



# R. B. Sharma & Co.

**Chartered Accountants**

B-2, NEEL SADAN, 1426, GROUND FLOOR,  
SADASHIV PETH, PUNE - 411 030.

TEL. : 020 - 24477595 / 24472405

E-mail : rbsharmaandco@gmail.com

Date: 03/08/2021

To,

**The Board of Directors**  
**Emcure Pharmaceuticals Limited**  
Emcure House, T-184  
Bhosari MIDC  
Pune - 411 026

**Marcan Pharmaceuticals Inc.**  
2 Gurdwara Road, Suite #112  
Ottawa, ON, K2E 1A2,  
Canada

**Re: Proposed initial public offering of equity shares of Emcure Pharmaceuticals Limited**

Dear Sirs,

We have verified the translated version of the audited standalone financial statements of **Marcan Pharmaceuticals Inc.** (the "Company") for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 ("Financial Years"). These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, 'The Effect of Changes in Foreign Currency Rates'. The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A item no.(11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), we have verified the translated financial information contained in the Annexure attached to this certificate which is proposed to be uploaded on the website of **Emcure Pharmaceuticals Limited** in connection with its proposed initial public offering of equity shares of Rs. 10/- each (the "Offer").

We did not audit the standalone financial statements of **Marcan Pharmaceuticals Inc.** These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.

These translated financials are intended solely for use of the management for uploading on website of **Emcure Pharmaceuticals Limited** in connection with its proposed initial public offering of equity shares of Rs. 10/- each.

Based on our examination, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

**R. B. Sharma & Co.**  
**Chartered Accountants**  
**FRN 109971W**

  
**CA. Madhavan N. Iyengar**  
**Partner**  
**M. No. 044366**

**Restriction on use**

This certificate has been provided by M/s. R.B. Sharma and Co., Chartered Accountants, at the request of Emcure Pharmaceuticals Limited and solely for the information of **Axis Capital Limited, JM Financial Limited, BofA Securities India Limited, Credit Suisse Securities (India) Private Limited** and any other book running lead managers appointed by Emcure Pharmaceuticals Limited (collectively referred to as the "Book Running Lead Managers" or the "BRLMs") to assist them in conducting their due-diligence and documenting their investigations of the affairs of Emcure Pharmaceuticals Limited in connection with the proposed Offer. This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer.

This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than for the purpose stated above. We, however, hereby give consent for inclusion of our name and this information (in full or in part) in the Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus proposed to be filed by Emcure Pharmaceuticals Limited with the Securities and Exchange Board of India ("SEBI"), the stock exchanges where the Equity Shares of Emcure Pharmaceuticals Limited are proposed to be listed (the "Stock Exchanges") and the Registrar of Companies, Maharashtra at Pune ("RoC") and any other material used in connection with the Offer and submission of this certificate to SEBI, Stock Exchanges, or RoC in connection with the proposed Offer, as the case may be. Additionally, we hereby give our consent for the submission of this certificate to any other regulatory authority as may be required under applicable law in connection with the proposed Offer, as the case may be.

Yours Sincerely,

**For**

**M/s R.B. Sharma and Co.**  
**Chartered Accountants**  
ICAI Firm Registration No:109971W



Madhavan Iyengar  
Partner  
Membership No. 044366  
Date:03/08/2021  
Place:Pune

UDIN: **21044366AAAAEB1550**

**R. B. Sharma & Co.**  
**Chartered Accountants**  
**FRN 109971W**



**CA. Madhavan N. Iyengar**  
**Partner**  
**M. No. 044366**

Marcan Pharmaceuticals Inc.  
Translated Version of Audited Balance Sheet

Balance Sheet	Note	CAD			INR Mn		
		31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalent		30,61,072	13,36,098	9,05,950	178	72	47
Trade and other receivables	2	2,80,50,609	1,40,59,432	1,16,17,457	1,633	752	601
Inventories	3 & 10 (b)	2,34,41,062	2,15,05,545	1,55,84,943	1,365	1,151	807
Prepaid expenses and deposits		51,55,545	74,75,894	45,17,529	300	400	234
		5,97,08,288	4,43,76,969	3,26,25,879	3,476	2,375	1,689
Property and equipment	5	2,25,428	2,67,206	2,65,279	13	14	14
Goodwill		2,91,75,000	2,91,75,000	2,91,75,000	1,698	1,561	1,510
Intangible assets	6	1,52,25,035	2,21,62,403	3,14,39,898	886	1,186	1,627
Future income taxes	4	95,66,849	82,56,101	62,08,747	557	442	321
		<b>11,39,00,600</b>	<b>10,42,37,679</b>	<b>9,97,14,803</b>	<b>6,630</b>	<b>5,578</b>	<b>5,161</b>
<b>Liabilities and Shareholders' Equity (Deficiency)</b>							
<b>Current liabilities:</b>							
Line of credit	7	-	28,69,871	18,10,695	-	154	94
Accounts payable and accrued liabilities	8	3,80,49,148	2,82,54,522	2,32,57,777	2,215	1,512	1,204
Income taxes payable		20,02,169	23,91,151	14,01,777	117	128	73
Current portion of long-term debt	9	92,40,000	88,20,000	-	538	472	-
Deferred Revenue		-	-	11,667	-	-	1
Scheduled cash repayments for callable debt		-	-	73,50,000	-	-	380
Loan payable	7	75,00,000	-	-	437	-	-
Notes payable to related parties	10 (a)	-	1,99,09,760	1,85,20,706	-	1,065	959
		5,67,91,317	6,22,45,304	5,23,52,622	3,306	3,331	2,710
Callable debt		-	-	2,49,91,703	-	-	1,293
Long-term debt	9	88,60,881	1,63,47,042	-	516	875	-
Preferred shares	12	4,72,54,496	4,53,22,292	4,12,02,084	2,751	2,425	2,132
		11,29,06,694	12,39,14,638	11,85,46,409	6,573	6,631	6,136
<b>Shareholders' equity (deficiency):</b>							
Share capital	11	2,43,80,001	1,28,80,001	1,28,80,001	1,302	651	651
Deficit		-2,33,86,095	-3,25,56,960	-3,17,11,607	-1,245	-1,704	-1,626
		9,93,906	-1,96,76,959	-1,88,31,606	58	-1,053	-975
		<b>11,39,00,600</b>	<b>10,42,37,679</b>	<b>9,97,14,803</b>	<b>6,630</b>	<b>5,578</b>	<b>5,161</b>

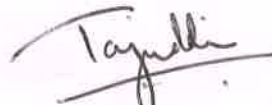
See accompanying notes to the translated version of financial information

M/s R.B.Sharma and Co.  
Chartered Accountants  
ICAI Firm Registration No: 109971W



Madhavan Iyengar  
Partner  
Membership No. 044366  
Place: Pune Date: 03.08.2021

For and on behalf of Marcan Pharmaceuticals Inc



Tajuddin Shaikh  
Director

Place: Pune Date : 03.08.2021



Marcan Pharmaceuticals Inc.

Translated Version of Audited Statement of Earnings

Statement of Earnings	Note	CAD			INR Mn		
		31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Sales	10 (b) & 13	11,05,12,175	9,24,61,583	5,74,53,792	6,209	4,927	3,061
Cost of sales	10 (b)	7,55,03,580	6,63,94,177	4,07,86,589	4,242	3,538	2,173
		<b>3,50,08,595</b>	<b>2,60,67,406</b>	<b>1,66,67,203</b>	<b>1,967</b>	<b>1,389</b>	<b>888</b>
Expenses:							
Salaries and benefits		50,91,740	43,99,977	34,69,691	286	234	185
Head office corporate charges		12,35,750	-	-	69	-	-
Testing		8,87,152	8,83,172	3,22,672	50	47	17
Research and development		7,62,276	12,07,145	14,80,411	43	64	79
Bank charges and interest		3,92,996	2,09,863	1,80,362	22	11	10
Professional fees		5,46,894	5,00,352	3,26,658	31	27	17
Licensing and fees		4,06,605	2,77,166	1,94,007	23	15	10
Rent		1,95,837	1,72,048	1,10,601	11	9	6
Other		1,54,204	1,41,271	12,057	9	8	1
Office		1,50,289	1,43,570	1,45,339	8	8	8
Insurance		1,27,221	65,337	45,551	7	3	2
Advertising and promotions		78,734	4,78,418	3,56,544	4	25	19
Amortization of property and equipment		61,678	89,976	67,190	3	5	4
Data report fees		40,893	37,608	30,231	2	2	2
Travel		7,186	2,76,351	1,91,500	0	15	10
Phone		6,639	14,481	10,365	0	1	1
Bad debts (recovery)		-66,942	-1,01,291	-46,122	-4	-5	2
		<b>1,00,79,152</b>	<b>87,95,444</b>	<b>69,89,301</b>	<b>566</b>	<b>469</b>	<b>372</b>
Earnings before the undernoted items and income taxes		<b>2,49,29,443</b>	<b>1,72,71,962</b>	<b>96,77,902</b>	<b>1,401</b>	<b>920</b>	<b>516</b>
Other income (expenses):							
Other		1,94,199	2,19,434	1,36,478	11	12	7
		-	-	-40,000	-	-	-2
Amortization on deferred financing fees		-1,75,339	-1,75,339	-1,75,339	-10	-9	-9
Foreign exchange gain (loss)		-6,72,551	2,40,243	-2,63,113	-38	13	-14
Finance cost on notes payables		-8,90,240	-13,89,054	-12,92,142	-50	-74	-69
Interest on debt		-9,34,716	-16,95,834	-19,63,431	-53	-90	-105
Finance cost on preferred shares		-19,32,204	-41,20,208	-37,45,644	-109	-220	-200
Amortization of intangible assets		-69,37,368	-95,13,744	-95,13,744	-390	-507	-507
		<b>-1,13,48,219</b>	<b>-1,64,34,502</b>	<b>-1,68,56,935</b>	<b>-638</b>	<b>-876</b>	<b>-898</b>
Earnings before income taxes		<b>1,35,81,224</b>	<b>8,37,460</b>	<b>-71,79,033</b>	<b>763</b>	<b>45</b>	<b>-382</b>
Income taxes:							
Current		57,21,107	37,30,167	14,14,985	321	199	75
Future reduction		-13,10,748	-20,47,354	-19,69,373	-74	-109	-105
		<b>44,10,359</b>	<b>16,82,813</b>	<b>-5,54,388</b>	<b>248</b>	<b>90</b>	<b>-30</b>
Net earnings (loss)		<b>91,70,865</b>	<b>-8,45,353</b>	<b>-66,24,645</b>	<b>515</b>	<b>-45</b>	<b>-353</b>

See accompanying notes to the translated version of financial information

M/s R.B.Sharma and Co.  
Chartered Accountants  
ICAI Firm Registration No: 109971W

*Madhavan Iyengar*

Madhavan Iyengar  
Partner  
Membership No. 044366  
Place: Pune Date: 03.08.2021

For and on behalf of Marcan Pharmaceuticals Inc

*Tajuddin Shaikh*

Tajuddin Shaikh  
Director

Place: Pune Date : 03.08.2021

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Marcan Pharmaceuticals Inc.  
Translated Version of Audited Statement of Earnings

Cash Flow	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Cash provided by (used in):						
Operating activities:						
Net earnings (loss)	91,70,865	-8,45,353	-66,24,645	515	-45	-353
Forex				-111	-44	-50
Items not involving cash:						
Amortization of deferred financing fees	1,75,339	1,75,339	1,75,339	10	9	9
Amortization of intangible assets	69,37,368	95,13,744	95,13,744	390	507	507
Amortization of property and equipment	61,678	89,976	67,190	3	5	4
Finance cost on notes payable	8,90,240	13,89,054	12,92,142	50	74	69
Finance cost on preferred shares	19,32,204	41,20,208	37,45,644	109	220	200
Future income taxes	-13,10,748	-20,47,354	-19,69,373	-74	-109	-105
Increase in trade receivables	-1,39,91,177	-24,41,975	-7,32,803	-880	-151	-52
Increase in inventories	-19,35,517	-59,20,602	-77,15,476	-214	-344	-409
Decrease (increase) in prepaid expenses and deposits	23,20,349	-29,58,365	-11,56,482	100	-166	-64
Increase in accounts payable and accrued liabilities	97,94,626	49,96,745	83,99,227	703	308	453
Increase (decrease) in income taxes payable	-3,88,982	9,89,374	14,01,777	-11	55	73
Decrease in deferred revenue	-	-11,667	-1,83,425	-	-1	-9
	1,36,56,245	70,49,124	62,12,859	590	318	272
Financing activities:						
Net advances (repayment) of line of credit	-28,69,871	10,59,176	-1,66,558	-154	60	-6
Repayment of long-term debt	-72,41,500	-73,50,000	-	-301	-335	-
Repayment of notes payable to related parties	-2,08,00,000	-	-	-1,116	-	-
Issuance of share capital	1,15,00,000	-	-	652	-	-
Repayment of callable debt	-	-	-52,50,000	-	-	-224
Decrease in due to Related Party	-	-	-1,29,664	-	-	-7
Proceeds from loan	75,00,000	-	-	437	-	-
	-1,19,11,371	-62,90,824	-55,46,222	-482	-275	-237
Investing activities:						
Purchase of property and equipment	-19,900	-91,903	-2,38,320	-1	-5	-12
Purchase of intangible assets	-	-2,36,249	-	-	-13	-
	-19,900	-3,28,152	-2,38,320	-1	-18	-12
Increase in cash	17,24,974	4,30,148	4,28,317	107	25	23
Cash, beginning of year	13,36,098	9,05,950	4,77,633	72	47	24
Cash, end of year	30,61,072	13,36,098	9,05,950	178	71	47

See accompanying notes to the translated version of financial information

M/s R.B.Sharma and Co.  
Chartered Accountants  
ICAI Firm Registration No: 109971W



Madhavan Iyengar  
Partner  
Membership No. 044366  
Place: Pune Date:

For and on behalf of Marcan Pharmaceuticals Inc



Tajuddin Shaikh  
Director

Place: Pune Date : 03.08.2021

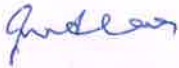


Marcan Pharmaceuticals Inc.

Translated Version of Audited Statement of Statement of Deficit


Statement of Deficit	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Opening	-3,25,56,960	-3,17,11,607	-2,50,86,962	-1,665	-1,620	-1,267
Net Earnings / Loss	91,70,865	-8,45,353	-66,24,645	515	-45	-353
Closing	-2,33,86,095	-3,25,56,960	-3,17,11,607	-1,150	-1,665	-1,620
FCTR on Share Capital				117	38	16
FCTR on Deficit				-212	-77	-21
Total				-1,245	-1,704	-1,626

M/s R.B.Sharma and Co.  
Chartered Accountants  
ICAI Firm Registration No: 109971W



Madhavan Iyengar  
Partner  
Membership No. 044366  
Place: Pune Date: 03.08.2021

For and on behalf of Marcan Pharmaceuticals Inc



Tajuddin Shaikh  
Director

Place: Pune Date : 03.08.2021



Marcan Pharmaceuticals Inc.  
Translated Version of Notes to Financial Statements

Marcan Pharmaceuticals Inc. (the "Company") is a private company incorporated on August 18, 2015 and subsequently amalgamated by articles of amalgamation on November 9, 2015, under the laws of Ontario. The Company markets pharmaceutical products to wholesale distributors and retailers.

1 Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises.

The Company's significant accounting policies are as follows:

(a) Inventories:

Inventories of raw materials and finished goods are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The costs are assigned using the weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A provision for obsolescence is calculated based on historical experience, unless new information indicates historical experience is not relevant for a product. Management reviews the provision annually to assess whether it is adequate.

(b) Property and equipment:

Property and equipment are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Straight-line	10 years
Computer hardware		3 years
Computer software		3 years
Leasehold improvements		5 years
Computer hardware - server and Network		6 years

The Company has switched from a declining balance approach to a straight-line approach to calculate amortization on property and equipment.

The change has been made to align the Company's amortization policy to its parent company for reporting purposes. The Company has determined the retrospective impact of the policy change is not material to the financial statements, and has applied this change prospectively for the year ended March 31, 2021 onwards.

(c) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated, at the date of the business acquisition, to the Company's reporting units that are expected to benefit from the synergies of the business combination.

Goodwill is not amortized and is tested for impairment whenever changes in circumstances indicate that the carrying value of the reporting unit to which goodwill is assigned may exceed the fair value of the reporting unit. When the carrying amount of a reporting unit, including goodwill, exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. An impairment loss is not subsequently reversed.

(d) Intangible assets:

Intangible assets resulting from a business acquisition are initially recorded at fair value. Separately acquired intangible assets are measured at cost.

For intangible assets with definite lives amortization is provided on a straight-line basis over their respective estimated useful lives.

Asset	Rate
Brand	10 years
Client relationships	5 years
Development fees	10 years
Existing product rights	10 years
Product pipeline	10 years

(d) Intangible assets (continued):

The Company capitalizes development fees when management believes they will generate future benefits and that all the criteria for capitalization are met.

Expenditures incurred on internally generated intangible assets are expenses as incurred.

(e) Impairment of long-lived assets:

Long-lived assets, including property, plant and equipment and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undercounted future cash flows expected to be generated by the asset.

If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized

for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available,

the Company uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value

(f) Income taxes:

The Company uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. Refundable taxes that will be recovered on the payment of qualifying dividends are recognized as a future income tax asset.

A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

Income tax expense or benefit is the sum of the Company's provision for the current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

(g) Revenue recognition:

Revenue is recognized when the customer takes ownership and assumes risk of loss, collection of the related receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Sales made under agreements allowing for rights of return are recognized at the time of sale to the customer or distributor.

Estimated returns and allowances are recorded as a reduction of revenue at the time of revenue recognition. Estimates are based on historical experience and other relevant factors.

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(h) Related party transactions:

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount

(i) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate on the year end date. Non-monetary assets and liabilities are translated into Canadian dollars at the historical exchange rate prevailing when the assets were acquired or liabilities incurred. Sales and expenses, with the exception of amortization, are translated at the rate prevailing at the date of the transaction. Amortization is translated at the same rates used in the translation of property and equipment. Translation gains or losses are included in the determination of income for the year.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the financial statements at fair value.

Financial instruments are adjusted by transaction costs incurred on the acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year.

Areas of significant estimates include the allowance for doubtful trade receivables, the allowance for inventory obsolescence, the useful lives of intangible assets, accrual for professional allowances, allowances for sales returns, and future income tax asset. Actual results could differ from those estimates.

2	Trade Receivable	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Trade receivables	2,62,75,352	1,42,80,418	1,17,81,782
	Trade and other receivables - parent company	17,31,719	42,322	2,60,267
	Government remittances	2,24,062	-	-
	Allowance for doubtful accounts	-1,80,524	-2,63,308	-4,24,592
		2,80,50,609	1,40,59,432	1,16,17,457

31.03.2021	INR Mn		31.03.2019
	31.03.2020	31.03.2019	
1,530	764	610	
101	2	13	
13	-	-	
-11	-14	-22	
1,633	752	601	

3	Inventory	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Finished Goods	2,53,32,794	2,25,67,514	1,62,86,578
	Raw Material	1,70,718	3,52,903	13,848
	Allowance for Inventory Obsolescence	-20,62,450	-14,14,872	-7,15,483
		2,34,41,062	2,15,05,545	1,55,84,943

31.03.2021	INR Mn		31.03.2019
	31.03.2020	31.03.2019	
1,475	1,208	843	
10	19	1	
-120	-76	-37	
1,365	1,151	807	

4	Future Income Tax	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Significant components of the Company's net future income tax asset are as follows:			
	Property and Equipment	-22,645	9,152	27,135
	Intangible Assets	94,18,663	81,22,757	61,23,000
	Deferred Financing Fees	-73,255	-79,265	60,498
	Accounting Reserve	2,44,086	2,03,457	1,19,110
		95,66,849	82,56,101	63,29,743

31.03.2021	INR Mn		31.03.2019
	31.03.2020	31.03.2019	
-1	0	1	
548	435	317	
-4	-4	3	
14	11	6	
557	442	328	

5	Property and Equipment	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Furniture and Fixtures	95,168	1,07,302	1,24,895
	Computer Hardware	36,546	35,726	20,658
	Computer Software	46,951	55,807	34,263
	Leasehold Improvements	46,763	68,371	85,463
		2,25,428	2,67,206	2,65,279

31.03.2021	INR Mn		31.03.2019
	31.03.2020	31.03.2019	
6	6	6	
2	2	1	
3	3	2	
3	4	4	
13	14	14	

Cost and accumulated amortization at March 31, 2021 amounted to \$596,310 and \$370,882 (INR 34.71 Mn and INR 21.59 Mn) respectively & for March 31, 2020 amounted to \$576,410 and \$309,204, (INR 30.85 Mn and INR 16.55 Mn) respectively.

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6	Intangible Assets	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Customer Relation	-	36,40,000	98,80,000
	Product Rights	1,17,18,195	1,42,50,433	1,65,22,798
	Brands	18,37,000	22,37,800	26,38,600
	Product Pipeline	15,30,830	18,64,830	21,98,830
	Product Development	1,39,010	1,69,340	1,99,670
		1,52,25,035	2,21,62,403	3,14,39,898

	INR Mn		
	31.03.2021	31.03.2020	31.03.2019
	-	195	511
	682	763	855
	107	120	137
	89	100	114
	8	9	10
	886	1,186	1,627

Cost and accumulated amortization at March 31, 2021 amounted to \$64,173,688 and \$48,948,653 (INR 3735.68 Mn and INR 2849.40 Mn) respectively & for March 31, 2020 amounted to \$64,173,688 and \$42,011,285 (INR 3434.32 Mn and 2248.28 Mn) respectively.

7 Loan payable:

The Company had an authorized operating line of credit of \$8,000,000 (INR 449.51 Mn) which was terminated on September 1, 2020.

The outstanding balance on the line of credit was \$2,869,871 (INR 153.58 Mn) in the prior year.

During the year the Company obtained a \$7,600,000 facility commitment from Axis Bank Ltd that is due on demand and bears interest at 2.9%, calculated and payable at each renewal period. At March 31, 2021, the Company had \$7,500,000 (INR 436.59 Mn) drawn under this facility.

The facility is secured by a corporate guarantee of the Parent Company.

8	Accounts Payable and Accrued Liabilities	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Accounts Payable and Accrued Liabilities	1,14,03,494	1,45,86,746	1,04,30,812
	Accounts Payable - Companies Under Common Control	2,57,24,575	1,28,98,611	1,23,77,494
	Allowance for returned sales	9,21,079	7,67,763	4,49,471
	Government Remittances Payable	-	1,402	-
		3,80,49,148	2,82,54,522	2,32,57,777

	INR Mn		
	31.03.2021	31.03.2020	31.03.2019
	664	781	540
	1,497	690	641
	54	41	23
	-	0	-
	2,215	1,512	1,204

9	Long Term Debt	CAD		
		31.03.2021	31.03.2020	31.03.2019
	Loan, due November 2022, interest of CDOR plus 3.35% payable quarterly, quarterly principal repayments representing 2% to 7% of the initial loan balance of \$42,000,000 in accordance with the schedule.	1,83,78,500	2,56,20,000	3,29,70,000
	Deferred financing fees	-2,77,619	-4,52,958	-6,28,297
		1,81,00,881	2,51,67,042	3,23,41,703
	Less cash repayments required within 12 months	92,40,000	88,20,000	73,50,000
		88,60,881	1,63,47,042	2,49,91,703

	INR Mn		
	31.03.2021	31.03.2020	31.03.2019
	1,070	1,371	1,706
	-16	-24	-33
	1,054	1,347	1,674
	538	472	380
	516	875	1,293

The loan is secured by a corporate guarantee of the Parent Company, all current and noncurrent assets of the Company and a pledge of equity shares of the Company.

Under the terms of the debt agreement, the Company must comply with certain covenants regarding the maintenance of minimum financial ratios.

At March 31, 2021, the Company is in compliance with respect to the covenants.

Regular principal payments required on the loan for the next two years are due as follows:

	CAD		
	31.03.2021	31.03.2020	31.03.2019
2020	-	-	73,50,000
2021	-	88,20,000	88,20,000
2022	92,40,000	92,40,000	92,40,000
2023	91,38,500	75,60,000	75,60,000
	1,83,78,500	2,56,20,000	3,29,70,000

10	Related Party Transactions	CAD		
		31.03.2021	31.03.2020	31.03.2019
	a) Dues to Related Party			
	Notes Payable to Related Party			
	without interest due, November 2020	-	99,54,880	92,60,353
	without interest due, November 2020	-	99,54,880	92,60,353
		-	1,99,09,760	1,85,20,706

	INR Mn		
	31.03.2021	31.03.2020	31.03.2019
	-	533	479
	-	533	479
	-	1,065	959

Each note in the amount of \$10,400,000 (INR 584.36 Mn) matured and was paid in full during the year, for an aggregate payment of \$20,800,000 (INR 1168.72 Mn).

The notes payable were recorded at their present value using an effective interest rate of 7.5% and accreted to the principal amount. Annual accretion expense totaled \$890,240 (INR 50.02 Mn) (2020 - \$1,389,054 - INR 74.02 Mn).

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Related Party Transactions	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
<b>b) Transactions</b>						
Purchases (Returns)						
Emcure Pharmaceuticals Inc	2,41,51,399	1,74,84,715	1,34,98,580	1,357	932	719
Avet Pharmaceuticals Lab Inc	4,58,876	11,45,300	5,28,681	26	61	28
Avet Pharmaceuticals Inc			-46,720			-2
Profit Share						
Emcure Pharmaceuticals Inc			65,378			3
Sale of goods and services						
Avet Pharmaceuticals Lab Inc			52,096			3
Reimbursement of expenses received						
Emcure Pharmaceuticals Inc	2,07,174	78,138	28,011	12	4	1
Avet Pharmaceuticals Inc	21,478			1		
Reimbursement of expenses Paid						
Emcure Pharmaceuticals Inc	9,85,926	1,19,710	1,76,607	55	6	9
Avet Pharmaceuticals Inc	4,39,274	56,308	40,834	25	3	2
Avet Pharmaceuticals Lab Inc	18,200	53,169	1,915	1	3	0

Unless specified, the related parties are companies under common control. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of considerations established and agreed to by the related parties.

11 Share Capital	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Authorized						
Unlimited common shares, voting, participating						
Issued:						
24,380,001 (2020 - 12,880,001) common shares	2,43,80,001	1,28,80,001	1,28,80,001	1,302	651	651
	2,43,80,001	1,28,80,001	1,28,80,001	1,302	651	651

During the year ended March 31, 2021 the Company issued 11,500,000 shares to Emcure Pharmaceuticals Inc. for cash consideration of \$11,500,000 (INR 646.17 Mn).

12 Preferred Shares	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Authorized						
48,000,000 Class "A" preferred shares, non-voting						
Issued:						
48,000,000 Class "A" preferred shares	4,72,54,496	4,53,22,292	4,12,02,084	2,751	2,425	2,132
	4,72,54,496	4,53,22,292	4,12,02,084	2,751	2,425	2,132

The shares are redeemable at the option of the preferred shareholders and the Company after August 2021 with the option for the shareholders to waive both the shareholders' and the Company's rights of redemption for a period of one year. The shares have a redemption value based on EBITDA in the year of redemption to a maximum aggregate value of \$48,000,000. In December 2020, the holders notified the Company of their intent not to exercise their option to extend the redemption term by a year and redeem the preferred shares. The shares will be redeemed on July 30, 2021 at the current value of \$47,254,496 (INR 2751 Mn). The Class "A" preferred shares are recorded at their present value using an effective interest rate of 10% and are being accreted to their maximum future redemption value of \$48,000,000. Annual accretion expense totaled \$1,932,204 (INR 109 Mn) (2020 - \$4,120,208 - INR 220 Mn). In the event of a liquidation, dissolution or winding up of the Company, the shares are redeemable based on EBITDA after November 2020.

13 Sales	CAD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Retail	3,85,01,344	3,19,49,216	176,50,227	2163	1702	940
Hospital	1,91,90,640	1,35,34,164	73,82,510	1078	721	393
Third Party	3,85,46,792	3,26,03,007	2,38,09,671	2166	1737	1268
Over the Counter	1,42,73,399	1,43,75,196	86,11,384	802	766	459
	11,05,12,175	9,24,61,583	5,74,53,792	6209	4927	3061

#### 14 Commitments

The Company leases office space under an operating lease which expires August 2023. The minimum aggregate rent payable for the next three years is:

	CAD		
	31.03.2021	31.03.2020	31.03.2019
2020	-	-	1,76,499
2021	-	1,76,499	1,76,499
2022	1,80,411	1,80,414	1,80,414
2023	1,87,125	1,87,125	1,87,125
2024	79,134	79,134	79,134
	4,46,670	6,23,172	7,99,671

15 Contingent Liabilities

The Company, along with certain other generic drug companies, has entered into a tolling agreement, as requested by a defendant of a class action claim that was filed in 2015. The Company is not currently listed as a defendant in the class action claim. No provision has been made in the financial statements as the likelihood that the Company will incur a loss is undeterminable at this time.

During the year, the Company has been named as a defendant, along with other companies in a class action claim. No provision has been made in the financial statements as the likelihood that the Company will incur a loss is undeterminable at this time.

16 Financial Risk

(a) Currency risk:

Approximately 15.0% (2020 - 19.0%) of the Company's sales are in foreign currency. Consequently, some assets, liabilities, revenue and expenses are exposed to foreign exchange fluctuations. The following amounts represent balances at year end denominated in USD which have been translated into Canadian dollars.

Financial Risk	USD			INR Mn		
	31.03.2021	31.03.2020	31.03.2019	31.03.2021	31.03.2020	31.03.2019
Cash	4,33,190	6,01,277	3,19,161	32	45	22
Trade and other receivables	40,12,675	35,50,866	18,47,750	293	269	128
Accounts payable and accrued liabilities	-46,93,671	-55,60,609	-25,08,800	-343	-421	-173
Advances to vendors	33,26,462	51,30,135	27,24,331	243	388	188
	30,78,656	37,21,669	23,82,442	225	282	165

(b) Credit risk:

The Company is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance. The Company monitors credit risk and credit reporting of customers as a regular basis. The maximum credit exposure is the fair value of accounts receivable.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(d) Interest rate risk:

The Company's debt has a variable interest rate based on CDOR plus a margin. As a result, the Company is exposed to interest rate risk due to fluctuations in the CDOR rate. Other than as described in Note 17, there have been no significant changes to the Company's exposure to financial risks and concentration of risks from March 31, 2020.

17 Impact of COVID-19 Pandemic:

The COVID-19 outbreak remains on an on going situation, which has resulted in the federal and provincial governments enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and social distancing, and has caused material disruption to businesses globally, resulting in an economic slowdown.

As of March 31, 2021 a few vaccines have been authorized by Health Canada for use and are being administered. The vaccines are being distributed based on a phased approach, with the higher risk groups, such as seniors and health care workers, receiving priority. However, the vaccine will be available to everyone in Canada over the course 2021. The various public health measures will continue to be implemented until extensive immunization is achieved. The situation is dynamic and the ultimate magnitude of the impact on the economy and the financial effect on the Company is not determinable. The Company continues to monitor the situation, and any new developments for any impact on the Company or its operations

18 Comparative Information

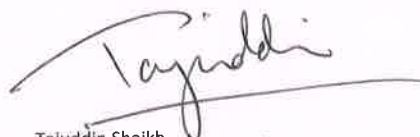
Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2021 financial statements.

M/s R.B.Sharma and Co.  
Chartered Accountants  
ICAI Firm Registration No: 109971W



Madhavan Iyengar  
Partner  
Membership No. 044366  
Place: Pune Date: 03.08.2021

For and on behalf of Marcan Pharmaceuticals Inc



Tajuddin Shaikh  
Director

Place: Pune Date : 03.08.2021



