

S.C. GLENMARK PHARMACEUTICALS SRL

STAND ALONE ANNUAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED AS AT
31 MARCH 2018**

**Prepared in accordance with the Order of the Romanian
Minister of Public Finance no. 1802/2014 and
subsequent amendments**

This version of our report/the accompanying documents is/are a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report prevails over this translation.

S.C.GLENMARK PHARMACEUTICALS SRL
STAND ALONE ANNUAL FINANCIAL STATEMENTS
31 MARCH 2018

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FOR IDENTIFICATION PURPOSES
GRANT THORNTON
DATE 29.06.2018
SIGNATURE GTR

S.C.GLENMARK PHARMACEUTICALS SRL
BALANCE SHEET

	Row	Note	31 March 2017 (lei)	31 March 2018 (lei)
A. NON-CURRENT ASSETS				
I. INTANGIBLE ASSETS				
1. Set-up expenses	1		-	-
2. Development costs	2		-	-
3. Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets	3		8.050	3.659
4. Goodwill	4		-	-
5. Tangible assets for exploration and evaluation of mineral resources	5		-	-
6. Advances	6		-	-
TOTAL	7	1a)	8.050	3.659
II. TANGIBLE ASSETS				
1. Land and buildings	8		74.679	52.405
2. Technical installations and machines	9		86.395	83.669
3. Other equipment, tools and furniture	10		2.156	633
4. Investment property	11		-	-
5. Intangible assets in progress	12		-	-
6. Investment property in progress	13		-	-
7. Intangible assets for exploration and evaluation of mineral resources	14		-	-
8. Biological assets	15		-	-
9. Advances	16		-	-
TOTAL	17	1b)	163.230	136.706
III. FINANCIAL ASSETS				
1. Shares in affiliated undertakings	18		-	-
2. Loans to affiliated undertakings	19		-	-
3. Participating interests	20		-	-
4. Loans to undertakings with which the company is linked by virtue of participating interests	21		-	-
5. Investments held as non-current assets	22		-	-
6. Other loans	23		42.778	42.778
TOTAL	24	1c)	42.778	42.778
NON-CURRENT ASSETS - TOTAL	25		214.058	183.144
B. CURRENT ASSETS				
I. STOCKS				
1. Raw materials and consumables	26		-	-
2. Work in progress	27		-	-
3. Finished goods and merchandise	28		2.558.257	5.086.138
4. Advance payments for purchase of inventories	29		-	-
TOTAL	30		2.558.257	5.086.138
II. ACCOUNTS RECEIVABLES				
1. Trade receivables	31		6.383.606	4.652.595
2. Receivables from affiliated undertakings	32		1.981.421	3.442.066

Notes from 1 to 12 are integral part of the financial statements.

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S.C.GLENMARK PHARMACEUTICALS SRL
BALANCE SHEET

	Row	Note	31 March 2017 (lei)	31 March 2018 (lei)
3. Receivables from undertakings with which the company is linked by virtue of participating interests	33	.		
4. Other receivables	34		2.293.330	2.101.562
5. Subscribed and not paid in	35			
TOTAL	36		10.658.357	10.196.223
III. SHORT-TERM INVESTMENTS				
1. Shares in affiliated undertakings	37		-	-
2. Other short-term investments	38		-	-
TOTAL	39		-	-
IV. CASH IN HAND AND AT BANK	40		2.758.264	13.472.772
CURRENT ASSETS - TOTAL	41		15.974.878	28.755.133
C. PREPAID EXPENSES				
1. Amounts taken over a period of less than one year	42		7.542	4.158
2. Amounts taken over a period higher than one year	43		.	-
	44		.	-
D. CURRENT LIABILITIES				
1. Debenture loans, showing convertible loans separately	45		-	-
2. Amounts due to credit institutions	46		8.991.105	11.122
3. Advances cashed in orders	47			
4. Trade liabilities - suppliers	48		11.129.373	482.564
5. Trade bills payable	49			
6. Amounts due to affiliated undertakings	50		7.672.032	26.598.585
7. Amounts due to undertakings with which the company is linked by virtue of participating interests	51			
8. Other liabilities, including tax and social security payables	52		1.063.149	33.382.073
TOTAL	53		28.855.659	40.474.344
			(13.261.143)	(11.715.053)
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	54		(13.047.085)	(11.531.910)
F. TOTAL ASSETS LESS CURRENT LIABILITIES	55			
G. NON-CURRENT LIABILITIES				
1. Debenture loans, showing convertible loans separately	56		-	-
2. Amounts due to credit institutions	57		-	-
3. Advances cashed in orders	58		-	-
4. Trade liabilities - suppliers	59		-	-
5. Trade bills payable	60		-	-
6. Amounts due to affiliated undertakings	61		-	-

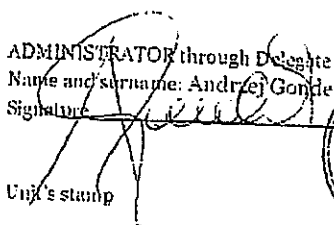
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**S. C. GLENMARK PHARMACEUTICALS SRL
 BALANCE SHEET**


	<u>Row</u>	<u>Note</u>	<u>31 March 2017</u> (lei)	<u>31 March 2018</u> (lei)
V. RESULT CARRIED FORWARD				
Balance C	95		-	-
Balance D	96		2.833.340	32.006.762
VI. RESULT OF THE FINANCIAL YEAR				
Balance C	97			1.515.176
Balance D	98		29.173.422	
Profit distribution	99		-	75.759
SHAREHOLDERS' EQUITY - TOTAL	100		(13.047.085)	(11.531.910)
Public domain	101		-	-
Private domain	102		-	-
SHAREHOLDERS' EQUITY - TOTAL	103		(13.047.085)	(11.531.910)

Authorised for issue and signed on behalf of the Board of Directors as at June, 29th 2018 by:

ADMINISTRATOR through Delegate
 Name and surname: Andrzej Gondel
 Signature: 

Unit's stamp



PREPARED BY:
 Name and surname Alina Dumitrescu
 Capacity: Finance Manager
 Signature: 

FOR IDENTIFICATION PURPOSES
GRANT THORNTON
DATE 29.06.2018
SIGNATURE GTRD

S.C.GLENMARK PHARMACEUTICALS SRL
BALANCE SHEET

	Row	Note	31 March 2017 (lei)	31 March 2018 (lei)
7. Amounts due to undertakings with which the company is linked by virtue of participating interests	62		-	-
8. Other liabilities, including tax and social security payables	63		-	-
TOTAL	64		-	-
HL. PROVISIONS				
1. Provisions for pensions and similar liabilities	65		-	-
2. Provisions for tax	66		-	-
3. Other provisions	67		387.903	-
TOTAL	68		387.903	-
I. DEFERRED INCOME				
1. Subsidies for investments	69		-	-
Amounts taken over a period of less than one year	70		-	-
Amounts taken over a period higher than one year	71		-	-
2. Deferred income - total, out of which	72		-	-
Amounts taken over a period of less than one year	73		-	-
Amounts taken over a period higher than one year	74		-	-
3. Deferred income related to assets received by transfer from customers	75		-	-
Amounts taken over a period of less than one year	76		-	-
Amounts taken over a period higher than one year	77		-	-
Negative goodwill	78		-	-
TOTAL	79		-	-
J. CAPITAL AND RESERVES				
I. SHARE CAPITAL				
1. Subscribed and paid in share capital	80		18,241,300	18,241,300
2. Subscribed and not paid in share capital	81		-	-
3. Patrimony of the public company	82		-	-
4. Patrimony of national research and development institutes	83		-	-
5. Other elements of share capital	84		-	-
TOTAL	85		18,241,300	18,241,300
II. SHARE PREMIUM				
86			-	-
III. REVALUATION RESERVES				
87			-	-
IV. RESERVES				
1. Legal reserves	88		718,377	794,135
2. Statutory or contractual reserves	89		-	-
3. Other reserves	90		-	-
TOTAL	91		718,377	794,135
Own shares	92		-	-
Gain related to equity instruments	93		-	-
Loss related to equity instruments	94		-	-

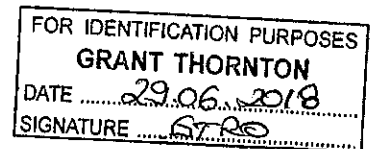
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S.C.GLENMARK PHARMACEUTICALS SRL
STATEMENT OF INCOME

	Row	Note	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
1. Net turnover	01	o c)	(4.254.010)	14.191.139
Production sold	02		2.140.331	4.887.728
Income on sale of goods	03		18.249.074	33.244.204
Trade discounts granted	04		24.643.415	23.940.793
Interest income recorded by leasing companies erased from the General Register	05		-	-
Income on operating grants corresponding to the net turnover	06		-	-
2. Income related to the cost of work in progress	07		-	-
Balance C	08		-	-
Balance D	08		-	-
3. Production realised by the undertaking for own purposes and capitalised	09		-	-
4. Revenues from revaluation of tangibles	10		-	-
5. Revenues from investment properties	11		-	-
6. Revenues from subsidies	12		-	-
7. Other operating income:	13		649.358	3.216
- out of which, income arising from the negative goodwill	14		-	-
- out of which, income arising from subsidies	15		-	-
OPERATING INCOME - TOTAL	16		(3.604.652)	14.194.355
8. a) Raw material and consumable expenses	17		160.868	60.127
Other material expenses	18		28.260	17.532
b) Other external expenses (energy and water)	19		7.069	7.775
c) Merchandise expenses	20		8.039.498	7.201.830
Trade discounts received	21		2.093.198	
9. Staff costs, out of which:	22		4.728.448	2.624.702
a) Wages and salaries	23		3.941.836	2.217.445
b) Social security contribution	24	o.2 c)	786.612	407.257

Notes from 1 to 12 are integral part of the financial statements.



S.C.GLENMARK PHARMACEUTICALS SRL
STATEMENT OF INCOME

	Row Note	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
10. a) Tangible and intangible assets value adjustment	25	89.676	65.741
a.1) Expenses	26	89.676	65.741
a.2) Revenues	27	-	-
b) Current assets value adjustment	28	2.654.988	(2.228.421)
b.1) Expenses	29	2.856.461	91.315
b.2) Revenues	30	201.476	2.319.736
11. Other operating expenses	31	9.787.246	6.066.436
11.1 External services expenses	32	5.768.997	2.695.027
11.2 Other taxes and similar liabilities	33	3.975.143	2.744.556
11.3 Other environmental taxes	34	-	-
11.4 Expenses related to revaluation of tangibles	35	-	-
11.5 Expenditures on disasters	36	-	-
11.6 Other expenses	37	43.106	626.853
Expenses with refunding interests recorded by leasing companies erased from the General Register	38	-	-
Provision adjustments	39	387.903	(387.903)
Expenses	40	387.903	-
Revenues	41	-	387.903
OPERATING EXPENSES	-		
TOTAL	42	23.790.758	13.427.819
OPERATING RESULT			
- Profit	43	-	766.536
- Loss	44	27.395.410	-
12. Income from participating interests	45	-	-
- out of which, income from affiliated undertakings	46	-	-

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S.C.GLENMARK PHARMACEUTICALS SRL
STATEMENT OF INCOME

	Row Note	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
13. Interest income	47	1.848	2.194
- out of which, income from affiliated undertakings	48	-	-
14. Revenues from subsidies for interest due	49		
15. Other financial incomes	50	39.914	1.104.140
FINANCIAL INCOME – TOTAL	52	41.762	1.106.334
16. Value adjustment in respect of financial assets and financial investments held as current assets	53	-	-
- Expenses	54	637.360	
- Revenues	55	214.285	
17. Interest expense	56	-	574.635
- out of which, expenses with affiliated undertakings	57	-	406.528
Other financial expenses	58	1.182.414	216.941
FINANCIAL EXPENSES – TOTAL	59	1.819.774	357.694
FINANCIAL RESULT			
- Profit	60	-	748.640
- Loss	61	1.778.012	-
TOTAL REVENUES	62	(3.562.890)	15.300.689
TOTAL EXPENSES	63	25.610.532	13.785.513
18. GROSS RESULT			
- Profit	64	-	1.515.176
- Loss	65	29.173.422	-
19. Income tax	66	-	-
20. Other taxes not shown under the above items	67	-	-

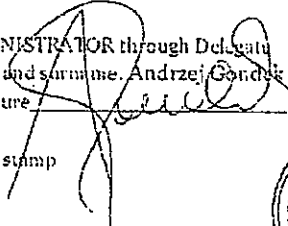
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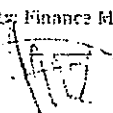
S.C. GLENMARK PHARMACEUTICALS SRL
STATEMENT OF INCOME

	Row Note	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
21. NET RESULT OF THE FINANCIAL YEAR			
- Profit	68	-	-
- Loss	69	29.173.422	1.615.176

Authorised for issue and signed on behalf of the Board of Directors as at June 29th 2018 by:

ADMINISTRATOR through Delegate
 Name and surname: Andrzej Gondzi
 Signature: 
 Unit's stamp



PREPARED BY:
 Name and surname: Alina Dumitrescu
 Capacity: Finance Manager
 Signature: 

FOR IDENTIFICATION PURPOSES
GRANT THORNTON
 DATE 29.06.2018
 SIGNATURE G.TRO

GLENMARK PHARMACEUTICALS SRL
STATEMENT OF CASH FLOW

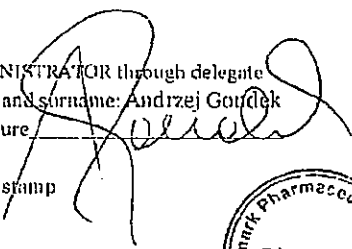
	Financial year ended as at 31 March 2017	Financial year ended as at 31 March 2018
	(RON)	(RON)
Cash flow from operational activities		
Profit before tax	(29.173.422)	1.515.176
Non-monetary adjustments:		
Depreciation and amortization	89.676	65.741
Creation of provisions	387.903	-
Income from cancellation of provision	-	(387.903)
Income from cancellation of provision for receivables	(201.476)	(91.909)
Income from cancellation of provision for inventories	-	(2.227.823)
Bad debts expenses	509.433	91.315
Allowances for inventories	2.347.028	-
Net book value of fixed assets disposed off	-	-
Interest income	(1.848)	(2.194)
Interest expenses	637.350	574.635
Loss/ (gain) from foreign exchange differences	1.219.161	(47.835)
Operational result before working capital adjustments	(24.186.185)	(510.799)
Working capital adjustments		
Increase in inventories	1.345.168	(1.852.019)
Increase in trade receivables and other receivables	25.057.733	2.015.739
Decrease in trade payables and other liabilities	(87.812)	9.199.095
Decrease in prepayments	24.320	3.384
Subtotal	26.339.409	9.306.199
Interest received	1.848	2.194
Income tax paid	(460.387)	-
Net cash flow from operational activity	1.694.685	8.797.594
Cash flow from investing activity		
Purchase of fixed assets	(37.642)	(34.828)
Purchase of acquisition of financial assets	-	-
Net cash flow from investing activity	(37.642)	(34.828)
Cash flow from financing activity		
Interest paid	(509.037)	(574.635)

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GLENMARK PHARMACEUTICALS SRL
STATEMENT OF CASH FLOW

	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
Collections from loan	30.651.579	2.526.377
Payments of loans	(34.820.187)	
Changes to share capital Increase/ (decrease)		
Net cash flow from financing activity	(4.677.645)	1.951.742
Net increase/ (decrease) in cash and cash equivalents	(3.020.602)	10.714.508
Cash and cash equivalents at the beginning of the period	5.778.866	2.758.264
Cash and cash equivalents at the end of the period	2.758.264	13.472.772

ADMINISTRATOR through delegate
 Name and surname: Andrzej Gondek
 Signature 

Unit's stamp



PREPARED BY,
 Name and surname Alina Dumitrescu
 Capacity: Finance Manager
 Signature 

FOR IDENTIFICATION PURPOSES
GRANT THORNTON
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GLENMARK PHARMECEUTICALS SRL
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Equity item	Balance as at	Increases	Decreases/	Balance as at
	31 March 2017		Distributions	31 March 2018
	(RON)	(RON)	(RON)	(RON)
Subscribed capital (note 0)	18.241.300	-	-	18.241.300
Legal reserves	718.377	75.759	-	794.135
Result carried forward representing the profit not distributed or loss not covered				
Balance C	1.779.548	-	-	1.779.548
Balance D	4.612.888	29.097.663	-	33.710.551
Result carried forward from correction of accounting errors				
Balance C	-	-	-	-
Balance D	-	-	-	-
Result of the financial year				
Balance C	-	1.515.176	-	1.515.176
Balance D	29.173.422	-	29.173.422	-
Profit distribution	-	75.759	-	75.759
Total equity	(13.047.085)	30.764.357	29.240.181	(11.531.910)

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GLENMARK PHARMACEUTICALS SRL
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Equity item	Balance as at		Increases (RON)	Decreases/ Distributions (RON)	Balance as at	
	31 March 2016 (RON)	31 March 2017 (RON)			31 March 2017 (RON)	31 March 2017 (RON)
Subscribed capital (note 0)	18.241.300	18.241.300	-	-	18.241.300	
Legal reserves	718.377	718.377	-	-	718.377	
Result carried forward representing the profit not distributed or loss not covered	597.939	1.779.548	-	-	1.779.548	
Balance C	4.612.888	4.612.888	1.181.609	-	4.612.888	
Balance D	-	-	-	-	-	
Result carried forward from correction of accounting errors	-	-	-	-	-	
Balance C	-	-	-	-	-	
Balance D	-	-	-	-	-	
Result of the financial year	1.279.178	1.279.179	29.173.422	1.279.179	29.173.422	
Balance C	-	-	-	-	-	
Balance D	-	-	-	-	-	
Profit distribution	97.569	-	-	-	-	
Total equity	16.126.337	63.047.085	27.991.813	(318.609)	63.047.085	



ADMINISTRATOR through delegate
 Name and surname: Andrej Gondok
 Signature _____
 Unit's stamp _____

PREPARED BY:
 Name and surname: Alina Dumitrescu
 Capacity: Finance Manager
 Signature _____

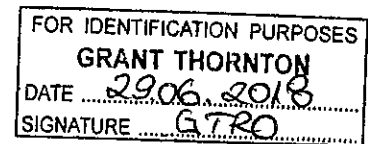
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GLENMARK PHARMECEUTICALS SRL
NOTES TO THE STAND ALONE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT 31 MARCH 2018

1 NON-CURRENT ASSETS

a) Intangible assets

	Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets (RON)	Total (RON)
Gross value		
Balance as at 1 April 2017	271.812	271.812
Additions		
Ceded assets, transfers and other disposals	—	—
Balance as at 31 March 2018	271.812	271.812
Accumulated amortisation		
Balance as at 1 April 2017	263.762	263.762
Charge for the year	4.391	4.391
Balance as at 31 March 2018	268.153	268.15
Net carrying amount as at 1 April 2017	<u>8.050</u>	<u>8.050</u>
Net carrying amount as at 31 March 2018	<u>3.659</u>	<u>3.659</u>

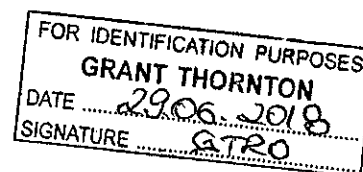


GLENMARK PHARMECEUTICALS SRL
NOTES TO THE STAND ALONE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT 31 MARCH 2018

1 NON-CURRENT ASSETS (CONTINUED)

b) Tangible assets

	<u>Land and buildings</u> (RON)	<u>Technical installations and machines</u> (RON)	<u>Other plant, equipment and furniture</u> (RON)	<u>Total</u> (RON)
Gross value				
Balance as at 1 April 2017	306.676	297.559	169.127	773.362
Additions	-	34.828		34.828
Decreases				
Balance as at 31 March 2018	306.676	332.387	169.127	808.190
Accumulated depreciation				
Balance as at 1 April 2017	231.997	211.164	166.971	610.132
Charge for the year	22.275	37.552	1.523	61.350
Decreases registered during the financial year				
Balance as at 31 March 2018	254.272	248.716	168.494	671.482
Net carrying amount as at 1 April 2017	<u>74.679</u>	<u>86.395</u>	<u>2.156</u>	<u>163.230</u>
Net carrying amount as at 31 March 2018	<u>52.405</u>	<u>83.669</u>	<u>633</u>	<u>136.706</u>



GLENMARK PHARMECEUTICALS SRL
NOTES TO THE STAND ALONE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT 31 MARCH 2018

Revaluation of tangible assets

No revaluation of tangible assets had taken place as at 31 March 2018.

Impairment of assets

At 31 March 2018, as a result of performing the year-end stock-count, it was determined that the value of all items of property, plant and equipment identified during the annual count was the same as their carrying value. As a result, no impairment loss has been recorded in these financial statements.

Pledged and restricted tangible assets

As at 31 March 2016 and 31 March 2018 there are no pledged and restricted tangible assets which constitutes a guarantee.

Tangible assets used under leases where the Company is the lessee

As at 31 March 2018 the Company has no tangible assets held under finance lease.

Sale and leaseback

No sale and leaseback agreement has been concluded as at 31 March 2017 and 31 March 2018.

Non-cash transactions

As at 31 March 2018 the Company had no non-cash transactions related to tangible assets.

Transactions with related parties

As at 31 March 2018 the Company had no transactions with related parties for intangible assets.

Financial assets

Participating interests held to companies within the Group.

As at 31 March 2018, the Company had no subsidiaries.

2 PROVISIONS FOR RISKS AND EXPENSES

As at 31 March 2018, the Company released provisions for risks and expenses in the amount of RON 387.903. As at 31 March 2017, the Company had registered provisions for risks and expenses in the amount of RON 387.903.

FOR IDENTIFICATION PURPOSES
GRANT THORNTON
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The provision was constituted for the exit bonus paid by the Company during the financial year ending at 31 March 2018 to one of the employees, following the conclusion of the work agreement, as well as of other work relations or of any nature, by mutual agreement of the parties.

3 PROFIT DISTRIBUTION

Profit distribution made during the year ended as at 31 March 2017 and the proposal for the year ended as at 31 March 2018 are as follows:

<u>Purpose</u>	<u>Financial year ended as at 31 March 2017 (RON)</u>	<u>Financial year ended as at 31 March 2018 (RON)</u>
Retained earnings	1.779.548	1.779.548
Profit of the current year	-	1.515.176
Gross profit to be distributed:	-	-
- legal reserve	-	75.759
- cover of accounting loss	-	-
- correction of retained earnings	-	-
Undistributed profit / (loss) to be covered at the end of the period	<u>1.779.548</u>	<u>3.218.956</u>

Proposed/declared dividends

The Company did not propose or declare dividends for the financial year ended at 31 March 2017. During the financial year ended at 31 March 2018, the Company registered a profit amounting to 1.515.176 RON, out of which the amount of 75,759 RON was allocated to the legal reserve and the difference in the amount of 1,439,417 RON will be carried forward and distributed according to the shareholders' decision.

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4 ACCOUNTS RECEIVABLE AND PAYABLE

<u>Receivables</u>	Balance as at <u>31 March 2018</u> (RON) 1=2+3	<u>less than 1 year</u> (RON) 2	<u>Due in over 1 year</u> (RON) 3
Commercial trade receivables	4.652.595	4.652.595	
Out of which receivables from related parties			
Receivables from related parties	3.442.066	3.442.066	
Other receivables	2.101.562	2.101.562	
<u>Total</u>	<u>10.196.223</u>	<u>10.196.223</u>	<u>-</u>

<u>Receivables</u>	Balance as at <u>31 March 2017</u> (RON) 1=2+3	<u>less than 1 year</u> (RON) 2	<u>Due in over 1 year</u> (RON) 3
Commercial trade receivables	6.383.606	6.383.606	-
Out of which receivables from related parties	-	-	-
Receivables from related parties	1.981.421	1.981.421	-
Other receivables	2.293.330	2.293.330	-
<u>Total</u>	<u>10.658.357</u>	<u>10.658.357</u>	<u>-</u>

Other receivables mainly refer to the value of the VAT to be refunded in the amount of 1.197.161 RON, as well as to the amount of the claw back contribution related to the IV quarter of 2011, quarters I-III of 2012, in the amount of 649.125 RON, amount which has to be refunded by the CNAS according to the Judicial Civil Ruling no. 1537/206, of 19 May 2016.

As at 31 March 2018, the Company recognized impairments of doubtful customers amounting to 2.472.747 RON (31 March 2017: 2.564.656 RON). The evolution of provisions for customers is detailed below:

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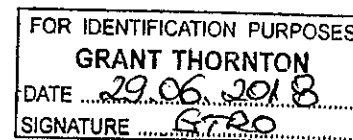
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	Financial year ended as at 31 March 2018	Financial year ended as at 31 March 2017
Balance as at 1 April	2.564.656	2.256.699
Increases during the year	-	509.433
Reversal during the year	91.909	201.473
Balance as at 31 March	2.472.747	2.564.659

Payables	Balance as at 31 March 2018 (RON) (col. 2+3+4)	Due in		
		less than 1 year (RON)	1 - 5 years (RON)	over 5 years (RON)
	1	2	3	4
Amounts due to credit institutions	11.122	11.122	-	-
Loans from Related Parties	9.633.645	9.633.645	-	-
Trade payables – third parties	482.564	482.564	-	-
Trade payables - related parties	16.379.051	16.379.051	-	-
Interest due to related parties	585.889	585.889	-	-
Other liabilities, including tax and social security payables	13.382.073	13.382.073	-	-
	40.474.344	40.474.344	-	-

Payables	Balance as at 31 March 2017 (RON) (col. 2+3+4)	Due in		
		less than 1 year (RON)	1 - 5 years (RON)	over 5 years (RON)
	1	2	3	4
Amounts due to credit institutions	8.991.105	8.991.105	-	-
Trade payables – third parties	288.655	288.655	-	-
Trade payables - related parties	10.844.718	10.844.718	-	-
Loans due to related parties	7.457.625	7.457.625	-	-
Interest due to related parties	214.407	214.407	-	-
Other liabilities, including tax and social security payables	1.063.149	1.063.149	-	-
	28.855.659	28.855.659	-	-

The amount of 11.122 RON represents amounts payable to the bank corresponding to Company's employee credit cards.



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As at 31 March 2018 and 31 March 2017, other liabilities, including tax and social security payables are as follows:

	31 March 2018	31 March 2017
Salaries and related liabilities	107.129	138.321
Social contributions	-	169.631
Income tax	-	(56.451)
VAT payable	-	-
Clawback tax	765.047	751.096
Other liabilities	12.509.897	60.552
Total	13.382.073	1.063.149

Balances and transactions with related parties are presented in the Note 8 j).

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5. ACCOUNTING POLICIES, PRINCIPLES AND METHODS

The main accounting policies adopted in preparing these financial statements are disclosed below.

A Basis of preparation

(1) General information

These financial statements have been prepared in accordance with:

- (i) The Accounting Law no 82/1991 republished in June 2008 ("Law 82")
- (ii) Accounting regulations harmonised with the European norms approved by the Order of the Minister of Public Finance of Romania 1802/2014 and subsequent amendments ("OMF 1802").

In accordance with criteria size detailed in OMF 1802, the Company falls into the category of medium-sized entities.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies.

(2) Use of estimates

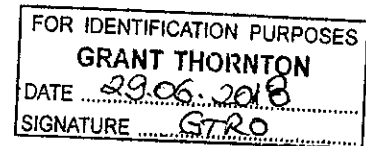
The preparation of financial statements in accordance with OMF 1802 requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective period. Although these estimates are based on the best information available as at the date of the financial statements, actual results may differ from these estimates.

(3) Going concern

These financial statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows.

At 31 March 2018, the Company registered negative net assets, calculated as the difference between total debts and total assets, worth 11,531,910 RON (31 March 2017: negative net assets in the amount of 13,047,085 RON).

The profit corresponding to the financial year ended at 31 March 2018 was of 1,515,176 RON and the loss corresponding to the financial year ended at 31 March 2017, was of 29,173,422



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RON. The Company management is convinced that the Glenmark Group shall provide the financial support necessary to ensure the continuity of the activity.

Moreover, the net assets of the Company, determined as the difference between total assets and total debts having a negative value of 11,531,910, is less than half the value of the share capital. According to the Law of Commercial Companies no. 31/1990 republished, the administrators of the Company must call the extraordinary general assembly of associates to decide on the necessary measures. The sole shareholder of Glenmark Pharmaceutical SRL (LLC) Company has decided the recapitalization of the Company in 2 phases, as follows:

1. Increase of the share capital by 12,500 RON, from 18,241,300 RON to 18,253,800 RON, by issuing 1,250 new shares with a nominal value of 10 RON each. In exchange for the issue of new shares, a share premium of 12,500,000 RON will be paid.
2. The loss carried forward will be covered as follows:
 - a) By diminishing the share capital with the amount of 18,053,800 RON from 18,253,800 RON to 200,000 RON and the decrease of the number of shares from 1,825,380 to 20,000.
 - b) By diminishing the share premium with 12,500,000 RON, from 12,500,000 RON to 0 RON
 - c) By reducing the reduction of the legal reserve by 678,376.52 lei, from 718,376.52 lei to 40,000 lei

On March 31, 2018, the amount of 12,512,500 lei needed to increase the share capital was already in the company's bank account, the procedure for registering the operation with the Trade Register being in progress. The second phase, corresponding to the share capital decrease, will be finalized in the first quarter of the following financial year.

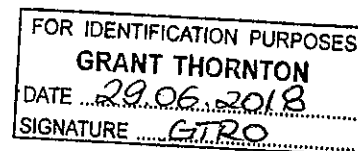
Based on these analysis, management believes that the Company will be able to continue its business in the foreseeable future and therefore the application of the going concern principle in the preparation of the financial statements is justified.

(4) Measurement currency

Accounting is kept in Romanian and in the national currency. Items included in these financial statements are denominated in Romanian lei.

B Foreign currency translation

Foreign currency transactions of the Company are translated into the measurement currency using the exchange rates communicated by the National Bank of Romania ("NBR") as at the dates of the transactions. At each month end, foreign currency balances are translated into



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ROL using the exchange rates communicated by NBR for the last banking day of the month. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, within the financial result.

C Intangible assets

(i) Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets

Concessions, patents, licenses, trademarks and other intangible assets are recorded at purchase cost or at the input value.

Received concessions are reflected as intangible assets when the concession contract establishes a determined period and value for the concession. Amortization of concession is recorded for its length of use, established in accordance to the contract.

Patents, licenses, trademarks and other intangible assets are amortized using the straight-line method in a period of 3 years.

D Tangible assets

(1) Cost/evaluation

Tangible assets are initially evaluated at purchase cost.

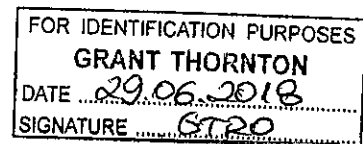
No revaluation of tangible noncurrent assets had taken place as at 31 March 2018 and as at 31 March 2017.

If a tangible asset fully depreciated can still be used, when revalued it is given a new value and a new economic useful life, corresponding to the estimated future period of use.

The expenditure on repairs or maintenance of tangible assets is recognized as incurred while the significant improvements which increase the value or useful life of the assets, or which increase their revenue generating capacity are capitalized.

(2) Depreciation

Depreciation is determined at restated cost using the straight-line method over the estimated useful life of the assets, as follows:



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<u>Asset</u>	<u>Years</u>
Building improvements	5
Technical installations and machines	4
Other plant, tools and furniture	6

Depreciation is computed starting with the month following the commissioning and until total recovery of the entry value.

(3) Sale/disposal of tangible assets

Items of tangible fixed assets that are retired or otherwise disposed of are eliminated from the balance sheet along with the corresponding accumulated depreciation. Any gain or loss resulting as a difference between the revenue generated by the disposal and value not depreciated, including expenses caused by such operation, is included in the statement of income, within "Other operating income" or "Other operating", as appropriate.

When the Company recognises in the carrying value of a tangible asset the cost of a partial disposal the carrying amount of the replaced part, and the related depreciation, is derecognised.

E Impairment of tangible and intangible assets

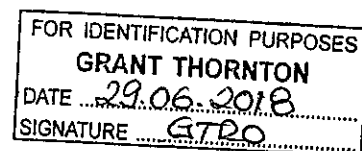
At each year-end, the items of property, plant and equipment and other non-current assets are reconciled with the results of the annual count. For this purpose, the carrying value is compared with the value established on stock-count, referred to as the annual count value. If this value is lower than the carrying value, the differences are accounted for as additional depreciation and amortization for assets where depreciation is irreversible, or as an adjustment for depreciation, where depreciation is reversible. The annual count value is determined based on the asset's utility, condition and market price.

F Financial assets

Financial assets include shares in affiliated undertakings, loans to affiliated undertakings, participating interests, loans to entities with which the Company is linked by virtue of participating interests and other investments held as assets.

G Inventories

Inventories are stated at the lowest value between cost and estimated net realizable value. Cost is generally determined using the weighted average cost method computed after each reception. Provision is made against slow moving, damaged and obsolete stocks, when



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necessary. The net realizable value is estimated based on the selling price less any selling expenses.

H Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

I Cash and cash equivalents

Cash and cash equivalents are recorded at cost in the balance sheet. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, bank accounts. Bank deposits of more than 3 months are presented as cash and cash equivalents if they are held in order to meet the need for short-term cash and not for investment purposes.

J Share capital

Ordinary shares are classified as own equity.

Incremental costs directly attributable to the issue of equity instruments are shown in equity as Losses related to issuance of equity instruments.

Where the Company purchases its equity shares, the consideration paid is deducted from equity. Where such shares are subsequently reissued, any consideration received (net of transaction costs) is included in equity.

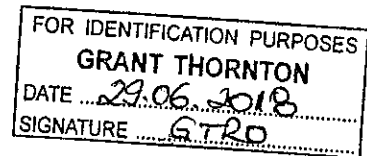
The exchange rate differences between the time the shares are subscribed and the time the consideration is paid in do not represent gains or losses related to the issuance, redemption, sale, free cession or cancellation of the entity's equity instruments, since they are recognised within financial revenues or expenses, as appropriate.

K Dividends

Dividends corresponding to ordinary shares are recognised in the equities in the period when they are declared.

L Borrowings

Short and long-term borrowings are recognised initially at the amount received. Difference between amounts received and the redemption value are recognized in profit and loss over the period of the loan.



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Fees and bank charges of obtaining long-term loans are recognized as prepaid expenses. Prepaid expenses will be recognized as expenses in the income statement over the period of the loans in question.

If the Company has an unconditional right to defer settlement of loans for at least twelve months after the end of the reporting period, the debts in question are classified as non-current liabilities. Other loans are presented as current liabilities.

Short term portion of long-term loans is classified as "Debt: The amounts to be paid within a period of one year" and included in "Amounts owed to credit institutions – short term" together with the accumulated interest.

M Accounting for leases where the Company is the lessee

(i) Operating lease agreements

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

N Trade payables

Trade payables are recorded at the value of the amounts payable for the goods or services received.

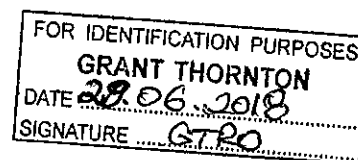
O Provisions

Provision for decommissioning, restructuring, litigation and other provisions for risks and charges are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions include direct costs arising from restructuring, namely those that are necessarily entailed by the restructuring and are not related to the conduct of the entity's business continues.

No provisions are recognised for future operating losses.

P Employee benefits

Pensions and other post-retirement benefits



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The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees, at statutory rates. All employees of the Company are members of the Romanian State pension plan. These costs are recognised in the income statement together with the related salary costs.

The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no obligation in respect of pensions.

Q Taxation

Current income tax

The Company records current income tax based upon taxable income from the Romanian financial statements, in accordance with the Romanian income tax legislation.

R Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services.

Revenues from goods sales are recognised when the Company has transferred the main risks and benefits related to the goods possession to the purchaser.

Revenues from services provided are recognised in the period they refer to.

Interests are recognised periodically and proportionally as the respective revenue is generated on an accountancy engagement basis.

Commercial discounts granted after invoicing are recorded in the income statement as part of operating income, in the position "commercial discounts granted".

Revenues and costs are shown gross in these financial statements. Amounts payable to and receivable from the same operators are shown net in the balance sheet when a right of set-off exists.

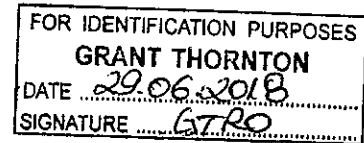
S Turnover

The turnover represents the amounts invoiced and to be invoiced, net of VAT and discounts, in relation to the goods and services provided to third parties.

T Operating expenses

The operating expenses are recognised in the period they refer to.

U Financial expenses



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The financial expenses are recognized in the period they refer to.

6 INVESTMENTS AND FINANCING SOURCES

a) Share capital

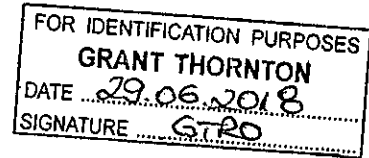
The value of the authorised capital as at 31 March 2018 and as at 31 March 2017 amounted to RON 18.241.300 representing 1.824.130 shares. All equity shares are ordinary and were subscribed and fully paid as at 31 March 2018. All equity shares carry equal voting rights and have a nominal value of RON 10 per share.

The shareholding structure as at 31 March 2018 is as follows:

	Number of shares (thousand)	Amount (RON)	Percentage (%)
Sole Shareholder Glenmark Holding SA	1.824	10	100
Total	1.824	10	100

b) Equity shares issued during the financial year

The Company did not issue any equity shares during the financial year ended as at 31 March 2018 and as at 31 March 2017. Please also see note 5 (3) for more information.



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7 INFORMATION REGARDING THE EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

a) Remuneration of the members of the administrative and management

	Financial year ended as at 31 March 2018 (RON)	Financial year ended as at 31 March 2017 (RON)
<i>Payroll expenses:</i>	=	=
Directors	1.407.477	2.185.531
	<u>1.407.477</u>	<u>2.185.531</u>

b) Advances and credits granted to the members of the administrative and management

No advances and credits had been granted to the members of the administrative and management.

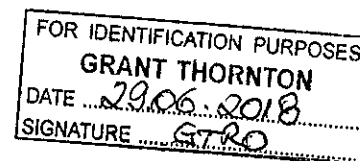
c) Employees

The average number of employees during the year was the following:

	Financial year ended as at 31 March 2018	Financial year ended as at 31 March 2017
Administration staff	4	7
Production staff	6	16
	<u>10</u>	<u>23</u>

Payroll expenses contain:

	Financial year ended as at 31 March 2018 (RON)	Financial year ended as at 31 March 2017 (RON)
Expenses with employee salaries	2.217.445	3.941.836
Expenses with social security	<u>407.257</u>	<u>786.612</u>



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	<u>31 March 2018</u> (RON)	<u>31 March 2017</u> (RON)
Salaries payable as at the end of the period	<u>107.129</u>	<u>138.321</u>

8 OTHER INFORMATION

a) Information regarding the Company

SC Glenmark Pharmaceuticals SRL ("the Company"), with registered office in Bucharest, Sfântul Elefterie Street no. 18, floor 1, district 5, limited liability company, carries its main activity "Wholesale of pharmaceutical goods", CAEN code 4546.

The company was founded by Glenmark Holding SA based in Switzerland CH-2300 La Chaux-de-Fonds, Chemin de la Combeta 5.

Glenmark Pharmaceuticals Ltd India is the ultimate owner in the group.

b) Information regarding the relationship of the Company with the subsidiaries, associated undertakings or other enterprises in which the Company holds strategic investments

The Company has no interests in subsidiaries, associates and joint ventures.

Information on related party transactions and details regarding the relations with the related parties are disclosed in Note 8 j).

c) Methods used to express in local currency elements of assets and liabilities, revenues and expenses, originally expressed in foreign currency

The method used for measuring in local currency the patrimonial elements and the revenues and expenses recorded in foreign currency is disclosed in Note 5 B.

The main exchange rates used for translating into RON the balances recorded in foreign currency as at 31 March 2016 and as at 31 March 2017 were the following:

<u>Foreign currency</u>	<u>Abbreviation</u>	<u>Exchange rate</u> (RON / unit of foreign currency)	
		<u>31 March 2017</u>	<u>31 March 2018</u>
US Dollar	USD	4.2615	3.7779
Euro	EUR	4.5511	4.6576

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d) Information regarding current income tax

	Financial year ended as at 31 March 2017 (RON)	Financial year ended as at 31 March 2018 (RON)
Net profit/(net loss)	(29.173.422)	1.515.176
Deductions	89.676	75.759
Non-taxable income	-	2.615.726
Non-deductible expenses	3.883.502	1.119.276
Taxable profit / Tax loss	(25.379.596)	(57.032)
Tax loss carried forward	-	130.912
Computed income tax	-	(25.305.716)
Income tax reductions	-	-
Current income tax	-	-
Income tax payable at the end of the period	-	-

The fiscal year for which the current income tax was calculated coincides with the financial year, the period for which it was calculated being April 2017 - March 2018.

e) Turnover

The turnover is realized as follow:

	Prior period 01.04.2016- 31.03.2017 (RON)	Current period 01.04.2017- 31.03.2018 (RON)
Incomes from selling goods (credit 707)	19.044.345	39.192.275
Incomes from trade discounts offered (debit 707 & 709)	(25.438.686)	(25.001.136)
Domestic market	(6.394.341)	9.303.411
External market	2.140.331	4.887.728
TOTAL	(4.254.010)	14.191.139

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f) Events subsequent to the balance sheet date

No subsequent events with material effect occurred after the year end and before the financial statements were issued, authorized and signed, for the year closed at March 31st 2018, except form those mentioned in Note 5 (3).

More details related to subsequent events are presented in chapter k.

g) Rent and operating lease payments

The Company has recorded the following expenses:

	Financial year ended as at <u>31 March 2017</u> (RON)	Financial year ended as at <u>31 March 2018</u> (RON)
Rent expenses	560.920	556.746
Operating lease	780.546	217.743

h) Fees paid to auditors / censors

During the financial year ended as at 31 March 2018, the Company paid audit fees in accordance with agreement signed with Grant Thornton Audit SRL.

i) Contingent liabilities and commitments undertaken

(i) Operating lease commitments where the Company is the lessee

	<u>31 March 2017</u> (RON)	<u>31 March 2018</u> (RON)
No later than 1 year	117.675	175.819
Later than 1 year and no later than 5 years	15.844	301.867
Later than 5 years		

(ii) Guarantees committed to third parties

As at 31 March 2018, the Company paid a guarantee related to its premises to the Company Italiana Edilizia 2000 in amount of 42,778 RON.

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j) Affiliated undertakings/related party transactions

(1) Sales of goods and services

	Financial year ended as at <u>31 March 2017</u> (RON)	Financial year ended as at <u>31 March 2018</u> (RON)
<i>Sales of services</i>		
- affiliated undertakings	-	-
- Glenmark Pharmaceuticals SRO	2.140.331	5.515.996
<i>Sales of goods</i>		
- affiliated undertakings	-	-
- related parties	-	-
TOTAL	2.140.331	5.515.996

(2) Purchases of goods and services

	Financial year ended as at <u>31 March 2017</u> (lei)	Financial year ended as at <u>31 March 2018</u> (lei)
<i>Purchase of services</i>		
- Glenmark Pharmaceuticals Distribution SRO	2.175.294	238.876
- Glenmark Pharmaceuticals s.r.o	298.452	208.015
- Glenmark Pharmaceuticals Generics Europe LTD	-	-
<i>Total purchase</i>	2.473.746	446.891
<i>Purchase of goods</i>		
- affiliated undertakings		
-GLENMARK PHARMACEUTICALS SRO	5.012.799	8.368.494
TOTAL	7.486.545	8.815.385

FOR IDENTIFICATION PURPOSES
GRANT THORNTON
 DATE 29.06.2018
 SIGNATURE GTR

GLENMARK PHARMECEUTICALS SRL
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(3) Balances arising from sales/purchases of goods/services

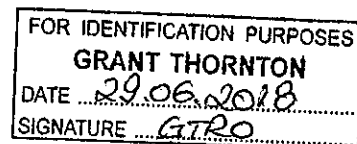
	<u>31 March 2017</u>	<u>31 March 2018</u>
	(RON)	(RON)
<i>Receivables from related parties</i>		
Trade receivables		
- affiliated undertakings	-	-
- related parties	-	-
-Glenmark Pharmaceuticals s.r.o.	1.532.958	3.440.206
-Glenmark Pharmaceuticals Limited India	430.538	1.860
-Glenmark Pharmaceuticals Europe LTD	17.925	-
- related parties	-	-
TOTAL	1.981.421	3.442.066
	<u>31 March 2017</u>	<u>31 March 2018</u>
	(RON)	(RON)
<i>Payables to affiliated undertakings</i>	-	-
Suppliers	-	-
Glenmark Holding S.A.		
Glenmark Pharmaceuticals s.r.o	16.341.456	13.964.881
Glenmark Pharmaceuticals Distributions s.r.o.	2.175.294	2.414.170
TOTAL	18.516.750	16.379.051

k) Contingencies

(1). Litigations

1. The Company sued the National Insurance Fund in March 2017, claiming the VAT payable which had been unconstitutionally included in the claw back tax and paid by Glenmark Pharmaceuticals SRL for the period October 2011 - September 2012.

In this sense, the Court decided that the National Insurance Fund is to pay back to Glenmark the amount of 649.125,41 RON, representing the claw back contribution corresponding to trimester IV of 2011, trimesters I-III of 2012, as follows: for trimester IV of 2011 - 43.139,41 RON, for trimester I of 2012 - 188.457,31 RON, for trimester II of 2012 - 211.128,36 RON and for trimester III of 2012 - 206.400,32 RON. The ruling can be contested within 15 days from its notification.



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The National Insurance Fund formulated an appeal to the High Court of Cassation and Justice on 26 September 2014. The appeal passed the filtering procedure. The term for hearing was set for 19 May 2016, when the second appeal of the National Insurance Fund was admitted.

Following the second appeal, the High Court of Cassation and Justice maintained the ruling of the court to return to Glenmark the amount of 649,125,41 RON, but ruled that the restitution to be made by the fiscal authorities, not by the National Insurance Fund.

The amount of 649,125,41 RON will be partially compensated with the amount due for the first quarter of 2018, and the remaining amount of 49,377.47 RON will be offset with future amounts dues.

2. The Company is involved in the file 3625/93/2014, Ilfov Court, involving the insolvency procedure against A.D.M. Farm S.R.L. as debtor.

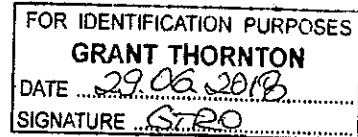
The Company was enrolled in statement of affairs for the amount of 1,595,405 RON, out of which the amount of 1,583,091 RON representing the value of drugs sold and 12,314 RON representing late penalties computed until 11.12.2014. The Court approved the payment of 826,000 RON to the Company. The amount of 769,405 RON was therefore booked as expense during the year. From the total amount of 826,000 RON, the Company collected 566,810 RON during the year and for the difference of 259,190 RON it recognized an allowance for bad debts as at 31 March 2017.

3. The Company is involved in the file 17619/3/2015, case pending before the Bucharest Tribunal, having as object the insolvency procedure of A&G Med Training Srl, as Debtor. As at 31 March 2016, the Company had to cash from A&G Med Trading SRL the amount of 1,879,054 RON. As a result of the fact that A&G Med Trading SRL is in insolvency, and the chances to collect overdue receivables are low, the Company recognized a provision for the entire amount at 31 March 2016. At 31 March 2017, the value of the provision was diminished with the amount of 83,018 RON, representing invoices issued during the course of the year for the returned products. The value of the provision as at 31 March 2017 is of 1,796,036 RON.

4. The Company is involved in the file 1408/85/2016, case pending before the Sibiu Tribunal, having as object the insolvency procedure of Polisano SRL, as Debtor. As at 31 March 2017, the Company had to collect from Polisano SRL the amount of 509,433 RON, amount for which it recognized a provision.

(1). Taxation

The Romanian taxation system is undergoing a process of consolidation and harmonization with the European Union legislation. As a result, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain



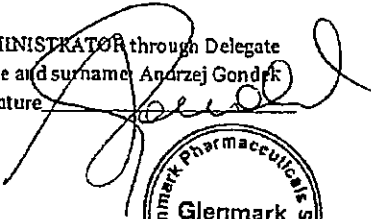
GLENMARK PHARMECEUTICALS SRL
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issues, and assess additional tax liabilities, together with late payment interest and penalties (currently, penalties determined by the duration of delay, plus 0.03% per day delay). In Romania, tax periods remain open for tax inspection for 5 years. The Company's management considers that the tax liabilities included in these financial statements are fairly stated.

(m). Transfer pricing

Romanian tax legislation includes the arm's length principle according to which transactions between related parties should be carried out at market value. Local taxpayers engaged in related party transactions have to prepare and make available upon the written request of the Romanian Tax Authorities their transfer pricing documentation file. Failure to present the transfer pricing documentation file, or presenting an incomplete file, may lead to non-compliance penalties; additionally, notwithstanding the contents of the transfer pricing documentation, the tax authorities may interpret the facts and transactions differently from management and impose additional tax liabilities resulting from transfer price adjustments. The Company's management believes that the Company will not suffer losses in case of a fiscal inspection on the subject of transfer prices. However, the impact of any challenge by the tax authorities cannot be reliably estimated. It may be significant to the financial condition and/or the overall operations of the entity.

The company prepared the transfer pricing documentation file for the period 01.01.2012-31.03.2017 and is working on the documentation for the next period to 31 March 2018.

ADMINISTRATOR through Delegate
Name and surname: Andrzej Gondrak
Signature: 



PREPARED BY,
Name and surname: Alina Dumitrescu
Capacity: Finance Manager
Signature: 