

**UNICHEM FARMACEUTICA DO BRASIL LTDA.**

Financial Statements and independent auditors report for the period ended 31st March, 2023

## Unichem Farmaceutica do Brasil Ltda.

### Directors' Report

The Director present his report and the audited financial statements for the year ended 31st March, 2023.

#### 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 31<sup>st</sup> March 2023 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 2023 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 , 2023

**Unichem Farmaceutica do Brasil Ltda.****Balance Sheet as at 31<sup>st</sup> March, 2023**

		<i>In Brazilian Reais</i>	
		Period ended 31st March, 2023	Period ended 31st March, 2022
		Schedule	
<b>I. SOURCES OF FUNDS</b>			
<b>PARTNERS' FUNDS</b>			
Partners' Share Capital	<b>I</b>	30.133.684	30.133.684
Profit & Loss Account	<b>II</b>	(35.244.138)	(36.944.149)
<b>TOTAL</b>		<b>(5.110.454)</b>	<b>(6.810.465)</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	<b>III</b>	1.975.787	1.851.434
Less : Depreciation		(1.638.159)	(1.581.914)
<b>Net Block</b>		<b>337.628</b>	<b>269.520</b>
<b>CURRENT ASSETS</b>			
Cash & Bank Balances	<b>IV</b>	865.488	1.701.686
Sundry Debtors		16.053.364	6.525.333
Loans & Advances	<b>V</b>	940.473	1.010.450
Stock on Hand	<b>VI</b>	2.448.228	5.272.740
<b>TOTAL</b>		<b>20.307.553</b>	<b>14.510.208</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities & Provisions	<b>VII</b>	25.755.635	21.590.193
<b>TOTAL</b>		<b>25.755.635</b>	<b>21.590.193</b>
<b>NET CURRENT ASSETS</b>		<b>(5.448.082)</b>	<b>(7.079.985)</b>
<b>TOTAL</b>		<b>(5.110.454)</b>	<b>(6.810.465)</b>

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 , 2023

**Unichem Farmaceutica do Brasil Ltda.**

Pinaki Trivedi  
**Legal Representative**

**Unichem Farmaceutica do Brasil Ltda.****Profit & Loss Account for the year ended on 31st March, 2023**

		<i>In Brazilian Reais</i>	
		Period ended	Period ended
		31st March,	31st March, 2022
		2023	
Schedule			
<b>INCOME, SALE &amp; STOCK</b>			
	Sale	42.424.371	20.397.764
	Increase (Decrease) of Stock	(31.347.165)	(17.025.735)
	Other Income	408.390	331.319
	<b>TOTAL</b>	<b>11.485.597</b>	<b>3.703.348</b>
<b>EXPENDITURE</b>			
	Personnel Expenses	1.724.636	1.383.850
	Administrative Expenses	1.513.460	1.413.683
	Finance Charges & Exch Variations	1.355.745	(3.901.307)
	Federal & Other Taxes	300.025	115.087
	Depreciation	56.245	58.551
	Marketing Expenses	1.669.045	894.962
	Distribution Expenses	1.598.943	1.213.534
	Regulatory & Q.C Expenses	856.790	646.687
	<b>TOTAL</b>	<b>9.074.888</b>	<b>1.825.047</b>
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>2.410.709</b>	<b>1.878.302</b>
<b>PROVISION OF PAYABLE INCOME TAX &amp; SSC ON PROFIT</b>		<b>(710.698)</b>	<b>-</b>
<b>PROFIT (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR</b>		<b>(36.944.149)</b>	<b>(38.822.451)</b>
<b>TOTAL</b>		<b>(35.244.138)</b>	<b>(36.944.149)</b>

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 , 2023

**Unichem Farmaceutica do Brasil Ltda.**

Pinaki Trivedi  
**Legal Representative**

**Unichem Farmaceutica do Brasil Ltda.**  
**Schedules**

	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2023	Period ended 31st March, 2022
<b>I. PARTNER'S SHARE CAPITAL</b> Paid-Up		
Equity Shares of R\$ 1 each fully paid-up & Registered	30.133.684	30.133.684
<b>TOTAL</b>	<b>30.133.684</b>	<b>30.133.684</b>
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
<b>TOTAL</b>	<b>30.133.684</b>	<b>30.133.684</b>

**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.

**II. PROFIT & LOSS ACCOUNT**

Previous year loss net of tax provisions	(36.944.148)	(38.822.450)
Current Loss as on 31st March, 2023	2.410.709	1.878.302
<b>TOTAL</b>	<b>(34.533.440)</b>	<b>(36.944.148)</b>

**III. FIXED ASSETS**

	<i>In Brazilian Reais</i>					
	Gross Block		Depreciation		Net Block	
	As at 31st March,22	As at 31st March,23	As at 31st March,22	As at 31st March,23	As at 31st March,22	As at 31st March,23
Furniture and fixtures	118.651	118.651	43.686	52.935	74.965	65.717
Computers	99.410	104.990	94.040	96.242	5.370	8.748
Office Equipment	18.410	18.410	9.321	10.412	9.089	7.998
Software	63.864	63.864	64.883	63.864	(1.019)	-
Q.C Installations	206.578	206.578	206.578	206.578	(0)	-
Q.C Parts & tools	45.263	45.263	44.706	44.813	556	450
Q.C Equipment	1.161.527	1.267.631	1.086.153	1.117.572	75.374	150.059
Lease Hold Developmen	130.911	143.578	25.724	38.921	105.186	104.657
Security Equipment	6.822	6.822	6.823	6.823	-	-
<b>Total</b>	<b>1.851.434</b>	<b>1.975.787</b>	<b>1.581.914</b>	<b>1.638.159</b>	<b>269.520</b>	<b>337.628</b>

**Unichem Farmaceutica do Brasil Ltda.**  
**Schedules of Balance Sheet**

Schedule	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2023	Period ended 31st March, 2022
<b>IV CASH &amp; BANK BALANCES</b>		
Cash on Hand	541	1.200
Bank balance - Current A/c	23.503	52.817
Bank Deposits	841.443	1.647.670
<b>TOTAL</b>	<b>865.488</b>	<b>1.701.686</b>
<b>V LOANS &amp; ADVANCES</b>		
Debtors less than six months old - Considered Good	<b>XVII</b> 16.068.598	
Debtors more than six months old - Considered Good	-	
Less - Bad debt Allowance	<u>(15.234)</u>	16.053.364
Advances		6.525.333
Tax Credit		405.357
Pre Paid Insurance Premium		385.953
<b>TOTAL</b>		<b>616.651</b>
		<u>8.796</u>
		<u>7.845</u>
		<b>16.993.837</b>
		<b>7.535.783</b>
<b>VI STOCK</b>		
Opening Stock		5.272.740
Purchase		3.172.717
Less: Closing Stock		28.522.653
Increase (Decrease) of Stocks		19.125.757
		<u>2.448.228</u>
		<u>5.272.740</u>
		<b>31.347.165</b>
		<b>17.025.735</b>
<b>VII CURRENT LIABILITIES &amp; PROVISION</b>		
Creditors – Overseas	<b>XVIII</b>	24.473.029
Creditors – Other		20.974.597
Payable Fiscal Expenses		658.079
Provision of Vacation Pay		270.363
Provision of Bonus Salary – 13 <sup>th</sup> Salary		540.942
Provision of Provident Fund - FGTS		296.954
Provision of Social Security – INSS		11.505
<b>TOTAL</b>		7.340
		50.503
		28.608
		16.618
		2.835
		4.961
		9.496
		<b>25.755.635</b>
		<b>21.590.193</b>

**Unichem Farmaceutica do Brasil Ltda.**  
**Schedules of P&L**

	<i>In Brazilian Reais</i>	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>VIII SALE</b>		
Sale	45.013.334	21.936.535
Less: Taxes	(1.269.711)	(1.048.365)
Less: Sales Return	(1.319.253)	(490.405)
<b>TOTAL</b>	<b>42.424.371</b>	<b>20.397.764</b>
<b>IX OTHER INCOME</b>		
Sale Comission, Sample Sale & DN - Unichem India	235.996	185.853
Interest on Bank short term deposits	172.393	145.466
<b>TOTAL</b>	<b>408.390</b>	<b>331.319</b>
<b>X PERSONNEL EXPENSES</b>		
Salaries & Contributions	1.724.636	1.383.850
<b>TOTAL</b>	<b>1.724.636</b>	<b>1.383.850</b>
<b>XI ADMINISTRATIVE EXPENSES</b>		
Communication Expenses	21.664	20.374
Consultant - Expenses	257.824	280.455
Energy Expenses	25.531	24.909
Insurance Expenses	152.170	131.069
Legal Expenses & Audit fees	154.338	141.294
Office Expenses	337.989	289.901
Rent Expenses	221.381	209.812
Security Expenses	241.520	219.760
Travel Expenses	28.785	20.205
Vehicle Expenses	72.260	75.904
<b>TOTAL</b>	<b>1.513.460</b>	<b>1.413.683</b>
<b>XII FINANCE CHARGES &amp; EXCH. VARIATIONS</b>		
Exchange Variations	1.325.194	(3.915.569)
Bank charges	30.550	14.262
<b>TOTAL</b>	<b>1.355.745</b>	<b>(3.901.307)</b>
<b>XIII FEDERAL &amp; OTHER TAXES</b>		
Municipal Taxes	13.949	12.313
Federal Taxes	260.357	89.593
Trade Union charges	25.720	13.181
<b>TOTAL</b>	<b>300.025</b>	<b>115.087</b>

**Unichem Farmaceutica do Brasil Ltda.**  
**Schedules of P&L**

*In Brazilian Reais*

Period ended 31st March, 2023	Period ended 31st March, 2022
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**XIV MARKETING EXPENSES**

Commission & Promotion	1.180.499	876.962
Traveling , Promotional Exps & Other Sales Exps	488.546	18.000
<b>TOTAL</b>	<b>1.669.045</b>	<b>894.962</b>

**XV DISTRIBUTION EXPENSES**

Logistic Services	1.598.943	1.213.534
<b>TOTAL</b>	<b>1.598.943</b>	<b>1.213.534</b>

**XVI REGULATORY & Q.C EXPENSES**

Regulatory Expenses	429.037	348.169
Q.C Expense	427.754	298.518
<b>TOTAL</b>	<b>856.790</b>	<b>646.687</b>

**XVII DETAILS OF TRADE RECEIVABLES**

Particulars	Outstanding for following periods from due date of payment #				
	Unbilled (if grouped under trade receivables)	Not due	Less than 6 months	6 months - 1 year	Total
(i) Undisputed Trade receivables - considered good	-	15.627.365	441.233	-	16.068.598
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	15.324	15.324
<b>Total</b>		<b>15.627.365</b>	<b>441.233</b>	<b>15.324</b>	<b>16.053.274</b>

**XVIII DETAILS OF TRADE PAYABLES**

Particulars	Outstanding for following periods from due date of payment			
	Unbilled	Not due	Less than 1 year	Total
MSME	-	-	-	-
Creditors & Payables	-	14.416.013	11.256.037	25.672.050
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-



## **Unichem Farmaceutica do Brasil Ltda.**

### **XIX NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2023 AND MARCH 2022**

#### **Presentation of the Financial Statements**

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.

#### **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.

## Unichem Farmaceutica do Brasil Ltda.

### XIX NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2023 AND MARCH 2022

#### 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

##### a) List of related parties

(i) Holding company:	(ii) Key management personnel and their relatives: (disclosed to the extent of transactions)
Unichem Laboratories Ltd (India)	Dr.P.A.Mody (Share Holder)

##### b) Disclosure of related party transactions :

Particulars	(Amt.R\$)	
	2022-2023	2021-2022
i) Sale of finished goods (Net of returns) Unichem Laboratories Ltd (India)	31.558	55.150
ii) Purchase of finished goods (Net of returns) Unichem Laboratories Ltd (India)	26.276.818	17.523.675
iii) Commission Income: Unichem Laboratories Ltd	203.467	125.931
iv) Managerial remuneration (including defined contribution plan) Key Management Personnel	N A	N A

##### c) Disclosure of related party balances:

Particulars	(Amt.R\$)	
	2022-2023	2021-2022
i) Trade Receivables Unichem Laboratories Ltd (India)	-	-
ii) Trade Payables Unichem Laboratories Ltd (India)	24.473.029	20.974.597
iii) Commission receivable Unichem Laboratories Ltd (India)	-	32.534

#### Contingent Liabilities and Commitments:

##### Borrowings from Banks & FI's:

(i) Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used

##### Not Applicable

Particulars	2022-2023	2021-2022
(i) Claims not acknowledged as debts *		
(ii) Other money for which the company is contingently liable		
(iii) Other bank guarantees		
<b>Total</b>	-	-

LYNX Consultoria e Auditoria Contábil  
e Empresarial SS LTDA.

CRC 2SP022746/O-5

José Donizete Valentina

Partner

Campinas - Brazil

April 23rd , 2023

Unichem Farmaceutica do Brasil Ltda.

Pinaki Trivedi  
Legal Representative

## INDEPENDENT AUDITOR'S REPORT

To the Quotaholders of Unichem Farmaceutica do Brasil Ltda.

### Opinion

We have audited the accompanying financial statements of **Unichem Farmaceutica do Brasil Ltda.**, which comprise the Balance Sheet as at 31st March 2023 and the Statement of Profit and Loss ended on that date, as well as the accompanying notes, including the summary of significant accounting policies.

give the information, in accordance with the law and regulations and give a true and fair view in conformity with the accounting standards and practices generally accepted in Brazil, of the state of affairs of the Company as at 31st March, 2023, of its statement of loss for the year ended on that date.

### Basis for Opinion

Our audit was conducted in accordance with Brazilian and International audit standards. Our responsibilities, under such standards, are described in the section "Auditor's responsibilities for the audit of the financial statements", below. We are independent with relation to the Entity, in accordance with the applicable ethical principles of the Accountant's Professional Code of Ethics ('Código de Ética Profissional do Contador') and professional standards issued by the Federal Accounting Board ('Conselho Federal de Contabilidade'), and we comply with the other ethical requirements of these standards. We believe that the audit evidence that has been obtained is a sufficient and appropriate basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices accepted in Brazil, and for such internal controls it has deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's capacity to continue operating, disclosing, when appropriate, issues related to its operational continuity and the use of that assumption as an accounting basis for the preparation of the financial statements, unless management intends to liquidate the Entity or to cease its operations, or does not have any realistic alternative to avoid the end of operations. The individuals responsible for the Entity's management are those with responsibility for the supervision of the preparation of financial statements.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable confidence that the financial statements, taken as a group, are free of material distortion, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable confidence is a high degree of confidence, but not a guarantee that an audit carried out in line with Brazilian and International audit standards always detects material distortions that may exist.

Distortions may result from fraud or error, and are deemed material when, individually or as a group, they may reasonably influence economic decisions based on the financial statements.

As part of the audit that was carried out, in line with Brazilian and international audit standards, we exercised professional judgement and maintained professional skepticism throughout the audit. In addition to this:

- We identified and assessed risks of material distortion in the financial statements, whether caused by fraud or error; planned and executed audit procedures in response to such risks; and obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material distortion resulting from fraud is greater than that resulting from error, as fraud can involve deliberate circumvention of internal controls, collusion, forgery, omission or intentionally false representation.
- We obtained an understanding of the internal controls that were relevant to the audit, to plan audit procedures that were appropriate in the circumstances, but not with the objective of expressing an opinion on the efficacy of the Entity's internal controls.
- We reached a conclusion on the adequacy of management's use of the accounting basis of operational continuity and, based on audit evidence obtained, whether there is material uncertainty with relation to events or conditions that may raise significant doubts regarding the Entity's capacity to continue operating as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the corresponding disclosures in the financial statements, or, if the disclosures are inadequate, qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity to cease operating.
- We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

- We communicated with management regarding, among other topics, the planned reach, the period of the audit and the significant audit findings, including possible significant deficiencies in internal controls identified during our work.

**Audit of the financial statements as at March 31st, 2022**

We have also audited the financial statements of **Unichem Farmaceutica do Brasil Ltda.** for the year ended 31 March 2022 prepared with accordance with the Brazilian accounting practices. Our report dated 28th April 2022 expressed an unqualified opinion on those financial statements.

Campinas,  
April 23rd , 2023

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

José Donizete Valentina  
**Partner**