

*P. PARIKH & ASSOCIATES*  
*CHARTERED ACCOUNTANTS*

AUDIT REPORT  
AS OF  
MARCH, 2024

**GLENMARK  
THERAPEUTICS INC.  
NEW JERSEY**

**US GAAP**

## Independent Auditor's Report

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

We have audited the accompanying financial statements of **Glenmark Therapeutics Inc.**, which comprise the balance sheet as of March 31, 2024, 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 Therapeutics Inc.** as of March 31, 2024, 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  
May 24, 2024



**GLENMARK THERAPEUTICS INC.**  
**Balance sheet as at March 31st, 2024**

ASSETS	Note	31st March 2024 USD	31st March 2023 USD
<i>Current Assets</i>			
Cash and Cash equivalents	1	2,80,245	3,16,951
Accounts receivable	2	1,61,396	35,420
Inventories	3	3,69,500	1,26,501
<i>Total current assets</i>		<u>8,11,141</u>	<u>4,78,872</u>
Property, plant and equipments	4	-	-
Intangible assets	5	-	-
Work In progress	5	1,46,766	1,46,766
Deferred Tax Assets	6	1,11,47,786	1,12,76,268
<i>Total Assets</i>		<u><u>1,21,05,693</u></u>	<u><u>1,19,01,906</u></u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<i>Current liabilities</i>			
Accounts payable	7	6,81,833	10,04,335
Other liabilities	8	1,17,780	1,42,658
Short Term borrowings	9	6,55,448	4,04,011
<i>Total current liabilities</i>		<u>14,55,061</u>	<u>15,51,005</u>
<i>Non current liabilities</i>			
<i>Total non current liabilities</i>		<u>-</u>	<u>-</u>
<i>Total liabilities</i>		<u>14,55,061</u>	<u>15,51,005</u>

**Stockholder's equity**

Common Stock - \$0.01.00 par value; shares authorised:  
5,000 shares of Common Stock par value  
\$0.01 Per Share

156 (P.Y. 156 ) Shares issued	1.56	1.56
Additional paid-in capital	3,75,19,998	3,75,19,998
	<u>3,75,20,000</u>	<u>3,75,20,000</u>
Retained Earnings	(2,68,69,369)	(2,71,69,098)
Total Stockholder's equity	<u>1,06,50,631</u>	<u>1,03,50,902</u>
<b>Total liabilities and stockholder's equity</b>	<u><u>1,21,05,693</u></u>	<u><u>1,19,01,906</u></u>

*The accompanying notes are an integral part of these financial statements*

For GLENMARK THERAPEUTICS INC.

Director

Director



**GLENMARK THERAPEUTICS INC.**  
**Statement of Income for the year ended March 31, 2024**

	Notes	31st March 2024 USD	31st March 2023 USD
Net Sales	10	14,11,052	2,85,501
Cost of sales	11	5,39,670	1,17,893
<b>Gross Profit</b>		<b>8,71,382</b>	<b>1,67,608</b>
Operating Expenses, Selling, general and Administrative expenses	14	4,23,481	8,19,105
Depreciation / Amortisation			2,31,980
Operating Income (Loss)		4,47,901	(8,83,478)
Interest Expense	13	19,631	4,011
Net Operating Income (Loss)		4,28,270	(8,87,488)
Other Income /(Expense)	12	-	3
Income (Loss) before provision of Income Taxes		4,28,270	(8,87,490)
Income Tax Expense /(Credit)	15	1,28,541	(6,67,066)
Net Income (Loss)		<b>2,99,729</b>	<b>(2,20,425)</b>
Basic Earnings (Loss) per common share		1,921	(1,597)
Face Value per Share		0.01	0.01
Basic average number of shares outstanding		156	138

*The accompanying notes are an integral part of these financial statements*

For GLENMARK THERAPEUTICS INC.

Director



Director



**GLENMARK THERAPEUTICS INC.**  
**Cash Flow Statement as of March 31, 2024**

	31st March 2024 USD	31st March 2023 USD
<b>A. Cash flow from operating activities</b>		
Net Income (Loss)	4,28,270	(8,87,490)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Amortisation & Depreciation	-	2,31,980
Interest expenses	19,631	4,011
<b>Operating profit before working capital changes</b>	<b>4,47,900</b>	<b>(6,51,499)</b>
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in Accounts Receivables	(1,25,976)	(35,420)
(Increase)/Decrease in Inventory	(2,42,998)	(1,26,500)
(Increase)/Decrease in Other Current Assets	-	15,417
Increase/(Decrease) in Accounts Payable	(3,47,380)	97,347
Income Taxes Paid	(60)	-
<b>Net cash from operating activities</b>	<b>(2,68,514)</b>	<b>(7,00,656)</b>
<b>B. Cash flow from investing activities</b>		
Fixed Assets Work in Process	-	(1,46,766)
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>(1,46,766)</b>
<b>C. Cash flow from financing activities</b>		
Interest expenses	(19,631)	(4,011)
Proceeds from/ (repayments) of borrowings-Inter co. (Net)	2,51,438	4,04,011
<b>Net cash from financing activities</b>	<b>2,31,807</b>	<b>4,00,000</b>
<b>Net increase/(decrease) in cash</b>	<b>(36,707)</b>	<b>(4,47,422)</b>
<b>Cash and Cash equivalents:</b>		
Beginning of the year	3,16,950	7,64,372
End of the year	<b>2,80,245</b>	<b>3,16,950</b>
	(0)	(0)

*The accompanying notes are an integral part of these financial statements*

**For GLENMARK THERAPEUTICS INC.**

Director



Director



**GLENMARK THERAPEUTICS INC.**  
**Statement of Stockholders' Equity**

	31st March 2024	31st March 2023
	USD	USD
<b>Balance as at March 31, 2023</b>	<b>3,75,20,000</b>	<b>3,75,20,000</b>
Total number of authorised shares	5,000	5,000
Shares issued and fully paid up	1.56	1.56
Additional Paid up Capital	3,75,19,998	3,75,19,998
<b>Balance as at March 31, 2024</b>	<b>3,75,20,000</b>	<b>3,75,20,000</b>

*The accompanying notes are an integral part of these financial statements*

**For GLENMARK THERAPEUTICS INC.**

Director



Director



**GLENMARK THERAPEUTICS INC.**  
**Statement of Retained Earnings**

	31st March 2024 USD	31st March 2023 USD
Net Profit After Taxes	2,99,729	(2,20,425)
Add: Balance brought forward	(2,71,69,098)	(2,69,48,673)
<b>Retained Earnings</b>	<b>(2,68,69,369)</b>	<b>(2,71,69,098)</b>

For GLENMARK THERAPEUTICS INC. -

Director



Director



**GLENMARK THERAPEUTICS INC.**  
Notes to the financial statements

	31st March 2024 USD	31st March 2023 USD
<b>1 Cash and Cash equivalents</b>		
Bank Balances	2,80,245	3,16,951
<b>Total</b>	<u>2,80,245</u>	<u>3,16,951</u>
<b>2 Accounts receivable</b>		
The age profile of accounts receivable is given below:		
<b>Period (in days)</b>		
0 -90	1,61,396	35,420
90-180	-	-
180-365	-	-
More than 365		
<b>Total</b>	<u>1,61,396</u>	<u>35,420</u>
<b>3 Inventories</b>		
Finished Goods Dosage	3,69,500	1,26,501
Inventory in Transit	-	-
<b>Total</b>	<u>3,69,500</u>	<u>1,26,501</u>
<b>4 Property, plant and equipment, net.</b>		
Leasehold Land/Premises		
Plant & Machinery	-	-
Computer Hardware	1,31,893	1,31,893
Accumulated depreciation	(1,31,893)	(1,31,893)
<b>Total</b>	<u>-</u>	<u>-</u>





**GLENMARK THERAPEUTICS INC.**  
**Notes to the financial statements**

	31st March 2024 USD	31st March 2023 USD
<b>5 Intangible assets</b>		
Computer Software	8,19,878	8,19,878
	<u>8,19,878</u>	<u>8,19,878</u>
Amortisation	(8,19,878)	(8,19,878)
	<u>-</u>	<u>-</u>
<b>Total</b>		
AUC Intangible Assets	1,46,766	1,46,766
<b>Grand Total</b>	<u>1,46,766</u>	<u>1,46,766</u>
<b>6 Deferred Tax Assets</b>		
Deferred Tax Assets	1,11,47,786	1,12,76,268
<b>Total</b>	<u>1,11,47,786</u>	<u>1,12,76,268</u>
<b>7 Accounts payable</b>		
Trade payable - domestic	3,87,988	8,84,783
Trade payable - Inter Company	2,93,845	1,19,552
<b>Total</b>	<u>6,81,833</u>	<u>10,04,335</u>
<b>8 Other liabilities</b>		
Other liabilities	94,248	1,38,248
Provision for G2N Expenses	23,532	4,410
<b>Total</b>	<u>1,17,780</u>	<u>1,42,658</u>
<b>9 Short term borrowings</b>		
Short term Loan Payable -Inter Co	6,55,448	4,04,011
<b>Total</b>	<u>6,55,448</u>	<u>4,04,011</u>



**GLENMARK THERAPEUTICS INC.**  
**Notes to Income Statement**

	31st March 2024 USD	31st March 2023 USD
<b>10 Sales and Operating Income</b>		
Sales - Others	14,11,052	2,85,501
	<u>14,11,052</u>	<u>2,85,501</u>
<b>11 Other Income</b>		
Misc income	-	3
	<u>-</u>	<u>3</u>
Total Revenue	<u>14,11,052</u>	<u>2,85,503</u>
<b>12 Cost of Sales</b>		
Cost of Goods Sold - Others	5,39,670	1,17,893
	<u>5,39,670</u>	<u>1,17,893</u>
<b>13 Interest Expense</b>		
Interest Expenses (net)	19,631	4,011
	<u>19,631</u>	<u>4,011</u>
<b>14 Selling and Operating &amp; Administrative Expenses</b>		
Travelling expenses	2,921	-
Other Operating Expenses	575	582
Rates and Taxes	3,850	10,806
Printing & Stationery	120	-
Legal and Professional	1,63,578	7,39,412
Audit fees	23,500	24,000
Conference Expenses	9,840	-
Bank Charges	6,018	6,180
Sales & Marketing Research	2,13,080	38,126
	<u>4,23,481</u>	<u>8,19,105</u>
Total Operating Expenses	<u>9,82,781</u>	<u>9,41,009</u>
<b>15 Tax Expense</b>		
Current Tax	60	-
Deferred Tax Expense / (Credit)	1,28,481	(6,67,066)
	<u>1,28,541</u>	<u>(6,67,066)</u>



**GLENMARK THERAPEUTICS INC.****Notes to Fixed Assets**

Assets	Tangible	Computer Software	Total	Total
	31st March 2024	31st March 2024	31st March 2024	31st March 2023
<b>Net book value</b>				
At the beginning of the year		-	-	2,31,980
Additions during the year	-		-	
Deletion/Sale during the year			-	
Depreciation charge for the year		-	-	2,31,980
Capital Work in Progress		1,46,766	1,46,766	1,46,766
<b>At the end of the year</b>	-	<b>1,46,766</b>	<b>1,46,766</b>	<b>1,46,766</b>



# GLENMARK THERAPEUTICS INC., U.S.A.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Company's activity

The Company is a 100% wholly owned subsidiary of Glenmark Holding S.A. (the "Holding"), a Switzerland company.

### 2. Significant accounting policies

The accompanying financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

- **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. The estimated useful life of the equipment is 3-5 years. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

- **Revenue Recognition**

Revenue is recognized when the sale is completed and the product is shipped from the Company's facility

### 3. 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.

#### **Geographical Segment**

The Operations of the Company are largely confined to North America.



# GLENMARK THERAPEUTICS INC., U.S.A.

## 4. 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 Co.) (GHSA)

Glenmark Pharmaceuticals Inc., USA (Fellow Subsidiary Company) (GPI)

### Transactions with related parties during the year (\$):

	2023-24	2022-23
Purchase of finished goods from GPI-USA	15,745	55,897
Purchase of finished goods from GPL-India	110,182	63,655
Expenses paid by GPI-USA on our behalf	111,085	-
Loan taken from GPI-USA	600,000	400,000
Loan repaid to GPI-USA	350,000	15,417
Interest Payable on Loan taken from GPI-USA	19,631	4,011
Interest Paid on Loan taken from GPI-USA	18,193	-

### Related Party Balances (\$):

	2023-24	2022-23
Investment by Glenmark Holdings S.A.	37,520,000	37,520,000
Payable to Glenmark Pharmaceuticals Inc., USA (Loan & Interest )	(655,448)	(404,011)
Payable /Receivable fromGlenmark Pharmaceuticals Inc., USA	(178,865)	(55,897)
Payable to Glenmark Pharmaceuticals Limited -India	(114,980)	(63,655)

### Key management personnel (including directors of the Company)

- Mr.Sanjeev Krishan
- Ms. Laura Lester



**GLENMARK THERAPEUTICS INC., U.S.A.**

**5. 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 accounts have been rounded off to the nearest US \$.

**For GLENMARK THERAPEUTICS INC.**

**Director**



**Director**

