

**UNICHEM FARMACEUTICA
DO BRASIL LTDA.**

Financial Statements and independent auditors report
for the period ended 31st March, 2019

Unichem Farmaceutica do Brasil Ltda.

Directors' Report

The Director present his report and the audited financial statements for the year ended 31st March, 2019.

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.

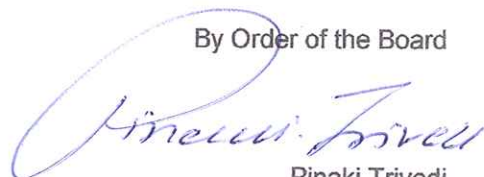
AUDITORS

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 2019 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 2019 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 29th, 2019

Unichem Farmaceutica do Brasil Ltda.
Balance Sheet as at 31st March, 2019

		<i>In Brazilian Reais</i>	
		Period ended 31st March, 2019	Period ended 31st March, 2018
Schedule			
I. SOURCES OF FUNDS			
PARTNERS' FUNDS			
	Partners' Share Capital	I	30.133.684
	Profit & Loss Account	II	28.514.584
	TOTAL		<u>(29.852.767)</u>
			<u>1.846.728</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
	Gross Block	III	1.609.096
	Less : Depreciation		(1.217.904)
	Net Block		<u>516.810</u>
CURRENT ASSETS			
	Cash & Bank Balances	IV	905.450
	Sundry Debtors		3.620.180
	Loans & Advances	V	1.512.483
	Stock on Hand	VI	190.038
	TOTAL		<u>6.228.151</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
	Current Liabilities & Provisions	VII	6.338.426
	TOTAL		<u>2.752.761</u>
NET CURRENT ASSETS			
	TOTAL		<u>(110.274)</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 2SP030650/O-7

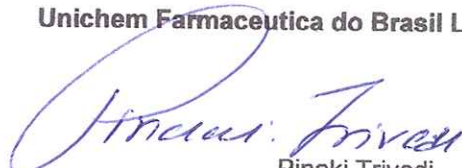

José Donizete Valentina

Partner

Campinas - Brazil

April 29th, 2019

Unichem Farmaceutica do Brasil Ltda.


Pinaki Trivedi

Legal Representative

Unichem Farmaceutica do Brasil Ltda.

Profit & Loss Account for the year ended on 31st March, 2019

		<i>In Brazilian Reais</i>	
		Period ended 31st March, 2019	Period ended 31st March, 2018
INCOME, SALE & STOCK	Schedule		
Sale	VIII	8.705.271	4.786.201
Increase (Decrease) of Stock	VI	(7.126.788)	(2.925.844)
Other Income	IX	474.531	75.090
TOTAL		2.053.014	1.935.446
EXPENDITURE			
Personnel Expenses	X	1.426.154	1.392.499
Administrative Expenses	XI	1.191.299	1.168.960
Finance Charges	XII	560.817	125.962
Federal & Other Taxes	XIII	80.568	52.535
Depreciation	III	154.618	152.591
Marketing Expenses	XIV	744.930	370.659
Distribution Expenses	XV	424.814	251.360
Regulatory & Q.C Expenses	XVI	654.724	550.107
TOTAL		5.237.924	4.064.674
PROFIT (LOSS) BEFORE TAXATION		(3.184.910)	(2.129.228)
PROFIT (LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR		(26.667.857)	(24.538.629)
TOTAL		(29.852.767)	(26.667.857)

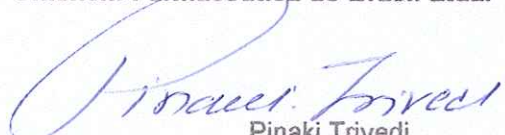
The schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.



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

José Donizete Valentina
Partner
Campinas - Brazil
April 29th , 2019

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi
Legal Representative

Unichem Farmaceutica do Brasil Ltda.
Schedules

	<i>In Brazilian Reais</i>	
	Period ended	Year ended
	31st March, 2019	31st March, 2018
I. PARTNER'S SHARE CAPITAL Paid-Up		
Equity Shares of R\$ 1 each fully paid-up & Registered	28.514.584	24.242.549
Share Capital Under Registration With JUCESP	1.619.100	4.272.035
TOTAL	30.133.684	28.514.584
Unichem Laboratories Ltd. 30,133,683 Equity quotas of R\$ 1 each	30.133.683	28.514.583
Dr. P. A. Mody 1 Equity Share of R\$ 1 each fully paid-up	1	1
TOTAL	30.133.684	28.514.584

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 2019 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	(26.667.857)	(24.538.629)
Current Loss as on 31 st March, 2019	(3.184.910)	(2.129.228)
TOTAL	(29.852.767)	(26.667.857)

III. FIXED ASSETS

	<i>In Brazilian Reais</i>					
	Gross Block		Depreciation		Net Block	
	As at 31st March, 19	As at 31st March, 18	As at 31st March, 19	As at 31st March, 18	As at 31st March, 19	As at 31st March, 18
Furniture and fixtures	26.171	26.171	25.692	25.431	479	741
Computers	91.917	91.917	89.102	86.479	2.815	5.438
Office Equipment	7.537	7.537	6.456	6.028	1.081	1.509
Software	63.864	63.864	34.783	22.532	29.080	41.331
Q.C Installations	206.578	206.578	166.238	145.581	40.340	60.997
Q.C Parts & tools	45.263	45.263	36.076	31.550	9.186	13.712
Q.C Equipment	1.160.945	1.131.945	854.125	740.935	306.820	391.010
Security Equipment	6.822	6.822	5.433	4.751	1.389	2.071
Total	1.609.096	1.580.097	1.217.904	1.063.286	391.192	516.810

Unichem Farmaceutica do Brasil Ltda.
Schedules of Balance Sheet

	<i>In Brazilian Reais</i>	
	Period ended 31st March, 2019	Year ended 31st March, 2018
IV CASH & BANK BALANCES		
Cash on Hand	121	245
Bank balance - Current A/c	6.943	30.109
Bank Deposits	898.386	350.952
TOTAL	905.450	381.306
V LOANS & ADVANCES		
Debtors less than six months old - Considered Good	3.616.574	
Debtors more than six months old - Considered Good	132.547	
Less - Bad debt Allowance	<u>(128.942)</u>	
Tax Credit	3.620.180	2.061.590
Advances	350.362	1.076.502
Pre Paid Insurance Premium	1.153.641	11.436
	8.480	9.383
TOTAL	5.132.663	3.158.911
VI STOCK		
Opening Stock	542.461	433.086
Purchase	6.774.365	3.035.219
Less: Closing Stock	190.038	542.461
Increase (Decrease) of Stocks	<u>7.126.788</u>	<u>2.925.844</u>
VII CURRENT LIABILITIES & PROVISION		
Creditors – Overseas	Schedule XVII - Note 2	6.095.938
Creditors – Other		2.421.302
Payable Fiscal Expenses		88.424
Provision of Vacation Pay		142.673
Provision of Bonus Salary – 13 th Salary		52.491
Provision of Provident Fund - FGTS		95.033
Provision of Social Security – INSS		13.985
		14.493
		61.312
		55.058
		6.038
		5.564
		20.238
		18.640
TOTAL		6.338.426
		2.752.761

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

In Brazilian Reais

	Year ended 31st March, 2019	Year ended 31st March, 2018
VIII SALE		
Sale	9.608.831	5.161.484
Less : Taxes	(670.660)	(306.807)
Less : Sale Return	(232.901)	(68.476)
TOTAL	8.705.271	4.786.201
IX OTHER INCOME		
Sale Comission, Sample Sale & DN - Unichem India	440.772	48.011
Interest on Bank short term deposits	33.760	27.079
TOTAL	474.531	75.090
X PERSONNEL EXPENSES		
Salaries & Contributions	1.426.154	1.392.499
TOTAL	1.426.154	1.392.499
XI ADMINISTRATIVE EXPENSES		
Communication Expenses	34.439	44.241
Consultant - Expenses	76.688	85.028
Energy Expenses	25.082	22.478
Insurance Expenses	195.201	196.252
Legal Expenses & Audit fees	91.287	77.225
Office Expenses	248.248	228.673
Rent Expenses	255.124	244.392
Security Expenses	170.107	164.138
Travel Expenses	32.639	43.398
Vehicle Expenses	62.483	63.135
TOTAL	1.191.299	1.168.960
XII FINANCE CHARGES		
Bank charges, Forex Diff & Commissions	552.245	110.463
Tax on financial operation	8.572	15.499
TOTAL	560.817	125.962
XIII FEDERAL & OTHER TAXES		
Municipal Taxes	18.013	17.729
Federal Taxes	36.688	13.722
Trade Union charges	25.867	21.084
TOTAL	80.568	52.535

Unichem Farmaceutica do Brasil Ltda.
Schedules of P&L

	<i>In Brazilian Reais</i>	
	<u>Period ended</u> <u>31st March,</u> <u>2019</u>	<u>Year ended</u> <u>31st March,</u> <u>2018</u>
XIV MARKETING EXPENSES		
Commission & Promotion	663.394	107.098
Traveling & Daily Allowance	81.537	263.561
TOTAL	744.930	370.659
XV DISTRIBUTION EXPENSES		
Logistic Services	424.814	251.360
TOTAL	424.814	251.360
XVI REGULATORY & Q.C EXPENSES		
Regulatory Expenses	311.799	272.388
Q.C. Expense	342.925	277.719
TOTAL	654.724	550.107

XVII NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED ON 31st MARCH 2019 AND MARCH 2018

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 2019 AND MARCH 2018

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 2019 AND MARCH 2018

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 2018 to 31st March 2019 this amounted to R\$6,207,123 (2017-18 R\$2,631,625). The company owed an amount of R\$6,095,938 (as at 31st March, 2018 R\$2,421,302). The Company has receivables from sale of samples, Sale Commission and Debit Note to Unichem Laboratories Ltd during the period 1st April 2018 to 31st March 2019 R\$471.773 (as at 31st March, 2018 R\$48,011). Unichem Laboratories Ltd owed an amount of R\$ 471.773 (as at 31st March, 2018 R\$48,011).

SIGNATURES TO SCHEDULES I TO XVII

In terms of our report of even date.

LYNX Consultoria e Auditoria Contábil e Empresarial SS LTDA.

CRC 2SP030650/O-7

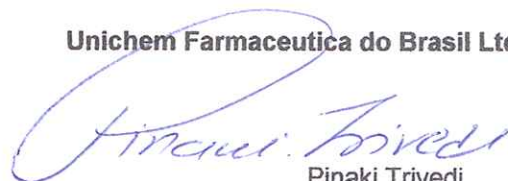

José Donizete Valentina

Partner

Campinas - Brazil

April 29th, 2019

Unichem Farmaceutica do Brasil Ltda.



Pinaki Trivedi

Legal Representative

INDEPENDENT AUDITOR'S REPORT

To the Quotaholders of Unichem Farmaceutica do Brasil Ltda.

We have audited the financial statements of **Unichem Farmaceutica do Brasil Ltda.** (The Company), which comprise the balance sheet as at March 31, 2019, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with Brazilian legal system.

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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Brazil, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Audit of the financial statements as at March 31st, 2018

We have also audited the financial statements of **Unichem Farmaceutica do Brasil Ltda.** for the year ended 31 March 2018 prepared with accordance with the Brazilian accounting practices. Our report dated 18th April, 2018 expressed an unqualified opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Brazilian legal system, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Campinas,
April 29th, 2019

LYNX Consultoria e Auditoria Contábil e Empresarial SS LTDA.

CRC 2SP030650/O-7



José Donizete Valentina

CRC 1SP124700/O-0

Partner