

**Report of the auditor to the board of directors of Glenmark Therapeutics AG in Liq.**

As ordered, we have reviewed the financial statements (balance sheet, income statement and notes) of Glenmark Therapeutics AG in Liq. for the year ended 31.03.2018.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a review on these financial statements.

We performed our review in accordance with the Swiss Standard on Auditing 910. This standard requires that we plan and perform a review to identify material misstatements in the financial statements, although not with the same certainty as with a limited statutory examination. A review consists primarily of inquiries of company personnel and analytical procedures. We performed a review and not an examination. Therefore we cannot issue a statement of examination.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

We draw attention to the fact, that half of the share capital and legal reserves is no longer covered (art. 725 para. 1 CO).

CH-St. Gallen, 16.04.2018

von Gunten, Häseli & Partner AG



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P. Heller



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T. Häseli

# Glenmark Therap. AG in Liq. Teufen AR

01.04.2017 - 31.03.2018

## Balance sheet

per 31.03.2018

account	name of the account	amount USD	amount CHF
	<b>asset account</b>		
	<b>current assets</b>		
	<b>cash</b>		
1020	bank account 1577309-91-1		3'128.41 S
1030	bank account 1577309-92 USD	53.81 S	50.80 S
	<b>cash</b>		<b>3'179.21 S</b>
	<b>deferred expenses and accrued income</b>		
1300	deferred expenses and accrued income		0.00 S
	<b>deferred expenses and accrued income</b>		<b>0.00 S</b>
	<b>current assets</b>		<b>3'179.21 S</b>
	<b>capital assets</b>		
	<b>intangible fixed assets</b>		
1700	costs of incorporation		0.00 S
	<b>intangible fixed assets</b>		<b>0.00 S</b>
	<b>capital assets</b>		<b>0.00 S</b>
	<b>assets</b>		<b>3'179.21 S</b>
	<b>liabilities</b>		
	<b>short-term liabilities</b>		
	<b>other short-term liabilities</b>		
2201	value-added tax		2'883.88 S
	<b>other short-term liabilities</b>		<b>2'883.88 S</b>
	<b>deferred income and accrued expenses</b>		
2300	deferred income and accrued expenses		3'000.00 H
	<b>deferred income and accrued expenses</b>		<b>3'000.00 H</b>
	<b>short-term liabilities</b>		<b>116.12 H</b>
	<b>equity</b>		
2800	share capital		200'000.00 H
2991	net loss		149'324.22 S
2979	annual loss		47'612.69 S
	<b>equity</b>		<b>3'063.09 H</b>
	<b>liabilities</b>		<b>3'179.21 H</b>

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# Glenmark Therap. AG in Liq. Teufen AR

01.04.2017 - 31.03.2018

## income statement

01.04.2017 - 31.03.2018

account	name of the account	amount CHF
	<b>operational expenses</b>	
	<b>costs for third-party services</b>	
4400	subcontractor	38'961.67 S
	<b>costs for third-party services</b>	<b>38'961.67 S</b>
	<b>fixed charges, dues</b>	
6310	fixed charges, dues	1'845.58 S
	<b>fixed charges, dues</b>	<b>1'845.58 S</b>
	<b>administration costs</b>	
6530	accounting expense	5'920.46 S
	<b>administration costs</b>	<b>5'920.46 S</b>
	<b>finance result</b>	
6840	bank interest	180.75 S
6850	financial income	0.00
6893	exchange difference	4.23 S
	<b>finance result</b>	<b>184.98 S</b>
	<b>amortization</b>	
6920	amortization	0.00 S
	<b>amortization</b>	<b>0.00 S</b>
	<b>operational expenses</b>	<b>46'912.69 S</b>
	<b>tax</b>	
8900	tax	700.00 S
	<b>tax</b>	<b>700.00 S</b>
	<b>annual loss</b>	<b>47'612.69</b>

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**Glenmark Pharmaceuticals Limited**  
**Consolidated Statement of Cash Flows**

Particulars	Year ended 31. Mär 18
<b>(A) Cash inflow/(outflow) from operating activities</b>	
Profit before tax	(46'912.69)
Adjustments to reconcile profit before tax to net cash provided by operating activities:	
Depreciation and amortisation	
Employee share based compensation	
Interest expense	184.98
Interest income	
Profit/(loss) on sale of assets	
Other provisions	
Bad debts and provision for doubtful debts	
Unrealised exchange differences (net)	
<b>Operating profit before changes in operating assets and liabilities</b>	<b>(46'727.71)</b>
<b>Changes in operating assets and liabilities</b>	
Accounts receivable	
Other assets	
Accounts payable and other liabilities	(31'007.03)
<b>Net changes in operating assets and liabilities</b>	<b>(31'007.03)</b>
Income taxes paid	(700.00)
<b>Net cash provided by operating activities</b>	<b>(78'434.74)</b>
<b>(B) Cash inflow/(outflow) from investing activities</b>	
Restricted cash	
Interest received	
Payments for purchase of property, plant and equipment and intangible assets	
Proceeds from sale of property, plant and equipment	
<b>Net cash used in investing activities</b>	<b>-</b>
<b>(C) Cash inflow/(outflow) from financing activities</b>	
Proceeds from long-term borrowings	
Repayments of long-term borrowings	
Repayments of short-term borrowings, net	
Interest paid	(184.98)
Proceeds from issue of share capital	
Acquisition of non-controlling interest	
Dividend paid (including tax on dividend)	
<b>Net cash used in financing activities</b>	<b>(184.98)</b>

Effect of exchange rate changes on cash	
<b>Net increase in cash and cash equivalents</b>	<b>(78'619.72)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>81'798.93</b>
<b>Cash and cash equivalents at the end of the year (refer NOTE C)</b>	<b>3'179.21</b>

Place: Mumbai

Rajesh Desai  
Executive Director & CFO



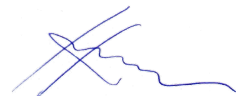
Manfred Kirsch  
Member BoD

**Glenmark Therap. AG in Liq. Teufen AR**

01.04.2017 - 31.03.2018

**notes**

**per 31.03.2018**

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the end.

no notes