	Schedule	March 31, 2021 USD	March 31, 2020 USD
<i>Current Assets</i>			
Cash and Cash equivalents	1	37,276,655	24,567,680
Accounts receivable	2	71,817,814	52,836,839
Inventories	3	109,930,836	101,376,053
Prepaid expenses and other current assets	4	50,062,691	37,971,620
Total current assets		269,087,996	216,752,192
<i>Non - Current Assets</i>			
Property, plant and equipments	5	69,318,792	76,256,276
Intangible assets	5	11,781,725	11,346,637
Right to use Assets	5	2,283,390	4,891,643
Capital Work in Progress	5	144,435,739	116,153,213
Deferred Tax Assets	6	1,653,540	1,009,920
Other Non-Current Assets	7	205,416	205,416
Total Non-current assets		229,678,602	209,863,105
Total Assets		498,766,598	426,615,297
LIABILITIES AND STOCKHOLDER'S EQUITY			
<i>Current liabilities</i>			
Accounts payable	8	125,624,193	52,754,504
Lease Liability - Short Term		1,237,450	2,636,678
Other liabilities	9	4,680,661	4,277,171
Total current liabilities		131,542,304	59,668,353
<i>Non current liabilities</i>			
Lease Liability		1,494,207	2,433,507
Deferred Tax Liabilities	10	-	-
Total non current liabilities		1,494,207	2,433,507
Total liabilities		133,036,511	62,101,860
Stockholder's equity			
Common stock, class A, \$0.01 par value, authorized 5000 shares, issued and outstanding 667 (P. Y. Common stock authorized 5000 shares, issued and outstanding 667)			
		6.67	6.67
Reserves and Surplus	11	365,730,080	364,513,430
Total Stockholder's equity		365,730,087	364,513,437
Total liabilities and stockholder's equity		498,766,598	426,615,297

The accompanying notes are an integral part of these financial statements

For GLENMARK PHARMACEUTICALS INC.

Director

Director



GLENMARK PHARMACEUTICALS INC., USA
STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2021

	Schedule	For the Year Ended March 31, 2021 USD	For the Year Ended March 31, 2020 USD
Net Sales	12	401,813,597	426,867,884
Cost of sales	14	324,430,587	327,406,050
Gross Profit		77,383,010	99,461,834
Operating Expenses, Selling, General and Administrative Expenses	16	65,358,937	78,893,988
Depreciation / Amortisation	5	12,979,561	8,620,989
Operating Income / (Loss)		(955,488)	11,946,857
Interest Expense	15	2,489,074	2,286,142
Net Operating Income / (Loss)		(3,444,562)	9,660,715
Other Income (Loss)	13	5,186,384	1,708,054
Profit Before Tax		1,741,822	11,368,769
Provision for Income Taxes	17	525,173	4,353,192
Net Income / (Loss)		1,216,649	7,015,577
Basic Earnings / (Loss) per common share		1,824	10,518
Face value per share		0.01	0.01
Basic average number of shares outstanding		667	667

The accompanying notes are an integral part of these financial statements

For GLENMARK PHARMACEUTICALS INC.

Director

Director



GLENMARK PHARMACEUTICALS INC., USA
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

	For the Year Ended March 31, 2021 USD	For the Year Ended March 31, 2020 USD
A. Cash flow from operating activities		
Net Income / (Loss)	1,741,822	11,368,769
Depreciation/Amortization	12,979,561	8,620,989
Interest income	(253,749)	(208,402)
Interest expense on lease liability	200,631	313,298
Interest expense	2,542,192	2,181,246
Operating profit before working capital changes	17,210,457	22,275,899
Adjustments for changes in working capital		
(Increase)/Decrease in Accounts Receivables	(18,980,975)	28,640,878
(Increase)/Decrease in Inventory	(8,554,783)	29,105,283
(Increase)/Decrease in Other Current Assets	(9,259,864)	20,196,292
Increase/(Decrease) in Accounts Payable and other Current Liabilities	72,594,960	(40,658,136)
Taxes Paid	(4,000,000)	(2,400,025)
Net cash from operating activities	49,009,795	57,160,191
B. Cash flow from investing activities		
Additions to fixed assets	(32,151,439)	(49,693,342)
Long term Deposit	-	(205,416)
Interest Income	253,749	208,402
Net cash generated from investing activities	(31,897,690)	(49,690,356)
C. Cash flow from financing activities		
Issue of shares	-	-
Loan taken/ (repaid)	-	(3,369)
Payment for lease liabilities	(2,539,158)	(2,743,009)
Interest paid	(1,863,973)	(2,177,877)
Net cash from financing activities	(4,403,131)	(4,924,255)
Net increase / (decrease) in cash	12,708,975	2,545,580
Cash and Cash equivalents:		
Beginning of the year	24,567,680	22,022,100
End of the year	37,276,654	24,567,680

The accompanying notes are an integral part of these financial statements

For GLENMARK PHARMACEUTICALS INC.

Director

Director



GLENMARK PHARMACEUTICALS INC., USA
STATEMENT OF STOCKHOLDERS EQUITY AS ON MARCH 31, 2021

	Common Stock	Reserves and Surplus		Amount in USD
		Securities Premium/ Additional Paid in Capital	Profit & Loss Account	Total Shareholders Equity
BALANCE as at March 31, 2020	6.67	266,665,812	97,847,618	364,513,437
Issue of shares during the year	-	-	-	-
Net income	-	-	1,216,649	1,216,649
BALANCE as at March 31, 2021	<u>6.67</u>	<u>266,665,812</u>	<u>99,064,267</u>	<u>365,730,086</u>



GLENMARK PHARMACEUTICALS INC., USA
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	As of March 31, 2021 USD	As of March 31, 2020 USD
1 Cash and Cash equivalents		
Cash	1,139	1,139
Bank deposits	37,275,516	24,566,541
Total	37,276,655	24,567,680
2 Accounts receivable		
The age profile of accounts receivable is given below:		
Period (in days)		
0 -90	69,227,340	51,532,157
90-180	1,784,371	1,025,928
180-365	227,917	138,146
More than 365	578,186	140,608
Accounts receivable	71,817,814	52,836,839
3 Inventories (Including stock in transit)		
Raw Material	3,746,217	5,160,656
Packing Material	4,165,405	3,810,685
Semi Finished Goods	429,570	327,484
Work-in-Progress	187,840	528,451
Finished Goods Dosage	101,401,804	91,548,777
	109,930,836	101,376,053
4 Prepaid expenses and other current assets		
Receivable from Glenmark Generics S.A., Argentina	105,496	105,497
Receivable from Glenmark Therapeutic Inc., USA	690,605	610,785
Receivable from Glenmark Pharmaceuticals Canada Inc	4,775	34,580
Receivable from Glenmark Specialty SA	-	1,501,217
Receivable from Glenmark Pharmaceuticals Brazil	191,007	191,007
Short Term loan receivable from Glenmark Therapeutic Inc., USA	8,162,819	7,450,000
Receivable from Ichnos Sciences Inc, USA	1,698,468	1,497,549
Advances to be received in Cash and Kind	9,561,735	7,262,687
Deposits	496,216	573,361
Prepaid expenses	25,133,986	17,558,560
	46,045,107	36,785,243
Advance Tax (Net of Provision for Tax)	4,017,584	1,186,377
Total	50,062,691	37,971,620



GLENMARK PHARMACEUTICALS INC., USA
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	As of March 31, 2021 USD	As of March 31, 2020 USD
5 Property, plant and equipment, net.		
Leasehold Land\Premises	5,049,627	5,049,627
Freehold Land	780,000	780,000
Factory Building	28,641,094	28,608,970
Plant & Machinery	38,556,729	38,529,779
Equipments	12,829,935	12,483,885
Furniture & Fixtures	7,179,129	7,179,129
	<u>93,036,514</u>	<u>92,631,390</u>
Accumulated depreciation	(23,717,722)	(16,375,115)
	<u>69,318,792</u>	<u>76,256,276</u>
Work In progress	144,435,739	116,153,213
Total	213,754,531	192,409,489
Intangible assets		
Computer Software	12,388,518	10,924,729
Product Development	66,575,757	64,575,757
	<u>78,964,275</u>	<u>75,500,487</u>
Amortization	(67,182,550)	(64,153,849)
	<u>11,781,726</u>	<u>11,346,637</u>
Right of Use	7,499,896	7,499,896
Amortization	(5,216,506)	(2,608,253)
	<u>2,283,390</u>	<u>4,891,643</u>
6 Deferred Tax Assets		
Deferred Tax Assets	1,653,540	1,009,920
Total	1,653,540	1,009,920
7 Other Non-Current Assets		
Long Term Deposit with Bank	205,416	205,416
Total	205,416	205,416
8 Accounts payable		
Trade payable - domestic	6,816,062	8,653,068
Payable to Glenmark Specialty SA	6,901,903	-
Payable to Ichnos Science SA	-	8,371,051
Payable to Glenmark Pharmaceuticals Europe Limited	-	120,530
Payable to Glenmark Life Sciences Limited, India	20,092,949	17,371,796
Payable to Glenmark Pharmaceuticals Limited, India	91,813,279	18,238,059
Total	125,624,193	52,754,504



GLENMARK PHARMACEUTICALS INC., USA
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	As of March 31, 2021 USD	As of March 31, 2020 USD
9 Other Liabilities		
Other Liabilities	4,002,442	4,277,171
Interest on Loan from Glenmark Holding S.A., Switzerland	678,219	-
Total	4,680,661	4,277,171
10 Deferred Tax Liabilities		
Deferred Tax Liabilities	-	-
Total	-	-
11 Reserves & Surplus		
Securities Premium/Additional Paid in Capital		
Opening Balance	266,665,812	266,665,812
Additions during the year	-	-
Closing Balance	<u>266,665,812</u>	<u>266,665,812</u>
Profit & Loss Account		
Opening Balance	97,847,618	90,832,041
Additions during the year	1,216,649	7,015,577
Closing Balance	<u>99,064,268</u>	<u>97,847,618</u>
Total	<u>365,730,080</u>	<u>364,513,430</u>



GLENMARK PHARMACEUTICALS INC., USA
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	For the Year Ended March 31, 2021 USD	For the Year Ended March 31, 2020 USD
12 Sales and Operating Income		
Sale of goods and I P assets	401,813,597	426,867,884
	401,813,597	426,867,884
13 Other Income		
Miscellaneous income	5,186,384	1,708,054
	5,186,384	1,708,054
14 Cost of Sales		
Purchase of Trading goods and other costs	332,985,370	298,300,767
(Increase) / decrease in inventory	(8,554,783)	29,105,283
	324,430,587	327,406,050
15 Interest Expense		
Interest Expenses (net)	2,288,443	1,972,844
Interest on Lease Liability	200,631	313,298
	2,489,074	2,286,142



GLENMARK PHARMACEUTICALS INC., USA
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	For the Year Ended March 31, 2021 USD	For the Year Ended March 31, 2020 USD
16 Selling and Operating Expenses		
Salary and allowances	31,288,312	43,429,988
Sales promotion expenses (net)	476,803	614,767
Travelling expenses	42,073	1,812,137
Telephone expenses	159,262	240,468
Rates and taxes	342,078	124,183
Insurance premium	1,144,175	1,316,449
Freight outward	7,241,932	7,057,086
Electricity charges	777,486	307,516
Rent	499,732	445,761
Repairs & Maintenance	655,211	168,714
Audit fees	130,000	160,000
Other Expenses	5,530,990	9,591,607
Conference Expenses	660,731	877,040
Printing & Stationery	127,395	291,542
Postage & Telegram	7,942	9,898
Legal & Professional Expenses	15,059,364	10,054,790
Subscription	437,499	413,703
Recruitment	654,798	1,875,748
Bank Charges	123,153	102,591
	65,358,937	78,893,988
17 Tax Expense		
Current Tax	1,168,793	4,203,308
Deferred Tax Expense / (Credit)	(643,620)	149,884
	525,173	4,353,192



GLENMARK PHARMACEUTICALS INC., USA
 SCHEDULE OF FIXED ASSETS AS ON MARCH 31, 2021

Assets	Amount in USD										Total As on 31-03-2020
	Leasehold Land	Freehold Land	Factory Building	Plant & Machinery	Furniture & Fixture	Equipment	Computer Software	Product Development	Right of Use	Total	
At the beginning of the year	1,858,498	780,000	27,116,246	28,672,479	6,870,014	10,959,040	5,760,395	5,586,242	4,891,643	92,494,555	28,934,445
Additions during the period	-	-	32,124	26,951	-	346,050	1,463,788	2,000,000	-	3,868,914	72,181,100
Depreciation charge for the year	562,999	-	1,385,660	3,700,118	471,810	1,222,020	1,621,875	1,406,826	2,608,253	12,979,561	8,620,989
At the end of the year	1,295,499	780,000	25,762,710	24,999,312	6,398,204	10,083,070	5,602,308	6,179,416	2,283,390	83,383,908	92,494,556

