

**STRICTLY PRIVATE & CONFIDENTIAL**

January 31, 2014

To,  
**The Board of Directors**  
**Glenmark Pharmaceuticals Limited**  
B/2, Mahalaxmi Chambers, 22,  
Bhulabhai Desai Road,  
Mumbai – 400 026,  
Maharashtra

**The Board of Directors**  
**Glenmark Generics Limited**  
B/2, Mahalaxmi Chambers, 22,  
Bhulabhai Desai Road,  
Mumbai – 400 026,  
Maharashtra

**The Board of Directors**  
**Glenmark Access Limited**  
B/2, Mahalaxmi Chambers, 22,  
Bhulabhai Desai Road,  
Mumbai – 400 026,  
Maharashtra

CERTIFIED TRUE COPY OF ORIGINAL

For **Glenmark Pharmaceuticals Ltd.**



Anur Chowdhary  
Company Secretary & Compliance Officer

**Sub: Fairness Opinion in connection with the proposed amalgamation of Glenmark Generics Limited and Glenmark Access Limited with Glenmark Pharmaceuticals Limited under a Scheme of Amalgamation.**

Dear Sir(s),

We refer to our discussion wherein the management of Glenmark Pharmaceuticals Limited (hereinafter referred to as "GPL" or 'Company') has requested Fortress Capital Management Services Private Limited ('us') to give a fairness opinion on the proposed amalgamation of Glenmark Generics Limited (hereinafter referred to as "GGL") and Glenmark Access Limited (hereinafter referred to as "GAL") with GPL under a Scheme of Amalgamation ("Scheme").

**1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT**

- 1.1 **Glenmark Pharmaceuticals Limited** (hereinafter referred to as "GPL" or 'Company') is a research driven, global, integrated pharmaceutical company headquartered at Mumbai, India. GPL along with its subsidiaries have 14 manufacturing facilities in four countries and has six Research & Development centers. The shares of GPL are listed on BSE Limited and National Stock Exchange of India Limited.





- 1.2 **Glenmark Generics Limited** (hereinafter referred to as "GGL") is engaged in developing, manufacturing, selling and the distribution of generics through wholesalers, retailers and pharmacy chains. From Active Pharmaceutical Ingredient ('APIs') to front end marketing capabilities, the businesses of GGL are vertically integrated into the generics market, by focusing on key niche segments including Dermatology, Hormones, Controlled Substances, Oncology and Modified Release Products. The shares of GGL are not listed on any recognized Stock Exchanges.
- 1.3 **Glenmark Access Limited** (hereinafter referred to as "GAL") is a 100% subsidiary of GPL.
- 1.4 We have been informed that the Board of Directors of the Company is considering a proposal for amalgamation of GGL and GAL with GPL with effect from appointed date of April 1, 2014.
- 1.5 We have also been informed that, as part of the Scheme, GAL which is a 100% subsidiary of GPL will be amalgamated with GPL for which no shares would be issued.
- 1.6 Currently GPL and its 100% subsidiary GAL together holds 99.33% equity stake in GGL. As per the Scheme of Amalgamation we understand that equity shares of GPL would be issued to the remaining shareholders (other than GPL and GAL) of GGL as on date.
- 1.7 In this regard SSPA & Co., Chartered Accountants ("Valuer"), was appointed by GPL to issue a valuation report in connection with the proposed amalgamation.
- 1.8 Accordingly, GPL has appointed us to give a fairness opinion on valuation report issued by Valuer and scheme of amalgamation in connection with the proposed amalgamation.
- 1.9 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

## 2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Audited financial Statements of GPL and GGL for the financial year ended March 31, 2013.
- (b) Estimated Consolidated financial Statements of GPL and GGL for the financial year ending March 31, 2014.

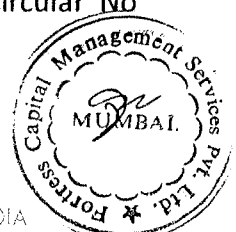
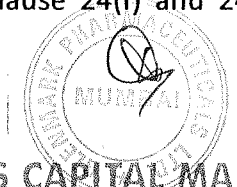




- (c) Draft Scheme of Amalgamation u/s 391 to 394 and other applicable provisions of the Companies Act, 1956.
- (d) Report dated January 31, 2014 issued by SSPA & Co., Chartered Accountants providing the share exchange ratio for the purpose of proposed amalgamation.
- (e) Such other information and explanations as we required and which have been provided by the management of GPL, GAL, GGL and Valuer.

### 3. EXCLUSIONS AND LIMITATIONS

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with GPL.
- 3.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 3.8 We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this opinion.
- 3.9 This certificate has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No





CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.

**4. VALUATION METHODOLOGY ADOPTED BY THE VALUER**

For the purpose of valuation, the Valuer has adopted "Underlying Asset" approach and "Income" approach to carry out relative valuation and determine share exchange ratio for issue of shares to minority shareholders of GGL.

**5. CONCLUSION**

**5.1** We have reviewed the Scheme of Amalgamation and methodology adopted by Valuer along with the underlying assumptions for arriving at the exchange ratio for shares.

**5.2** On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed amalgamation and share exchange ratio of 4 (Four) equity shares of GPL of INR 1 each fully paid up for every 5 (Five) equity shares of GGL of INR 10 each fully paid up, is fair and reasonable.

Thanking you,

Yours faithfully,

**For Fortress Capital Management Services Pvt. Ltd.**

*Helmut M. J. 20/8/13*

**Authorized Signatory**

Place: Mumbai

SEBI Registration No.: INM000011146

