

P. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

AUDIT REPORT
AS OF
MARCH, 2020

GLENMARK
PHARMACEUTICALS INC.
NEW JERSEY

US GAAP

P. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

H.O. 501, SUJATA, OFF. NARSI NATHA STREET, MUMBAI 400 009. TEL.2344 3549, 2343 7853. FAX.23415455.

web: www.pparikh.com.

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, 2020, 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, 2020, 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
P. Parikh & Associates
55, Wallstreet, Suite 530,
New York, NY - 10005
June 24, 2020



BRANCH OFFICES

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GLENMARK PHARMACEUTICALS INC. , USA
BALANCE SHEET AS ON MARCH 31, 2020

ASSETS	Schedule	March 31, 2020	March 31, 2019
		USD	USD
Current Assets			
Cash and Cash equivalents	1	24,567,680	22,022,100
Accounts receivable	2	52,836,839	81,477,718
Inventories	3	101,376,053	130,481,337
Prepaid expenses and other current assets	4	37,971,620	59,971,194
Total current assets		216,752,192	293,952,349
Non - Current Assets			
Property, Plant and Equipment	5	76,256,276	23,168,620
Intangible assets	5	11,346,636	5,765,827
Right of Use Assets	5	4,891,643	-
Capital Work in Progress	5	116,153,214	131,141,074
Other Non-Current Assets	6	205,416	-
Deferred Tax Assets	7	1,009,920	1,159,803
Total non-current assets		209,863,105	161,235,324
Total Assets		426,615,297	455,187,673
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable	8	52,754,504	93,539,094
Lease Liability	9	2,636,678	-
Other liabilities	10	4,277,171	4,150,719
Total current liabilities		59,668,353	97,689,813
Non current liabilities			
Lease Liability	11	2,433,507	-
Total non current liabilities		2,433,507	-
Total liabilities		62,101,860	97,689,813
Stockholder's equity			
Common stock, class A, \$0.01 par value, authorized 5000 shares, issued and outstanding 667 (P. Y. Common stock, Class A, \$0.01 per share, authorized 5000 shares, issued and outstanding 667)		6.67	6.67
Reserves and Surplus	12	364,513,430	357,497,853
Total Stockholder's equity		364,513,437	357,497,860
Total liabilities and stockholder's equity		426,615,297	455,187,673

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, 2020

	Schedule	For the year ended March 31, 2020	For the year ended March 31, 2019
		USD	USD
Sales	13	426,867,884	456,628,834
Cost of sales	14	327,406,050	366,354,761
Gross Profit		99,461,834	90,274,073
Operating Expenses, Selling, General and Administrative Expenses	15	78,893,988	69,999,331
Depreciation / Amortisation	5	8,620,989	5,915,359
Operating Income / (Loss)		11,946,857	14,359,383
Interest Expense	16	2,286,142	1,756,119
Net Operating Income / (Loss)		9,660,715	12,603,265
Other Income / (Loss)	17	1,708,054	3,607,950
Profit Before Tax and Exceptional Item		11,368,769	16,211,215
Exceptional Item		-	7,202,205
Profit Before Tax		11,368,769	9,009,010
Provision for Income Taxes	18	4,353,192	2,935,213
Net Income / (Loss)		7,015,577	6,073,797
Basic Earnings / (Loss) per common share		10,518	10,371
Face value per share		0.01	0.01
Basic average number of shares outstanding		667	586

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, 2020

Particulars	For the Year Ended	For the Year Ended
	Match 31, 2020	Match 31, 2019
	USD	USD
A. Cash flow from operating activities		
Net Income / (Loss)	11,368,769	9,009,010
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation/Amortization	8,620,989	5,915,359
Reversal of Foreign withholding tax	-	86,284
Interest income	(208,402)	(122,648)
Interest expense on lease liability	313,298	
Interest expense	2,181,246	1,878,767
Operating profit before working capital changes	22,275,899	16,766,772
Adjustments for changes in working capital		
(Increase)/Decrease in Accounts Receivables	28,640,879	21,555,041
(Increase)/Decrease in Inventory	29,105,283	(19,848,155)
(Increase)/Decrease in Other Current Assets	20,196,290	44,492,029
Increase/(Decrease) in Accounts Payable and other Current Liabilities	(40,658,137)	(226,362,120)
Taxes Paid	(2,400,023)	(3,899,910)
Net cash from operating activities	57,160,191	(167,296,343)
B. Cash flow from investing activities		
Loan given	-	(10,000,000)
Additions to fixed assets	(49,693,342)	(36,756,506)
Certificate of Deposit	(205,416)	
Interest Income	208,402	122,648
Net cash generated from investing activities	(49,690,356)	(46,633,858)
C. Cash flow from financing activities		
Issue of shares	-	200,000,000
Loan taken/ (repaid)	(3,369)	-
Payment for lease liabilities	(2,743,009)	-
Interest paid	(2,177,877)	(1,878,767)
Net cash from financing activities	(4,924,255)	198,121,233
Net increase/(decrease) in cash	2,545,580	(15,808,969)
Cash and Cash equivalents:		
Beginning of the year	22,022,100	37,831,069
End of the year	24,567,680	22,022,100

The accompanying notes are an integral part of these financial statements

For GLENMARK PHARMACEUTICALS INC.

Director

Director



GLENMARK PHARMACEUTICALS INC. , USA
SCHEDULES TO FINANCIAL STATEMENTS

	As of March 31, 2020	As of Mar 31, 2019
	USD	USD
1 Cash and Cash equivalents		
Cash	1,139	1,139
Bank deposits	24,566,541	22,020,961
Total	24,567,680	22,022,100
2 Accounts receivable		
The age profile of accounts receivable is given below:		
Period (in days)		
0 -90	51,532,157	60,784,381
90-180	1,025,928	136,678
180-365	138,146	164,803
More than 365	140,608	20,391,856
Accounts receivable	52,836,839	81,477,718
3 Inventories (Including stock in transit)		
Raw Material	5,160,656	3,604,562
Packing Material	3,810,685	2,126,910
Semi Finished Goods	327,484	383,523
Work-in-Progress	528,451	245,485
Finished Goods Dosage	91,548,777	124,120,857
	101,376,053	130,481,337
4 Prepaid expenses and other current assets		
Employee loan	-	2,009
Receivable from Glenmark Generics S.A., Argentina	105,497	105,497
Receivable from Glenmark Therapeutic Inc., USA	610,785	121,593
Receivable from Glenmark Pharmaceuticals Canada Inc	34,580	11,213
Receivable from Glenmark Specialty SA	1,501,217	22,302,542
Receivable from Glenmark Pharmaceuticals Brazil	191,007	138,704
Receivable from Glenmark Pharmaceuticals R&D Europe Limited	-	2,800
Short Term loan receivable from Glenmark Therapeutic Inc., USA	7,450,000	10,119,515
Receivable from Ichnos Sciences Inc, USA	1,497,549	-
Advances to be received in Cash and Kind	7,262,687	6,471,218
Deposits	573,361	570,136
Prepaid expenses	17,558,560	17,136,307
	36,785,243	56,981,534
Advance Tax (Net of Provision for Tax)	1,186,377	2,989,660
Total	37,971,620	59,971,194



GLENMARK PHARMACEUTICALS INC. , USA
SCHEDULES TO FINANCIAL STATEMENTS

	As of March 31, 2020 USD	As of Mar 31, 2019 USD
5 Property, plant and equipment, net.		
Leasehold Land\Premises	5,049,627	4,736,406
Freehold Land	780,000	780,000
Factory Building	28,608,970	12,779,325
Plant & Machinery	38,529,779	15,337,576
Equipments	12,483,885	2,021,745
Furniture & Fixtures	7,179,129	391,944
	<u>92,631,390</u>	<u>36,046,996</u>
Accumulated depreciation	(16,375,115)	(12,878,376)
	76,256,275	23,168,620
Capital Work In progress	116,153,214	131,141,074
Total	192,409,489	154,309,694
Intangible assets		
Computer Software	10,924,729	6,904,824
Right of Use	7,499,896	
Product Development	64,575,757	60,498,855
	<u>83,000,382</u>	<u>67,403,679</u>
Amortization	(66,762,102)	(61,637,852)
	16,238,280	5,765,827
6 Other Non-Current Assets		
Security deposits assets	205,416	-
Total	205,416	-
7 Deferred Tax Assets		
Deferred Tax Assets	1,009,920	1,159,803
Total	1,009,920	1,159,803
8 Accounts payable		
Trade payable - domestic	8,653,068	9,637,621
Payable to Glenmark Pharmaceuticals S.A., Switzerland	-	9,166,474
Payable to Ichnos Science SA	8,371,051	-
Payable to Glenmark Pharmaceuticals Europe Limited	120,530	40,981
Payable to Glenmark Life Sciences Limited, India	17,371,796	12,825,436
Payable to Glenmark Pharmaceuticals Limited, India	18,238,059	61,868,582
Total	52,754,504	93,539,094
9 Lease Liability		
Lease Liability - Short Term	2,636,678	-
Total	2,636,678	-
10 Other Liabilities		
Other Liabilities	4,277,171	4,150,719
Total	4,277,171	4,150,719
11 Lease Liability		
Lease Liability	2,433,507	-
Total	2,433,507	-



GLENMARK PHARMACEUTICALS INC. , USA
SCHEDULES TO FINANCIAL STATEMENTS

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	USD	USD
13 Sales and Operating Income		
Sale of goods and I P assets	426,867,884	456,628,834
	426,867,884	456,628,834
14 Cost of Sales		
Purchase of Trading goods and other costs	298,300,766	386,202,916
(Increase) / decrease in inventory	29,105,284	(19,848,155)
	327,406,050	366,354,761
15 Operating Expenses, Selling, General and Administrative Expenses		
Salary and allowances	43,429,988	42,731,868
Sales promotion expenses (net)	614,767	1,954,297
Travelling expenses	1,812,137	1,950,363
Telephone expenses	240,468	261,935
Rates and taxes	124,183	458,635
Insurance premium	1,316,449	1,122,358
Freight outward	7,057,086	5,189,955
Electricity charges	307,516	328,793
Rent	445,761	3,125,206
Repairs & Maintenance	168,714	115,351
Auditors' remuneration		
Audit fees	160,000	140,000
Other operating expenses		
Other Expenses	9,591,607	2,955,456
Conference Expenses	877,040	818,721
Printing & Stationery	291,542	218,131
Postage & Telegram	9,898	8,581
Legal & Professional Expenses	10,054,790	6,055,004
Subscription	413,703	534,445
Recruitment	1,875,748	1,898,028
Bank Charges	102,591	132,204
	78,893,988	69,999,331



GLENMARK PHARMACEUTICALS INC. , USA
SCHEDULES TO FINANCIAL STATEMENTS

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	USD	USD
16 Interest Expense		
Interest Expenses (Net)	1,972,844	1,756,119
Interest on Lease Liability	313,298	-
	2,286,142	1,756,119
17 Other Income		
Miscellaneous income	1,708,054	3,607,950
	1,708,054	3,607,950
18 Tax Expense		
Current Tax	4,203,308	1,721,824
Deferred Tax Expense / (Credit)	149,884	1,213,389
	4,353,192	2,935,213



GLENMARK PHARMACEUTICALS INC. , USA
 FIXED ASSET SCHEDULE AS ON MARCH 31, 2020

Note No. 5

Assets	Amount in USD									
	Leasehold Land	Freehold Land	Factory Building	Plant & Machinery	Furniture & Fixture	Equipment	Computer Software	Product Development	Right of Use	Total
Net book value										
At the beginning of the year	2,101,500	780,000	11,631,567	7,658,966	109,578	887,009	3,192,155	2,573,671	-	28,934,446
Additions during the year	313,221	-	15,829,646	23,192,203	6,787,185	10,462,141	4,019,905	4,076,903	7,499,896	72,181,100
Depreciation charge for the year	556,223	-	344,967	2,178,690	26,749	390,110	1,451,665	1,064,332	2,608,253	8,620,989
Adjustments	-	-	-	-	-	-	-	-	-	-
At the end 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	92,494,557



**GLENMARK PHARMACEUTICALS INC`
STATEMENT OF STOCKHOLDERS EQUITY**

	Reserves and Surplus			Amount in USD
	Common Stock	Additional Paid in Capital	Reserves	Total Shareholders Equity
BALANCE as at March 31, 2018	46,665,819	-	104,758,236	151,424,055
Issue of shares during the year	1.50			1.50
Transfer of Par Capital to Additional Paid in Capital				
Due To Reverse Stock Split	(46,665,814)	46,665,814		-
Additional Paid up Capital Received during the year		200,000,000		200,000,000
Net income	-		6,073,797	6,073,797
BALANCE as at March 31, 2019	6.67	246,665,814	110,832,033	357,497,853
Issue of shares during the year	-	-	-	-
Net income		-	7,015,577	7,015,577
BALANCE as at March 31, 2020	6.67	246,665,814	117,847,610	364,513,430



GLENMARK PHARMACEUTICALS INC., USA

NOTES TO THE FINANCIAL STATEMENTS

1) BUSINESS ACTIVITY/ NATURE OF OPERATIONS

Glenmark Pharmaceuticals Inc., is a wholly owned subsidiary of Glenmark Holding S.A. (the "Holding"), a Company incorporated in Switzerland.

The Company distributes Formulations and Active Pharmaceutical Ingredients mainly to North America through alliances and agreements with other pharmaceutical companies. With strong ties to the Parent company, the Company will have unlimited resources in both research and development.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

These financial statements are in conformity with accounting principles generally accepted in the United States of America.

b. Depreciation on Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Depreciation is calculated using straight line method over the estimated useful lives of the assets. Useful lives of assets are as follows:

CATEGORY	YEARS
Software	3-5
Equipment	3-7
Furniture & Fixtures	3-7
Leasehold Improvements	5-8
Buildings	39

c. Product Development Expenditure

Capital expenditure on research and development is capitalized as fixed assets. Development cost relating to the new and improved product and/or process development is recognized as an intangible asset to the extent that it is expected that such asset will generate future economic benefits.

Product Development cost is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Product development costs are amortized over the useful life, not exceeding 10 years, once the product to which they relate is commercialized.

Licenses and registration expenditures for the use of third-party products are capitalized and amortized on a straight-line basis over 5 years.



GLENMARK PHARMACEUTICALS INC., USA

d. Revenue Recognition

Net Sales are recognized when the product is shipped to customers, at which title and the risks and rewards of ownership pass to the customer.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, VAT and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Provisions for chargeback, rebates, discounts and medical aid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler. Such provisions are presented as a reduction from revenues.

e. Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within various days from the invoiced date based on agreement with customers. The Company does not accrue interest on past due accounts receivable. The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews each accounts receivable balance that is past due and estimates the portion, if any, of the balance that will not be collected and records a general allowance to cover those amounts.

f. Inventory

Inventories are stated at the lower of the cost (determined by first-in, first-out method) or market value.

g. Leases

The Company has adopted the new accounting standard i.e. ASC 842 during the financial year.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and therefore comparative periods have not been restated. The Company has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.



GLENMARK PHARMACEUTICALS INC., USA

The Company has recognised a right-of-use asset on the date of initial application at an amount equal to lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On transition to new accounting standard the weighted average incremental borrowing rate applied to lease liabilities recognised was 5% p.a.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Practical expedient opted by Company:

- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of ASC 842, being 1 April 2019.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Exemptions availed by Company:

The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.



GLENMARK PHARMACEUTICALS INC., USA

the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

The Company's leased assets primarily consist of leases for office premises and godowns. Leases of office premises and godowns generally have lease term between 2 to 12 years. The Company has applied low value exemption for leases laptops, leaselines, furniture and equipment and accordingly are excluded. The leases includes non cancellable periods and renewable option at the discretion of lessee which has been taken into consideration for determination of lease term.

- i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Total
As at April 2019	-
Adjustment on transition to ASC 842	7,499,896
Amortisation expenses	-2,608,253
As at March 31, 2020	4,891,643



GLENMARK PHARMACEUTICALS INC., USA

- ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	Total
As at April 2019	-
Adjustment on transition to ASC 842	7,499,896
Accretion of interest	313,298
Payments	-2,743,009
As at March 31, 2020	5,070,185
Current Liability	2,636,678
Non-current Liability	2,433,507

- iii) The following are the amounts recognised in profit or loss:

Particulars	Total
Amortisation expenses of right of use assets	2,608,253
Interest expense on lease liabilities	313,298
Total amount recognised in profit or loss	2,921,551

h. Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent years.

The effect on deferred tax assets and liabilities because of a change in tax rates is recognized in statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

3) EMPLOYEE RETIREMENT PLAN

The Company has 401(k) retirement savings plan which covers substantially all employees. The Company matches employee contributions up to specified limits. Company contributions totaled \$ 2,330,748 and \$ 2,017,178 during the years ended March 31, 2020 and 2019, respectively.



GLENMARK PHARMACEUTICALS INC., USA

4) LEASES

The Company leases its facility under a non-cancelable operating agreement which expires March 31, 2021.

Future minimum lease payments on non-cancelable facility operating leases are as follows as of March 31, 2020:

Year Ending March 31,	Amount in \$
Within 1 year	2,636,748
1 to 5 years	2,433,507
After 5 years	-

5) SEGMENT INFORMATION

Business Segment

The Company is primarily engaged in a single business of marketing of pharmaceuticals products and is managed as one entity, for its various activities and is governed by a similar set of risks and returns.

6) RELATED PARTY TRANSACTIONS

Related party relationship where transactions have taken place during the year

- Glenmark Pharmaceuticals Ltd, India (Parent Company) (GPL)
- Glenmark Holding S.A., Switzerland (Holding Company) (GHSA)
- Ichnos S.A., Switzerland (Fellow Subsidiary Company) (GPSA)
- Glenmark Therapeutics Inc., USA (Fellow Subsidiary Company) (GTI)
- Glenmark Life Sciences Limited, India (Fellow subsidiary Company) (GLS)
- Glenmark Generics S.A. Argentina (Fellow subsidiary Company) (GGSA)
- Glenmark Pharmaceuticals (Europe) Limited, UK (Fellow subsidiary Company) (GPEL)
- Glenmark Pharmaceuticals R&D (Europe) Limited, UK (Fellow subsidiary Company) (GPEL R&D)
- Glenmark Pharmaceuticals Canada Inc. (Fellow Subsidiary Company) (GPCI)
- Glenmark Specialty S.A. Switzerland (Fellow Subsidiary Company) (GSSA)
- Glenmark Farmaceutica Brazil Ltd. (Fellow Subsidiary Company) (GFL)
- Ichnos Life Sciences USA (Fellow Subsidiary Company)

Key management personnel (including directors of the Company w.e.f 01/06/2020)

- Robert Matsuk
- Sanjeev Krishan
- Brian Hirsch
- P.Chinnappa Reddy
- Cynthia Caracta



GLENMARK PHARMACEUTICALS INC., USA

Transactions with related parties during the year

(Amount in USD)

	<u>FY19-20</u>	<u>FY18-19</u>
Transactions with related parties during the year		
Transactions with GPL India	243,114,702	302,087,124
Transactions with GLS India	18,037,736	6,549,485
Transactions with Ichnos S.A.Switzerland	49,330,286	75,025,909
Transactions with GPEL,UK.	209,364	40,981
Transactions with GPELR&D,UK.	-	2800
Transactions with GTI-USA.	489,192	150,058
Loan taken from GHSA	281,000,000	110,000,000
Loan repaid to GHSA	281,000,000	110,000,000
Additional Share capital received from GHSA during the year	-	200,000,000
Loan given to GTI-USA during the year	11,950,000	10,000,000
Loan repaid by GTI-USA during the year	14,619,515	-
Interest earned on Loan given to GTI-USA during the year.	200,085	119,515
Interest received on Loan given to GTI-USA	200,085	-
Interest payable on loan taken from GHSA	2,177,877	1,878,767
Interest paid during the year on loan from GHSA	2,177,877	1,878,767
Transactions with GPCI,Canada.	51,875	49,103
Transactions with GSSA,Switzerland	2,177,562	9,686,495
Transactions with GP-Brazil	52,303	87,698
Transactions with Ichnos Life Science Inc USA	1,497,549	-
Remuneration to Key Management Personnel		
- Robert Matsuk	1,739,720	1,547,332
- Sanjeev Krishnan	990,474	959,638
- P.Chinnapa Reddy	414,158	404,352
- Cynthia Caracta	556,590	-

Related party balances – Receivable/ (Payable)

(Amount in USD)

Related party balances	<u>FY19-20</u>	<u>FY18-19</u>
Glenmark Pharmaceuticals Limited, India (Net)	(18,238,059)	(61,868,582)
Glenmark Life Sciences Limited , India (Net)	(17,371,796)	(12,825,436)
Ichnos Science S.A., Switzerland (Net)	(8,371,051)	(9,166,474)
Glenmark Pharmaceuticals Europe Limited	(120,530)	(40,981)
Glenmark Therapeutic Inc., USA	610,785	121,593
Glenmark Generics S.A., Argentina	105,497	105,497
Glenmark Speciality S.A. Switzerland	1,501,217	22,302,542
Glenmark Pharmaceuticals Canada Inc	34,580	11,213
Glenmark Farmaceutica Brazil Ltd.	191,007	138,704
Glenmark Generics Limited .UK R&D Europe	-	2,800
Loan & Interest receivable from GTI-USA	7,450,000	10,119,515
Ichnos Sciences Inc , USA	1,497,549	-



GLENMARK PHARMACEUTICALS INC., USA

7) MAJOR CUSTOMERS AND SUPPLIERS

The top five largest receivables represented about 86% of total accounts receivables and top five suppliers represented about 86% of total suppliers.

8) EARNINGS PER SHARE

Basic earnings per share is computed by dividing income available to common stock holders by number of shares of common stock outstanding for the year.

9) COMPARATIVE FIGURES

- a. Previous years' figures have been regrouped/ reclassified, where necessary, to conform to the presentation adopted in the current year.
- b. The figures in these financial statements have been rounded off to the nearest US \$.

For GLENMARKPHARMACEUTICALS INC.USA

Director

Director

