



**Glenmark Uruguay S.A.**

**Financial Statements as at March 31<sup>st</sup>, 2018  
With Independent Auditors' Report**

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

RSM Uruguay is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

INDEX	PAGE
Independent Auditors' Report	I - III
Statement of financial position as at March 31 <sup>st</sup> , 2018	1
Statement of comprehensive income for the year ended March 31 <sup>st</sup> , 2018	3
Statement of changes in shareholders' equity for the year ended March 31 <sup>st</sup> , 2018	5
Statement of changes in shareholders' equity for the year ended March 31 <sup>st</sup> , 2017	6
Statement of cash flows for the year ended March 31 <sup>st</sup> , 2018	7
Notes to the financial statements as at March 31 <sup>st</sup> , 2018	8 - 11

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Glenmark Uruguay S.A.**  
Montevideo - Uruguay

---

### Opinion

1. We have audited the financial statements of the **Glenmark Uruguay S.A.** (the "Company"), which comprise Statement of financial position as at March 31<sup>st</sup>, 2018, and the Statement of comprehensive income, Statement of changes in shareholders' equity, Statement of cash flows, for the year ended, and notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31<sup>st</sup>, 2018, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs), issued by International Auditing and Assurance Standards Board (IAASB). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



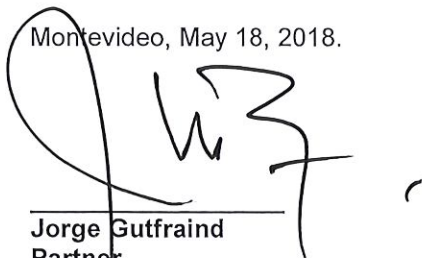
#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

4. Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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.
5. 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.
6. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

7. The objectives of our audit 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.
8. A further description of our responsibilities for the audit of the financial statements is included in Appendix I of this auditor's report. This description, which is located at page III, forms part of our auditor's report.

Montevideo, May 18, 2018.



**Jorge Gutfraind**  
Partner  
Certified Public Accountant  
No. 32922



## APPENDIX I

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.

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.

Montevideo, May 18, 2018



**GLENMARK URUGUAY S.A.**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31<sup>st</sup>, 2018**  
**(U.S. DOLLARS)**

	Schedules	As at March 31 <sup>st</sup> , 2018	As at March 31 <sup>st</sup> , 2017
<b>I. <u>SOURCES OF FUNDS</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
a) Share capital	1	9.997.717	9.997.717
b) Retained earnings	2	(139.458)	(122.471)
		9.858.259	9.875.246
		9.858.259	9.875.246
<b>II. <u>APPLICATION OF FUNDS</u></b>			
<b>CURRENT ASSETS</b>			
a) Cash and cash equivalents	3	-	44.187
b) Receivables	4	10.031.642	9.999.147
		10.031.642	10.043.334
<b>CURRENT LIABILITIES</b>			
a) Payables	5	173.383	168.088
		173.383	168.088
<b>NET CURRENT ASSETS</b>			
		9.858.259	9.875.246
		9.858.259	9.875.246

Schedules and notes attached are an integral part of the Financial Statements.



GLENMARK URUGUAY S.A.

SCHEDULES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31<sup>st</sup>, 2018 AND 2017

(U.S. DOLLARS)


	As at March 31 <sup>st</sup> , 2018	As at March 31 <sup>st</sup> , 2017
<b>1. SHARE CAPITAL</b>		
Authorised	9.997.717	9.997.717
Issued, subscribed and paid-up	9.997.717	9.997.717
	<u>9.997.717</u>	<u>9.997.717</u>
<b>2. RETAINED EARNINGS</b>		
Retained earnings	(122.471)	(109.639)
Result of the year	(16.987)	(12.832)
	<u>(139.458)</u>	<u>(122.471)</u>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Banks	-	44.187
	<u>-</u>	<u>44.187</u>
<b>4. RECEIVABLES</b>		
Fiscal credit	2.450	2.119
Other receivables from Glenmark Pharmaceuticals Ltd. (Note 4)	9.997.028	9.997.028
Advance for expenses to Glenmark Brazil (Note 4)	32.164	-
	<u>10.031.642</u>	<u>9.999.147</u>
<b>5. PAYABLES</b>		
Professional fees	14.387	11.463
Other liabilities	2.151	1.180
Provision for professional services	5.200	3.800
Other payables from Glenmark Pharmaceuticals Ltda. (Note 4)	151.645	151.645
	<u>173.383</u>	<u>168.088</u>

Schedules and notes attached are an integral part of the Financial Statements.

**GLENMARK URUGUAY S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED AS AT MARCH 31<sup>st</sup>, 2018**  
**(U.S. DOLLARS)**

	Schedules	Year ended as at March 31 <sup>st</sup> , 2018	Year ended as at March 31 <sup>st</sup> , 2017
<b>EXPENDITURE</b>			
Selling and operating expenses	1	(16.347)	(12.589)
		<u>(16.347)</u>	<u>(12.589)</u>
<b>FINANCIAL RESULTS</b>			
Net exchange results	2	20	452
		<u>20</u>	<u>452</u>
<b>PROFIT BEFORE TAX</b>		<b>(16.327)</b>	<b>(12.137)</b>
Current year tax	3	(660)	(695)
<b>LOSS OF THE YEAR</b>		<b>(16.987)</b>	<b>(12.832)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(16.987)</b>	<b>(12.832)</b>

Schedules and notes attached are an integral part of the Financial Statements.

  
**RSM**  
 Initialed with the only purpose of its relation  
 with the accompanying CPA report.  
 Sheet   3   /  11 

}



**GLENMARK URUGUAY S.A.**  
**SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED**  
**AS AT MARCH 31<sup>st</sup>, 2018**  
**(U.S. DOLLARS)**

	Year ended as at March 31 <sup>st</sup> , 2018	Year ended as at March 31 <sup>st</sup> , 2017
<b>1. SELLING AND OPERATING EXPENSES</b>		
Other operating expenses		
Other Expenses	(720)	(4.615)
Legal & Professional Expenses, Controller	(15.107)	(7.614)
Bank Charges	(520)	(360)
	(16.347)	(12.589)
<b>2. NET EXCHANGE RESULTS</b>		
Exchange gain	23	487
Exchange loss	(3)	(35)
	20	452
<b>3. CURRENT YEAR TAX</b>		
Net worth tax	(90)	(165)
Control tax on share companies (ICOSA)	(570)	(530)
	(660)	(695)
	(16.987)	(12.832)

Schedules and notes attached are an integral part of the Financial Statements.

**GLENMARK URUGUAY S.A.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED AS AT**  
**MARCH 31<sup>st</sup>, 2018**  
**(U.S. DOLLARS)**

	Share Capital	Retained Earnings	Total Equity
<b>1 - BALANCE AS AT APRIL 1<sup>st</sup>, 2017</b>			
Shares	9.997.717	-	9.997.717
Retained earnings	-	(122.471)	(122.471)
<b>SUB - TOTAL</b>	<b>9.997.717</b>	<b>(122.471)</b>	<b>9.875.246</b>
<b>2 - MOVEMENTS DURING THE YEAR</b>			
Total comprehensive loss for the year	-	(16.987)	(16.987)
<b>SUB - TOTAL</b>	<b>-</b>	<b>(16.987)</b>	<b>(16.987)</b>
<b>5 - BALANCE AS AT MARCH 31<sup>st</sup>, 2018</b>			
Share capital	9.997.717	-	9.997.717
Retained earnings	-	(139.458)	(139.458)
<b>BALANCES AS AT MARCH 31<sup>st</sup>, 2018</b>	<b>9.997.717</b>	<b>(139.458)</b>	<b>9.858.259</b>

Schedules and notes attached are an integral part of the Financial Statements.

}

**GLENMARK URUGUAY S.A.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED AS AT MARCH**  
**31<sup>st</sup>, 2017**

(U.S. DOLLARS)

	Share Capital	Reserves	Retained Earnings	Total Equity
<b>1 - BALANCES AS AT APRIL 1<sup>st</sup>, 2017</b>				
Shares	9.997.717	-	-	9.997.717
Retained Earnings	-	-	(109.639)	(109.639)
<b>SUB - TOTAL</b>	9.997.717	-	(109.639)	9.888.078
<b>2 - MOVEMENTS DURING THE YEAR</b>				
Total comprehensive loss for the year	-	-	(12.832)	(12.832)
<b>SUB - TOTAL</b>	-	-	(12.832)	(12.832)
<b>3 - BALANCES AS AT MARCH 31<sup>st</sup>, 2017</b>				
Capital	9.997.717	-	-	9.997.717
Retained Earnings	-	-	(122.471)	(122.471)
<b>BALANCES AS AT MARCH 31<sup>st</sup>, 2017</b>	<b>9.997.717</b>	<b>-</b>	<b>(122.471)</b>	<b>9.875.246</b>

Schedules and notes attached are an integral part of the Financial Statements.

**RSM**

Initialed with the only purpose of its relation  
with the accompanying CPA report.

Sheet   6   /   11

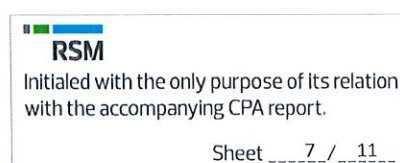
GLENMARK URUGUAY S.A.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2018

(U.S. DOLLARS)

	Year ended as at March 31 <sup>st</sup> , 2018	Year ended as at March 31 <sup>st</sup> , 2017
<b>A. Cash flows from operating activities:</b>		
Net loss before tax	(16.987)	(12.832)
Taxes		
Taxes (net worth tax and control tax on share companies)	660	695
<b>Operating profit before working capital changes</b>	<b>(16.327)</b>	<b>(12.137)</b>
<b>Adjustments for changes in working capital :</b>		
- (increase)/decrease in receivables	(33.155)	1.225
- increase/(decrease) in payables	5.295	10.552
<b>Cash generated from operations</b>	<b>(27.860)</b>	<b>11.777</b>
<b>Net cash from operating activities</b>	<b>(44.187)</b>	<b>(360)</b>
<b>B. Cash flows from Investing activities:</b>		
Share application money for subsidiary companies.	-	-
Receivable from glenmark India	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities:</b>		
Reduction of capital	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(44.187)</b>	<b>(360)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>44.187</b>	<b>44.547</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>44.187</b>

Schedules and notes attached are an integral part of the Financial Statements.



**GLENMARK URUGUAY S.A.**

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31<sup>st</sup>, 2018**

**NOTE 1 – GENERAL INFORMATION**

Glenmark Uruguay S.A. (hereinafter “The Company”) is a Uruguayan company with registered shares incorporated on December 28<sup>th</sup>, 2007 according to the related contract.

The Company is a dormant entity and is controlled by Glenmark Pharmaceuticals Ltd. domiciled in India, which holds 100% of the shares of the Company.

**NOTE 2 – BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**2.1. Basis of preparation and presentation of consolidated financial statements**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), being standards and interpretations issued by the International Accounting Standards Board (IASB), in force at March 31, 2018.

The financial statements comprise a statement of financial position, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and notes.

The financial statements have been prepared under the historical cost convention.

**2.2 Functional and Presentation Currency of the Financial Statements**

The financial statements have been prepared in the functional currency defined by the Council of International Accounting Standards IAS 21. This rule establishes that the functional currency is the one used in the economic environment in which the entity operates. The primary economic environment in which the entity operates is normally the one in which it generates and expends cash.

According to the rule must be considered functional currency the following:

- In which funds from financing activities are generated (i.e., the one corresponding to the debt and equity instruments issued),
- In which receipts from operating activities are maintained,
- In which purchases are financed,
- That mainly influences the costs of labor, materials and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).

The U.S. dollar is the currency that best reflects the transactions, events and conditions that are relevant to the Company on the basis that the Glenmark group functional currency is the U.S. dollar.

The accounting records are maintained simultaneously in Uruguayan pesos and in U.S. dollars.

**GLENMARK URUGUAY S.A.**

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31<sup>st</sup>, 2018**

**2.3 Going Concern**

The Company continued to incur loss for the year ended March 31<sup>st</sup>, 2018. The Company did not generate funds from operations.

The Company is starting to extend the operation in LATAM, and Uruguay is planned to be the holding for this group of the companies. The Company is planning to explore the Uruguay market by 2018-2019 after the Argentina market be consolidated.

The Company therefore adopts the going concern basis in preparing these financial statements.

**2.4 Assignment and recognition criteria of revenues and expenses**

The different items of the profit and loss statement are registered in accordance with the accrual basis, considering the time when they are generated or incurred regardless of the moment they are received or paid.

**2.5 Cash and cash equivalents**

Cash and cash equivalents include bank balances without restrictions.

The cash flow statement was prepared using the indirect method, which includes the reconciliation of net income of the year with cash provided by operating activities.

**2.6 Accounts in Local Currency**

All transactions in a currency other than the functional one, were booked in their equivalent in US dollars according to the prevailing exchange rates in the market at the time those transactions were effectively carried out.

Assets and liabilities in foreign currencies (currencies other than the functional currency) were translated at the exchange rate of each transaction. Exchange differences were recognized in the statement of comprehensive income. The exchange rates used were as follows: US Dollars 1 = Uy \$ 28,389 as at March 31<sup>st</sup>, 2018 and US Dollars 1 = Uy \$ 28,544 as at March 31<sup>st</sup>, 2017.

Income and expenses resulting from the settlement of transactions and the conversion of assets and liabilities denominated in currencies other than the functional currency are reflected on the income statement as foreign exchange differences.

**NOTE 3 – SALE OF INVESTMENTS**

On March 27<sup>th</sup>, 2013 Glenmark Uruguay S.A sold its investments in associates to Glenmark Pharmaceuticals Ltd.

On March 28<sup>th</sup>, 2016 Glenmark Holding S.A. sold all their capital shares to Glenmark Pharmaceuticals Ltd. for Uy \$ 201.240.258 of Uy \$ 1 each at a nominal value of Uy \$ 0,24.

In the current year Glenmark Uruguay S.A. has no events or transactions to this purpose.

GLENMARK URUGUAY S.A.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31<sup>st</sup>, 2018

NOTE 4 - RELATED PARTY DISCLOSURES

Balances and transactions with related parties

Description	March 31 <sup>st</sup> , 2018		March 31 <sup>st</sup> , 2017	
	US dollars		US dollars	
	Glenmark Pharmaceuticals Ltd.	Glenmark Brazil	Glenmark Pharmaceuticals Ltd.	Glenmark Brazil
Receivable	9.997.028	-	9.997.028	-
Payable	151.645	-	151.645	-
Advance for expenses	-	32.164	-	-

Key management personnel

President: Mrs. CHERYLLANN PINTO  
First Vice-President: Ms. MEERA VANJARI

NOTE 5 - TAXES

5.1 Income Tax

In accordance with current Uruguayan law, Glenmark Uruguay S.A. is liable to pay income taxes.

5.2 Deferred Income Tax

There were no deferred tax profits or losses for the fiscal year ended at March 31<sup>st</sup>, 2018.

5.3 Net Worth Tax

In accordance with legal provisions in force, Glenmark Uruguay S.A. is liable to pay the net worth tax.

5.4 Control Tax on Share Companies (ICOSA)

In accordance with legal provisions in force, Glenmark Uruguay S.A. is included in ICOSA rules.

The charges for Control Tax on Share Companies (ICOSA) are included in the statement of comprehensive income as current year tax.

**GLENMARK URUGUAY S.A.**

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31<sup>st</sup>, 2018**

**NOTE 6 – SHAREHOLDERS’ FUNDS**

**6.1 Capital**

As at March 31<sup>st</sup>, 2018, the total shareholder’s equity of Glenmark Uruguay S.A. amounts to US Dollars 9.997.717.

**NOTE 7 - APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements will be considered in the next General Meeting of Shareholders.

**NOTE 8 – EVENTS AFTER THE END OF REPORTING YEAR**

Since March 31<sup>st</sup>, 2018 to the date of release of this report, no events or transactions have occurred or were made that might have a material effect on the financial statements so as to require disclosure therein.

3