

UNICHEM FARMACEUTICA
BRASIL LTDA.

DO

Financial Statements and independent auditors report
for the period ended 31st March, 2021

Unichem Farmaceutica do Brasil Ltda.

Directors' Report

The Director present his report and the audited financial statements for the year ended 31st March, 2021.

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.

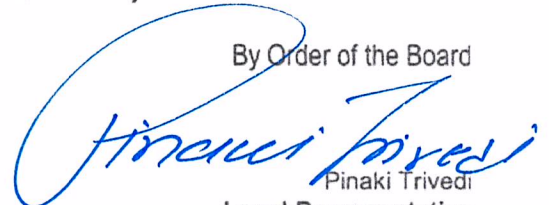
AUDITORS

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 2021 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 2021 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

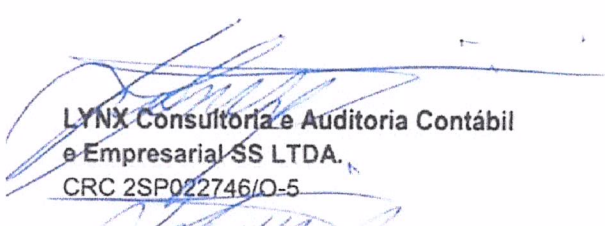
Legal Representative

April 23rd, 2021

Unichem Farmaceutica do Brasil Ltda.
Balance Sheet as at 31st March, 2021


		<i>In Brazilian Reais</i>	
		Period ended 31st March, 2021	Period ended 31st March, 2020
Schedule			
I. SOURCES OF FUNDS			
PARTNERS' FUNDS			
	Partners' Share Capital	I 30.133.684	30.133.684
	Profit & Loss Account	II (38.821.842)	(35.235.114)
	TOTAL	(8.688.158)	(5.101.430)
II. APPLICATION OF FUNDS			
FIXED ASSETS			
	Gross Block	III 1.846.754	1.677.565
	Less: Depreciation	(1.523.363)	(1.372.266)
	Net Block	323.391	305.299
CURRENT ASSETS			
	Cash & Bank Balances	IV 2.713.375	3.713.106
	Sundry Debtors	5.401.123	3.948.522
	Loans & Advances	V 918.748	904.168
	Stock on Hand	VI 3.172.717	1.358.107
	TOTAL	12.205.963	9.923.903
LESS: CURRENT LIABILITIES AND PROVISIONS			
	Current Liabilities & Provisions	VII 21.218.121	15.330.632
	TOTAL	21.218.121	15.330.632
NET CURRENT ASSETS			
	TOTAL	(9.012.158)	(5.406.729)
	TOTAL	(8.688.767)	(5.101.430)

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
April 23rd, 2021

Unichem Farmaceutica do Brasil Ltda.


Pinaki Trivedi
Legal Representative

Unichem Farmaceutica do Brasil Ltda.

Profit & Loss Account for the year ended on 31st March, 2021

		<i>In Brazilian Reais</i>	
Schedule		Period ended 31st March, 2021	Period ended 31st March, 2020
INCOME, SALE & STOCK			
	Sale	VIII 12.119.914	10.894.680
	Increase (Decrease) of Stock	VI (9.795.859)	(7.869.125)
	Other Income	IX 617.860	109.931
	TOTAL	2.941.915	3.135.485
EXPENDITURE			
	Personnel Expenses	X 1.368.142	1.645.750
	Administrative Expenses	XI 1.337.935	1.236.957
	Finance Charges	XII 1.509.545	3.390.696
	Federal & Other Taxes	XIII 36.548	158.458
	Depreciation	III 151.097	154.362
	Marketing Expenses	XIV 563.280	591.805
	Distribution Expenses	XV 664.028	587.690
	Regulatory & Q.C Expenses	XVI 898.069	752.114
	TOTAL	6.528.643	8.517.832
	PROFIT (LOSS) BEFORE TAXATION	(3.586.728)	(5.382.347)
	PROFIT (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR	(35.235.114)	(29.852.767)
	TOTAL	(38.821.842)	(35.235.114)

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
April 23rd, 2021

Unichem Farmaceutica do Brasil Ltda.

Pinaki Trivedi
Pinaki Trivedi
Legal Representative

Unichem Farmaceutica do Brasil Ltda.
Schedules

	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2021	Year ended 31st March, 2020
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	30.133.684	30.133.684
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	30.133.684	30.133.684

QUOTAHOLDERS' 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 2021 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	(35.235.113)	(29.852.767)
Current Loss as on 31st March, 2021	(3.586.728)	(5.382.346)
TOTAL	(38.821.841)	(35.235.113)

III. FIXED ASSETS

	<i>In Brazilian Reais</i>					
	Gross Block		Depreciation		Net Block	
	As at 31st March,20	As at 31st March,21	As at 31st March,20	As at 31st March,21	As at 31st March,20	As at 31st March,21
Furniture and fixtures	26.171	118.651	25.954	34.439	218	84.212
Computers	91.917	99.410	90.694	92.331	1.223	7.079
Office Equipment	13.730	13.730	7.139	8.182	6.591	5.548
Software	63.864	63.864	47.033	60.330	16.830	3.533
Q.C Installations	206.578	206.578	186.897	205.402	19.681	1.176
Q.C Parts & tools	45.263	45.263	40.603	44.413	4.659	850
Q.C Equipment	1.160.945	1.161.527	967.312	1.058.852	193.633	102.675
Lease Hold Developmen	62.275	130.911	519	12.633	61.756	118.278
Security Equipment	6.822	6.822	6.114	6.780	708	42
Total	1.677.565	1.846.754	1.372.266	1.523.363	305.299	323.391

Unichem Farmaceutica do Brasil Ltda.
Schedules of Balance Sheet

<i>In Brazilian Reais</i>	
Period ended 31st March, 2021	Year ended 31st March, 2020
IV CASH & BANK BALANCES	
Cash on Hand	490
Bank balance - Current A/c	104.589
Bank Deposits	2.608.296
TOTAL	3.713.106

V LOANS & ADVANCES

Debtors less than six months old - Considered Good	5.449.484		
Debtors more than six months old - Considered Good	-		
Less - Bad debt Allowance	<u>(48.361)</u>	5.401.123	3.948.522
Advances		382.583	182.998
Tax Credit		530.626	712.737
Pre Paid Insurance Premium		5.538	8.433
TOTAL		6.319.871	4.852.690

VI STOCK

Opening Stock		1.358.107	190.038
Purchase		11.610.469	9.037.195
Less: Closing Stock		<u>3.172.717</u>	<u>1.358.107</u>
Increase (Decrease) of Stocks		9.795.859	7.869.125

VII CURRENT LIABILITIES & PROVISION

Creditors – Overseas	Schedule XVII - Note 2	20.542.556	14.734.320
Creditors – Other		274.417	125.702
Payable Fiscal Expenses		358.493	382.398
Provision of Vacation Pay		9.934	13.052
Provision of Bonus Salary – 13 th Salary		21.701	52.372
Provision of Provident Fund - FGTS		2.531	5.234
Provision of Social Security – INSS		8.488	17.555
TOTAL		21.218.121	15.330.632

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

	<i>In Brazilian Reais</i>	
	Year ended 31st March, 2021	Year ended 31st March, 2020
VIII SALE		
Sale	13.407.865	11.982.022
Less: Taxes	(1.028.002)	(936.790)
Less: Sales Return	(259.950)	(150.552)
TOTAL	12.119.914	10.894.680
IX OTHER INCOME		
Sale Comission, Sample Sale & DN - Unichem India	578.261	78.850
Interest on Bank short term deposits	39.599	31.081
TOTAL	617.860	109.931
X PERSONNEL EXPENSES		
Salaries & Contributions	1.368.142	1.645.750
TOTAL	1.368.142	1.645.750
XI ADMINISTRATIVE EXPENSES		
Communication Expenses	23.354	23.414
Consultant - Expenses	156.650	93.705
Energy Expenses	23.889	34.882
Insurance Expenses	197.121	204.062
Legal Expenses & Audit fees	170.759	104.409
Office Expenses	256.601	229.055
Rent Expenses	232.689	271.022
Security Expenses	206.088	180.511
Travel Expenses	6.067	33.561
Vehicle Expenses	64.717	62.336
TOTAL	1.337.935	1.236.957
XII FINANCE CHARGES		
Exchange Variations	1.490.197	3.388.082
Bank charges	19.348	2.613
TOTAL	1.509.545	3.390.696
XIII FEDERAL & OTHER TAXES		
Municipal Taxes	11.992	38.874
Federal Taxes	1.065	56.327
Trade Union charges	23.491	63.258
TOTAL	36.548	158.458

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2021	Year ended 31st March, 2020
XIV MARKETING EXPENSES		
Commission & Promotion	546.095	496.983
Traveling & Daily Allowance	17.185	94.823
TOTAL	563.280	591.805
XV DISTRIBUTION EXPENSES		
Logistic Services	664.028	587.690
TOTAL	664.028	587.690
XVI REGULATORY & Q.C EXPENSES		
Regulatory Expenses	654.872	446.232
Q.C Expense	243.197	305.882
TOTAL	898.069	752.114

XVII NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2021 AND MARCH 2020

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 2021 AND MARCH 2020

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.

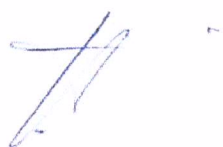
ii) Depreciation is provided on straight-line method as prescribed by the Income-Tax laws.

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 2021 AND MARCH 2020

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.

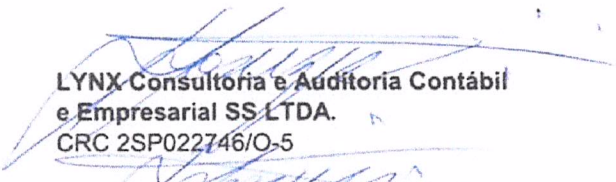
3. Quotaholders' Share Capital

The quotaholders' 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 2020 to 31st March 2021 this amounted to R\$10.862.828 (2019-20 R\$8.527.137). The company owed an amount of R\$20.542.556 (as at 31st March, 2020 R\$14.734.320). The Company has receivables from sale of samples, Sale Commission and Debit Note to Unichem Laboratories Ltd during the period 1st April 2020 to 31st March 2021 R\$508.109 (as at 31st March, 2020 R\$98.954). Unichem Laboratories Ltd owed an amount of R\$508.109 (as at 31st March, 2020 R\$106.103).

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
April 23rd, 2021

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi
Pinaki Trivedi
Legal Representative

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 2021, 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, 2021, 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, 2020

We have also audited the financial statements of Unichem Farmaceutica do Brasil Ltda. for the year ended 31 March 2020 prepared with accordance with the Brazilian accounting practices. Our report dated 5th May 2020 expressed an unqualified opinion on those financial statements.

Campinas,
April 23rd, 2021

LYNX Consultoria e Auditoria Contábil e Empresarial SS LTDA.
CRC 2SP030650/O-7

José Donizete Valentina
Partner