

**UNICHEM FARMACEUTICA
DO BRASIL LTDA.**

Financial Statements and independent auditors report
for the period ended 31st March, 2020

Unichem Farmaceutica do Brasil Ltda.

Directors' Report

The Director present his report and the audited financial statements for the year ended 31st March, 2020.

REVIEW OF OPERATIONS

Unichem Farmaceutica do Brasil Ltda. is incorporated, organized and existing under the laws of the Federative Republic of Brazil, keeping its accounting records and legal books according to the Brazilian legal system.

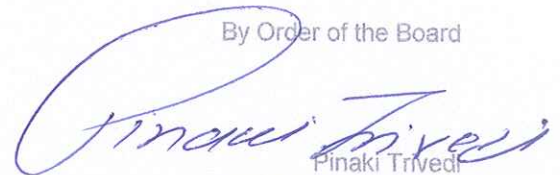
AUDITORS

The Auditor, LYNX Consultoria e Auditoria Contábil e Empresarial SS LTDA., Independent Accountants, has audited the enclosed financial statements for the period ended 31st March 2020 and their opinion is shown herewith.

STATEMENT BY DIRECTOR

In the opinion of the Director, the accompanying financial statements were drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the results of the business for that period. The Director has taken all reasonable steps to prepare these financial statements on a going concern basis and that suitable accounting policies have been adopted consistently.

By Order of the Board



Pinaki Trivedi

Legal Representative

May 5th, 2020


Pinaki G. Trivedi
CPF: 231.437.758-31
Responsável Legal

Unichem Farmaceutica do Brasil Ltda.
Balance Sheet as at 31st March, 2020

		<i>In Brazilian Reais</i>	
		Period ended 31st March, 2020	Period ended 31st March, 2019
Schedule			
I. SOURCES OF FUNDS			
PARTNER'S FUNDS			
	Partner's Share Capital	I 30.133.684	30.133.684
	Profit & Loss Account	II (35.235.114)	(29.852.767)
	TOTAL	<u>(5.101.430)</u>	<u>280.917</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
	Gross Block	III 1.677.565	1.609.096
	Less : Depreciation	(1.372.266)	(1.217.904)
	Net Block	<u>305.299</u>	<u>391.192</u>
CURRENT ASSETS			
	Cash & Bank Balances	IV 3.713.106	905.450
	Sundry Debtors	3.948.522	3.620.180
	Loans & Advances	V 904.168	1.512.483
	Stock on Hand	VI 1.358.107	190.038
	TOTAL	<u>9.923.903</u>	<u>6.228.151</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
	Current Liabilities & Provisions	VII 15.330.632	6.338.426
	TOTAL	<u>15.330.632</u>	<u>6.338.426</u>
NET CURRENT ASSETS			
	TOTAL	<u>(5.406.729)</u>	<u>(110.274)</u>
	TOTAL	<u>(5.101.430)</u>	<u>280.917</u>

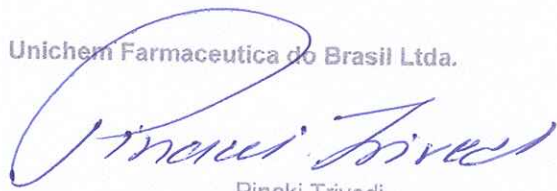
The schedules referred to above form an integral part of the Balance Sheet.
 This is the Balance Sheet referred to in our report of even date.

LYNX Consultoria e Auditoria Contábil
 e Empresarial SS LTDA.
 CRC 2SP022746/O-5


 José Donizete Valentina
 Partner
 Campinas - Brazil
 May 5th, 2020

JOSÉ DONIZETE VALENTINA
 CONTADOR - CNAI 3810
 CRC 1SP124700/O-0
 CPF 059.265.398-62

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi
 Legal Representative

Pinaki G. Trivedi
 CPF: 231.437.758-31
 Responsável Legal

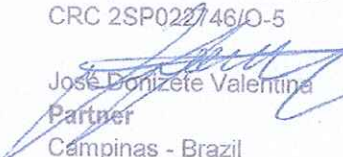
Unichem Farmaceutica do Brasil Ltda.

Profit & Loss Account for the year ended on 31st March, 2020

	Schedule	In Brazilian Reais	
		Period ended 31st March, 2020	Period ended 31st March, 2019
INCOME, SALE & STOCK			
Sale	VIII	10.894.680	8.705.271
Increase (Decrease) of Stock	VI	(7.869.125)	(7.126.788)
Other Income	IX	109.931	474.531
TOTAL		3.135.485	2.053.014
EXPENDITURE			
Personnel Expenses	X	1.645.750	1.426.154
Administrative Expenses	XI	1.236.957	1.191.299
Finance Charges	XII	3.390.696	560.817
Federal & Other Taxes	XIII	158.458	80.568
Depreciation	III	154.362	154.618
Marketing Expenses	XIV	591.805	744.930
Distribution Expenses	XV	587.690	424.814
Regulatory & Q.C Expenses	XVI	752.114	654.724
TOTAL		8.517.832	5.237.924
PROFIT (LOSS) BEFORE TAXATION		(5.382.347)	(3.184.910)
PROFIT (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR		(29.852.767)	(26.667.857)
TOTAL		(35.235.114)	(29.852.767)

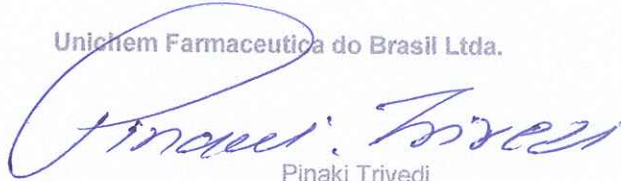
The schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

**LYNX Consultoria e Auditoria Contábil
e Empresarial SS LTDA.**
CRC 2SP022746/O-5


José Donizete Valentina
Partner
Campinas - Brazil
May 5th, 2020

JOSÉ DONIZETE VALENTINA
CONTADOR - CNAI 3810
CRC 1SP124700/O-0
CPF 059.285.398-62

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi
Legal Representative

Pinaki G. Trivedi
CPF: 231.437.758-31
Responsável Legal

Unichem Farmaceutica do Brasil Ltda.
Schedules

	<i>In Brazilian Reais</i>	
	Period ended	Year ended
	31st March, 2020	31st March, 2019
I. PARTNER'S SHARE CAPITAL Paid-Up		
Equity Shares of R\$ 1 each fully paid-up & Registered	28.514.584	28.514.584
Share Capital Under Registration With JUCESP	1.619.100	1.619.100
TOTAL	<u>30.133.684</u>	<u>30.133.684</u>
Unichem Laboratories Ltd. 30,133.683 Equity quotas of R\$ 1 each	30.133.683	30.133.683
Dr. P. A. Mody 1 Equity Share of R\$ 1 each fully paid-up	1	1
TOTAL	<u>30.133.684</u>	<u>30.133.684</u>

QUOTAHOLDER'S SHARE CAPITAL

The shareholders' liability is limited by subscription to capital. 99.99% of the paid up Share Capital is being held by Unichem Laboratories Limited, and the remaining 0.01% is being held by Dr. P. A. Mody.

As on 31st March 2020 registered share capital at the Board of Trade Commercial Registry is R\$ 28,514.584 and balance of R\$1,619,100 is under registration.

II. PROFIT & LOSS ACCOUNT

Previous year loss net of tax provisions	(29.852.767)	(26.667.857)
Current Loss as on 31st March, 2020	(5.382.347)	(3.184.910)
TOTAL	<u>(35.235.114)</u>	<u>(29.852.767)</u>

III. FIXED ASSETS

	<i>In Brazilian Reais</i>					
	Gross Block		Depreciation		Net Block	
	As at 31st March,19	As at 31st March,20	As at 31st March,19	As at 31st March,20	As at 31st March,19	As at 31st March,20
Furniture and fixtures	26.171	26.171	25.692	25.954	479	218
Computers	91.917	91.917	89.102	90.694	2.815	1.223
Office Equipment	7.537	13.730	6.456	7.139	1.081	6.591
Software	63.864	63.864	34.783	47.033	29.080	16.830
Q.C Installations	206.578	206.578	166.238	186.897	40.340	19.681
Q.C Parts & tools	45.263	45.263	36.076	40.603	9.186	4.659
Q.C Equipment	1.160.945	1.160.945	854.125	967.312	306.820	193.633
Lease Hold Developmen	-	62.275	-	519	-	61.756
Security Equipment	6.822	6.822	5.433	6.114	1.389	708
Total	<u>1.580.097</u>	<u>1.677.565</u>	<u>1.217.904</u>	<u>1.372.266</u>	<u>516.810</u>	<u>305.299</u>

Unichem Farmaceutica do Brasil Ltda.
Schedules of Balance Sheet

In Brazilian Reais

IV CASH & BANK BALANCES

	Period ended 31st March, 2020	Year ended 31st March, 2019
Cash on Hand	891	121
Bank balance - Current A/c	30.859	6.943
Bank Deposits	3.681.355	898.386
TOTAL	3.713.106	905.450

V LOANS & ADVANCES

Debtors less than six months old - Considered Good	3.993.652		
Debtors more than six months old - Considered Good	-		
Less - Bad debt Allowance	<u>(45.130)</u>	3.948.522	3.620.180
Advances		182.998	350.362
Tax Credit		712.737	1.153.641
Pre Paid Insurance Premium		8.433	8.480
TOTAL		4.852.690	5.132.663

VI STOCK

Opening Stock		190.038	542.461
Purchase		9.037.195	6.774.365
Less: Closing Stock		1.358.107	190.038
Increase (Decrease) of Stocks		<u>7.869.125</u>	<u>7.126.788</u>

VII CURRENT LIABILITIES & PROVISION

Creditors – Overseas	Schedule XVII - Note 2	14.734.320	6.095.938
Creditors – Other		125.702	88.424
Payable Fiscal Expenses		382.398	52.491
Provision of Vacation Pay		13.052	13.985
Provision of Bonus Salary – 13 th Salary		52.372	61.312
Provision of Provident Fund - FGTS		5.234	6.038
Provision of Social Security – INSS		17.555	20.238
TOTAL		15.330.632	6.338.426

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

	<i>In Brazilian Reais</i>	
	Year ended	Year ended
	31st March, 2020	31st March, 2019
VIII SALE		
Sale	11.982.022	9.608.831
Less : Taxes	(936.790)	(670.660)
Less : Sales Return	(150.552)	(232.901)
TOTAL	10.894.680	8.705.271
IX OTHER INCOME		
Sale Comission, Sample Sale & DN - Unichem India	31.081	440.772
Interest on Bank short term deposits	78.850	33.760
TOTAL	109.931	474.531
X PERSONNEL EXPENSES		
Salaries & Contributions	1.645.750	1.426.154
TOTAL	1.645.750	1.426.154
XI ADMINISTRATIVE EXPENSES		
Communication Expenses	23.414	34.439
Consultant - Expenses	93.705	76.688
Energy Expenses	34.882	25.082
Insurance Expenses	204.062	195.201
Legal Expenses & Audit fees	104.409	91.287
Office Expenses	229.055	248.248
Rent Expenses	271.022	255.124
Security Expenses	180.511	170.107
Travel Expenses	33.561	32.639
Vehicle Expenses	62.336	62.483
TOTAL	1.236.957	1.191.299
XII FINANCE CHARGES		
Bank charges, Forex Diff & Commissions	3.388.082	552.245
Tax on financial operation	2.613	8.572
TOTAL	3.390.696	560.817
XIII FEDERAL & OTHER TAXES		
Municipal Taxes	38.874	18.013
Federal Taxes	56.327	36.688
Trade Union charges	63.258	25.867
TOTAL	158.458	80.568

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2020	Year ended 31st March, 2019
XIV MARKETING EXPENSES		
Commission & Promotion	496.983	663.394
Traveling & Daily Allowance	94.823	81.537
TOTAL	591.805	744.930
XV DISTRIBUTION EXPENSES		
Logistic Services	587.690	424.814
TOTAL	587.690	424.814
XVI REGULATORY & Q.C EXPENSES		
Regulatory Expenses	446.232	311.799
Q.C Expense	305.882	342.925
TOTAL	752.114	654.724

XVII NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2020 AND MARCH 2019

1. Statement of Significant Accounting Policies

The financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC), as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

All references to the Pronouncements of the CPC shall also be understood as references to the corresponding IFRS Pronouncements, and vice versa, and it should be noted that, in general, the early adoption of revisions or new IFRSs is not available in Brazil.



XVII NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2020 AND MARCH 2019

1. Statement of Significant Accounting Policies

The preparation of financial statements requires the Company's Management to use certain critical accounting estimates and exercise judgment in the process of application of accounting policies. The areas that require a higher degree of judgment and have higher complexity, as well as those in which assumptions and estimates are significant to the financial statements are here in disclosed.

The main bases of evaluation used in the accounting estimates are here summarized:

a) Basis of preparation:

The financial statements have been prepared under the historical cost convention and on accrual basis.

b) Fixed Assets and Depreciation

i) Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

ii) Depreciation is provided on straight-line method as prescribed by the Income-Tax laws.

c) Retirement Benefits:

The Firm's contributions to social security are recognized on accrual basis.

d) Foreign Currency Transactions:

Foreign currency transactions arising during the year are recorded at the exchange rates prevailing at the transaction dates.



XVII NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2020 AND MARCH 2019

2. Leases

The Firm has no finance leases. Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable at mutual consent.

3. Quotaholders' Share Capital


The quotaholder's liability is limited by subscription to capital. 99.99% of the paid up Share Capital is being held by Unichem Laboratories Limited and the remaining 0.01% is being held by Dr. P. A. Mody.

4. Related Party Transactions

The Company, in the normal course of business, purchased goods with its ultimate parent Company, Unichem Laboratories Ltd. During the period 1st April 2019 to 31st March 2020 this amounted to R\$8,527,137(2018-19 R\$6,207,123). The company owed an amount of R\$14,734,320 (as at 31st March, 2019 R\$6,095,938). The Company has receivables from sale of samples, Sale Commission and Debit Note to Unichem Laboratories Ltd during the period 1st April 2019 to 31st March 2020 R\$98,954 (as at 31st March, 2019 R\$471,773). Unichem Laboratories Ltd owed an amount of R\$106,103 (as at 31st March, 2019 R\$471,773).

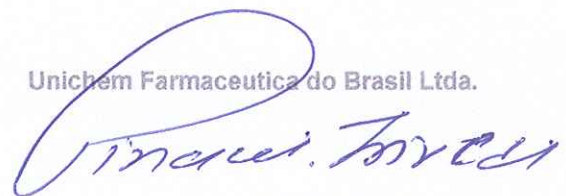
SIGNATURES TO SCHEDULES I TO XVII
In terms of our report of even date.

LYNX Consultoria e Auditoria Contábil
e Empresarial SS LTDA.
CRC 2SP022746/O-5


José Donizete Valentina
Partner
Campinas - Brazil
May 5th , 2020

JOSÉ DONIZETE VALENTINA
CONTADOR - CNAI 3810
CRC 1SP124700/O-0
CPF 059.265.398-62

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi
Legal Representative

Pinaki G. Trivedi
CPF: 231.437.758-31
Responsável Legal

INDEPENDENT AUDITOR'S REPORT

To the Quotaholders of Unichem Farmaceutica do Brasil Ltda.

We have audited the accompanying financial statements of Unichem Farmaceutica do Brasil Ltda., which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss the year then ended, and the schedules, notes and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 present fairly, in all material respects, the financial position of Unichem Farmaceutica do Brasil Ltda. as at 31st March, 2020, and its financial performance for the year then ended in accordance with Brazilian Accounting Practice.

Other matters

Audit of the financial statements as at March 31st, 2019

We have also audited the financial statements of Unichem Farmaceutica do Brasil Ltda. for the year ended 31 March 2019 prepared with accordance with the Brazilian accounting practices. Our report dated 29th April 2019 expressed an unqualified opinion on those financial statements.

Campinas,
May 5th , 2020

LYNX Consultoria e Auditoria Contábil e Empresarial SS LTDA.
CRC 2SP022746/O-5

José Donizete Valentina
Partner

JOSÉ DONIZETE VALENTINA
CONTADOR - CNAI 3810
CRC 1SP124700/O-0
CPF 059.265.398-62