Ranbaxy Inc. and Subsidiaries

(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Years Ended March 31, 2020 and 2019

Consolidated Financial Statements and Supplementary Consolidating Information

Rehmann

Business wisdom delivered.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

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INDEPENDENT AUDITORS' REPORT

July 6, 2020

Board of Directors and Shareholders
Ranbaxy Inc. and Subsidiaries
Princeton, New Jersey

We have audited the accompanying consolidated financial statements of *Ranbaxy Inc. and Subsidiaries* (the "Company"), which comprise the consolidated balance sheets as of March 31, 2020 and 2019, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of *Ranbaxy Inc. and Subsidiaries* as of March 31, 2020 and 2019, and the consolidated results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

As more fully described in Note 9 to the accompanying consolidated financial statements, the 2019 consolidated financial statements have been restated to correct certain misstatements. Our opinion is not affected by this matter.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidated Balance Sheets
(amounts in thousands)

	March 31 2020	March 31 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,131	$ 2,630
Accounts receivable, net	9,239	9,400
Due from affiliates	13,044	10,831
Inventories	44,469	78,737
Prepaid expenses	792	3,528
Total current assets	**68,675**	**105,126**
Property, plant and equipment		
Land	560	560
Buildings and improvements	80,666	79,832
Equipment	112,036	112,614
Furniture and fixtures	3,559	1,390
Construction in process	6,951	6,138
Total	203,772	200,534
Less accumulated depreciation	123,671	119,296
Net property, plant and equipment	**80,101**	**81,238**
Goodwill, net	9,966	9,966
Other intangible assets, net	-	1,200
Allocated income taxes receivable	6,877	7,114
Deferred income taxes allocated	3,963	2,372
Total assets	**$ 169,582**	**$ 207,016**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable - trade	$ 7,468	$ 39,815
Accrued expenses	7,915	11,938
Total current liabilities	**15,383**	**51,753**
Advances from affiliates	101,764	85,314
Total liabilities	**117,147**	**137,067**
Commitments and contingencies (Notes 5 and 7)		
Shareholders' equity		
Controlling interest		
Common stock	13,000	13,000
Additional paid-in capital	46,893	46,893
(Accumulated deficit) retained earnings	(8,490)	8,488
Total controlling interest	51,403	68,381
Noncontrolling interest	1,032	1,568
Total shareholders' equity	**52,435**	**69,949**
Total liabilities and shareholders' equity	**$ 169,582**	**$ 207,016**

The accompanying notes are an integral part of these consolidated financial statements.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidated Statements of Operations
(amounts in thousands)

	Year Ended March 31	
	2020	**2019**
Sales	$ 159,184	$ 167,114
Research and development revenue	8,031	12,561
Other operating revenue	1,000	1,326
Total revenue	**168,215**	**181,001**
Cost of goods sold	93,083	159,443
Selling, general and administrative expenses	76,656	14,958
Research and development costs	14,565	12,762
Loss on disposal of property, plant, and equipment	36	332
Operating loss before income tax allocation	**(16,125)**	**(6,494)**
Allocated income tax benefit	(471)	(2,568)
Net loss	**(15,654)**	**(3,926)**
Net income attributable to noncontrolling interest	1,324	1,876
Net loss attributable to controlling interest	**$ (16,978)**	**$ (5,802)**

The accompanying notes are an integral part of these consolidated financial statements.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidated Statements of Shareholders' Equity
(in thousands except share data)

	Common Stock		Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Total Controlling Interest	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount					
Balances, April 1, 2018, as restated (Note 9)	**10**	**$ 13,000**	**$ 46,893**	**$ 6,236**	**$ 66,129**	**$ 2,085**	**$ 68,214**
Net (loss) income, as restated (Note 9)	-	-	-	(5,802)	(5,802)	1,876	(3,926)
Capital contribution (Note 8)	-	-	-	8,054	8,054	-	8,054
Distributions	-	-	-	-	-	(2,393)	(2,393)
Balances, March 31, 2019 as restated (Note 9)	**10**	**13,000**	**46,893**	**8,488**	**68,381**	**1,568**	**69,949**
Net (loss) income	-	-	-	(16,978)	(16,978)	1,324	(15,654)
Distributions	-	-	-	-	-	(1,860)	(1,860)
Balances, March 31, 2020	**10**	**$ 13,000**	**$ 46,893**	**$ (8,490)**	**$ 51,403**	**$ 1,032**	**$ 52,435**

The accompanying notes are an integral part of these consolidated financial statements.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended March 31	
	2020	**2019**
Cash flows from operating activities		
Net loss	$ (15,654)	$ (3,926)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	8,357	8,009
Amortization	1,200	1,200
Loss on disposal of property, plant, and equipment	36	332
Allocated deferred income taxes (benefit)	(1,591)	3,872
Changes in operating assets and liabilities which provided (used) cash		
Accounts receivable	161	(726)
Due from / to affiliates	14,237	2,222
Inventories	34,268	(30,799)
Allocated income tax receivable	237	(3,398)
Prepaid expenses	2,736	(2,230)
Accounts payable	(32,347)	17,429
Accrued expenses	(4,023)	12,145
Net cash provided by operating activities	**7,617**	**4,130**
Cash flows from investing activities		
Purchases and construction of property, plant and equipment	(7,256)	(5,402)
Proceeds from disposal of property, plant, and equipment	-	193
Net flows cash used in investing activities	**(7,256)**	**(5,209)**
Cash used in financing activities		
Distributions	**(1,860)**	**(2,393)**
Net decrease in cash and cash equivalents	**(1,499)**	**(3,472)**
Cash and cash equivalents, beginning of year	2,630	6,102
Cash and cash equivalents, end of year	**$ 1,131**	**$ 2,630**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

(amounts in thousands)

1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization, Basis of Presentation, and Nature of Business

Ranbaxy Inc. ("Ranbaxy") is a wholly owned subsidiary of Sun Pharmaceuticals Holdings USA, Inc. ("Holding") with headquarters in Princeton, New Jersey. Ranbaxy Inc. has no operating activities. All operating activities are carried out by its subsidiaries: Ohm Laboratories, Inc., InSite Vision Incorporated and Ranbaxy Signature LLC (together the "Company"). The subsidiaries are wholly owned, with the exception of Ranbaxy Signature LLC which is a 67.5% owned joint venture.

The Company develops, licenses, manufactures, markets and distributes over-the-counter pharmaceuticals to the nation's largest wholesalers, distributors, and warehousing and non-warehousing chain drugstores throughout the United States, Canada and Puerto Rico. The process of developing a line of proprietary drugs requires approvals by the United States Food and Drug Administration ("FDA") of Abbreviated New Drug Applications ("ANDAs") for generic drugs. The Company distributes various products exclusively for Sun Pharmaceutical Industries Limited ("Sun Limited"), an affiliate related through common ownership and management control. The Company also develops ophthalmic products and a liquid form of a diabetes drug and distributes Company-owned products (those products for which the Company owns the ANDAs) manufactured in its own facilities as well as by Sun Limited and other third parties. Additionally, the Company manufactures products for parties related through common ownership and management control.

Subsidiaries of Ranbaxy Inc. include:

Ohm Laboratories, Inc. ("Ohm") is based in New Brunswick, New Jersey, and has two manufacturing locations in New Jersey and one warehouse in New Brunswick. Ohm develops, licenses and manufactures over -the -counter pharmaceuticals.

InSite Vision Incorporated ("InSite") develops products to treat eye problems: ocular infection, pain and inflammation from ocular surgery and glaucoma.

Ranbaxy Signature L.L.C. ("Signature") holds the rights to a diabetic product that is marketed and distributed through Sun.

Principles of Consolidation

The consolidated financial statements, which are the responsibility of management, have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). The consolidated financial statements are prepared in the functional currency of US dollars and include the accounts of consolidated subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Notes to Consolidated Financial Statements

(amounts in thousands)

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting years. Actual results could differ from those estimates. Significant estimates include, but are not limited to, realization of allocated deferred income tax assets, provisions for estimated customer returns, discounts, rebates, coupons and other price adjustments, including customer chargebacks (see “Revenue Recognition” below), valuation of inventories, determination of useful lives and potential impairment of property, plant and equipment and goodwill.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand and all highly liquid investments purchased with an original maturity of three months or less. The Company invests its excess cash primarily in deposits with major banks and in other high quality short-term liquid money market investments. During the normal course of business, the Company may maintain cash on deposit in excess of federally insured limits with financial institutions.

Due from / to Affiliated Entities

The Company engages in various related party transactions (Note 8) resulting in advances due or from affiliates on the consolidated balance sheets. There are no formal repayment terms for this non-interest bearing loan. It is not anticipated that these balances will be repaid within the next year and accordingly, the balance has been classified as noncurrent on the consolidated balance sheets. These related party transactions also result in amounts due from affiliated entities arising from sales for which remittances are due under normal trade terms.

Revenue Recognition

Revenue from product sales is recognized only when: the parties to the contract have approved it and are committed to perform their respective obligation, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for fulfilling performance obligations upon transfer of control to the customer, excluding amounts collected on behalf of other third parties and sales taxes.

The amount of consideration the Company expects to be entitled varies as a result of rebates, chargebacks, returns, and other sales reserves and allowances the Company offers its customers and their customers, as well as the occurrence or nonoccurrence of future events, including milestone events. A minimum amount of variable consideration is recorded concurrently with the satisfaction of performance obligations to the extent that it is probably that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimates of variable consideration are based on historical experience and the specific terms in the individual agreements (which management believes approximates expected value). Rebates and chargebacks are the largest components of sales reserves and allowances. For further description of sales reserves and allowances and how they are estimated, see "Allowances for Sales Adjustments" below.

Shipping and handling costs are considered to be a fulfillment cost. These costs are included in selling, general and administrative expenses and amounted to $1,378 and $1,475 in Fiscal 2020 and Fiscal 2019, respectively.

The Company does not adjust the promised consideration for the effects of a significant financing component as it is expected, at contract inception, that the period between the transfer of the promised goods or services to the customer and the time the customer pays for these goods or services to be generally one year or less. The Company's credit terms to customers are in average between sixty and ninety days.

Customers consist primarily of large pharmaceutical wholesalers who sell directly into the retail channel, chain drug stores, distributors, and managed care customers.

Revenue from the sales of goods, including sales to wholesalers, is recognized when the customer obtains control of the product. This generally occurs when the products are received by the customers and they obtain the risks and rewards of ownership and the Company has a right to payment.

The Company makes sales of products under various marketing and distribution agreements. The Company recognizes revenue from such sales in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 606-10-55-37, *"Principal versus Agent Considerations."* Management has evaluated the various indicators described under this guidance and has determined that such revenues should be considered on a gross reporting basis. The factors include the following, which led management to make such determination: (1) the title of the goods have been transferred to the Company and the Company assumes all general inventory risks; (2) the Company is responsible for fulfilling the promise to provide the specified goods to customers; and (3) the Company has discretion in establishing the prices for the specific goods.

Revenue from royalties promised in exchange for a license of Intellectual property is recognized only when, or as, the later of subsequent sale or the performance obligation to which some or all of the sales-based royalty has been allocated, has been satisfied. Revenues from licensing arrangements included royalty income of $243 and $1,326 in Fiscal 2020 and Fiscal 2019, respectively, and are included in "Other operating revenue" on the consolidated statements of operations.

InSite performs research and development activities on behalf of Sun Limited. These activities are undertaken with the prospect of gaining new scientific or technical knowledge and to plan or design for the production of new or substantially improved products or processes. Revenue related to these activities is recognized when the performance obligations outlined by Sun Limited are fulfilled. The Company manufactures exhibit batches for Sun Limited and also provides business support services to Sun Limited and Ranbaxy Canada (a party related through ultimate common ownership). The Company recovers the cost of manufacturing exhibit batches and the cost of services plus an agreed-upon markup pursuant to the terms of the respective agreements. These revenues amounted to $8,031 and $12,561 for Fiscal 2020 and Fiscal 2019, respectively.

Contract liabilities are mainly comprised of deferred revenues. When the Company receives advance payments from customers for the sale of products, such payments are deferred and reported as advances from customers until all conditions for revenue recognition are met. These amounts are immaterial at March 31, 2020 and 2019.

Allowances for Sales Adjustments

Variable consideration includes sales reserves and allowances. Chargebacks, customer rebates, shelf stock adjustments and sales discounts are netted against trade receivables. Sales returns, Medicaid and Medicare rebates, managed care rebates, and patient coupons are recorded within accrued expenses on the consolidated balance sheets. The Company recognizes these provisions at the time of the sale and adjusts them if the actual amounts differ from the estimated provisions. The following briefly describes the nature of each deduction and how the provisions are estimated:

Chargebacks

Chargebacks represent the Company’s most significant provision against gross accounts receivable and related reduction to gross sales revenue. Chargebacks are retroactive credits given to wholesale customers that represent the difference between the lower price they sell (contractual price) to retail, chain stores, and managed care organizations and what the Company charges the wholesaler. The Company estimates chargebacks at the time of sale to their wholesale customers. The Company is currently unable to specifically determine whether the amounts provided in specific prior periods for chargeback allowances have been over or understated. Wholesaler customers who submit chargebacks to the Company do not reference a specific invoice that the chargeback is related to when the chargeback is submitted to the Company. Thus, the Company cannot determine the specific period to which the wholesaler’s chargeback relates.

The Company considers the following factors in the determination of the estimates of sales chargebacks:

1) The historical data of chargebacks as a percentage of sales, as well as actual chargeback reports received from primary wholesaler customers.

2) Volume of all products sold to wholesaler customers and the average chargeback rates for the current quarter as compared to the previous quarter and compared to the last six-month period.

Notes to Consolidated Financial Statements

(amounts in thousands)

3) The sales trends and future estimated prices of products, wholesale acquisition cost (“WAC”), the contract prices with the retailers, chain stores, managed care organizations (end-users), and wholesaler customer’s contract prices.

4) The Company utilizes data on remaining inventories on hand at primary wholesaler customers at the end of each reporting period in the calculation of estimates.

Shelf Stock Adjustments

General practices within the pharmaceutical industry include granting customers a shelf stock adjustment based on the customers' existing inventory and decreases in the market price of the related product. The most significant of these adjustments relate to products for which an exclusivity period exists.

Management considers the following factors when recording an allowance for shelf stock adjustments: 1) estimated launch dates of competing products based on market intelligence, 2) estimated decline in market price of products based on historical experience and input from customers, and 3) levels of inventory held by customers at the date of the pricing adjustments.

Rebates

Customer rebates are estimated at the end of every reporting period, based on direct or indirect purchases. If the purchases are direct (purchases made by end use customers directly from the Company), the rebates are recognized when products are purchased and a periodic credit is given. For indirect purchases (purchases by end use customers through wholesale customers), the rebates are recognized based on the terms with such customer.

Medicaid and Other Governmental Rebates

Medicaid rebates are earned by states based on the amount of our products dispensed under the Medicaid plan. Medicaid rebates are principally comprised of amounts due under U.S. Government pricing programs such as Medicaid, Medicare and Tricare (Department of Veteran Affairs). These rebates have been estimated as per the stipulated regulations and prescribed guidelines, which consider the calculation of the average manufacturers' price, historical data the Company receives from the public sector benefit providers, which is based on the final dispensing of the products by a pharmacy to a benefit plan participant, and fluctuations in sales volumes.

Product Returns

In the pharmaceutical industry, customers are normally granted the right to return product for credit, or replacement with fresh product, if the product has not been used prior to its expiration date. The Company's return policy typically allows product returns for products within a 12-month window from six months prior to the expiration date and up to six months after the expiration date. The Company estimates the level of sales that will ultimately be returned, pursuant to its return policy, and records a related allowance at the time of sale. These amounts are deducted from its gross sales to determine net sales. These estimates take into consideration historical returns of the products and the Company's future expectations. The Company periodically reviews the allowances established for returns and adjusts them based on actual experience, as necessary. The primary factors considered in estimating its potential product returns include shelf life of expiration date of each product and historical levels of expired product returns. If the Company becomes aware of any returns due to product quality related issues, this information is used to estimate an additional allowance. The Company provides for an allowance related to returns resulting from product recalls, in the period that such recalls occur. The amount of actual product return could be either higher or lower than the amounts provided. Changes in these estimates, if any, would be recorded in the income statement in the period the change is determined. If the Company over or under estimates the quantity of product that will ultimately be returned, there may be a material impact to its consolidated financial statements.

Allowance for Doubtful Accounts

Doubtful accounts are estimated based on the data available from external sources, including information obtained related to the financial condition of customers. Delinquent accounts are reviewed by management on a quarterly basis, to identify and record allowances, as considered necessary, for accounts receivable not expected to be recoverable. The Company concluded, based on management assessment, that an allowance for doubtful accounts is not considered necessary at March 31, 2020 or 2019.

Accounts Receivable

The Company sells its products using customary trade terms; the resulting accounts receivable are unsecured. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on management's assessment of the current status of individual accounts. Balances that are still outstanding after the Company has attempted reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Accounts receivable totaled $9,239, $9,400, and $8,674 at March 31, 2020, 2019, and 2018, respectively.

Inventories

Inventories, which consist of raw materials, goods in transit and finished goods, as well as work-in-process, are stated at the lower of cost, determined using the moving average method, or net realizable value. The Company analyzes its inventory levels quarterly and writes down any inventory that has become obsolete and inventory that has a cost basis in excess of its expected net realizable value. Expired inventory is disposed of and the related costs are expensed when incurred. Materials acquired for research and development on products yet to be launched are written off in the year of acquisition. Inventory includes material purchased related to products for which the Company has filed ANDAs with the FDA, and the commercial launch of such products will commence once the approvals are received. The determination of whether or not inventory costs will be realizable requires estimates by management. A critical estimate in this determination is the estimate of the future expected inventory requirements, whereby the Company compares its internal sales forecasts to inventory on hand. Actual results may differ from those estimates and additional inventory write-offs may be required. The Company must also make estimates about the amount of manufacturing overhead to allocate to its finished goods and work in process inventories. Although the manufacturing process is generally similar for its products, the Company must make judgments as to the portion of costs to allocate to purchased product, work in process and finished goods, and such allocations can vary based upon the composition of these components and the fact that each product does not necessarily require the same amount of time or effort for the same production step. Accordingly, the assumptions made can impact the value of reported inventories and cost of sales. For inventories related to distributed products, the Company absorbs losses of obsolesce or expiries, however if mutually agreed upon and in specific circumstances (like inventory built up on launch of new products), the Company recovers the cost from suppliers. The Company incurs costs related to non-supply of products it has committed to sell to its customers as per the contracts it has entered with these customers. As mutually agreed, the Company recovers certain of these costs from its suppliers.

Property, Plant and Equipment and Depreciation

Property, plant and equipment is carried at cost less accumulated depreciation, which for property and equipment acquired in business acquisitions approximates the fair value determined at the acquisition date. Land is carried at cost. Construction in process is carried at cost until such time the associated asset(s) are placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets for impairment.

Deferred Income Taxes Allocated

Deferred income tax assets and liabilities are computed annually for differences between the consolidated financial statement and federal income tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. In concluding that it is more-likely-than-not that the Company’s deferred tax assets will be realized, the Company evaluates both positive and negative evidence regarding the future utilization of these assets. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities.

Research and Development Costs

Research and development costs settled in cash are charged to expense as incurred. Capital expenditures incurred on equipment and facilities that are acquired or constructed for research and development activities and having alternative future uses are capitalized as tangible assets when acquired or constructed. The Company has not incurred any non-cash research and development costs during the Fiscal years ended March 31, 2020 and 2019.

Goodwill

Goodwill represents the cost in excess of the fair value of net assets acquired in business combinations. Goodwill is tested annually for impairment or more frequently if events or circumstances indicate that the asset might be impaired. The Company concluded, based on management assessment, that there was no impairment at March 31, 2020 or 2019.

Allocation of Income Taxes

The Company is party to a tax sharing arrangement with an affiliate related through common ownership and management control (Note 4) and reports allocated income taxes in these consolidated financial statements using the separate return method. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and federal income tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. In concluding that it is more-likely-than-not that the Company's deferred tax assets will be realized, the Company evaluates both positive and negative evidence regarding the future utilization of these assets. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the year plus or minus the change during the year in deferred tax assets and liabilities.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to March 31, 2020, the most recent consolidated balance sheet presented herein, through July 6, 2020, the date these consolidated financial statements were available to be issued. No significant such events or transactions were identified.

Notes to Consolidated Financial Statements

(amounts in thousands)

2. ACCOUNTS RECEIVABLE, NET

Accounts receivable and related valuation allowances are summarized as follows at March 31:

	2020	2019
Accounts receivable, gross	$ 12,408	$ 10,385
Valuation allowances		
Chargebacks and shelf stock	1,840	5
Direct and indirect rebates (includes administrative fees, service fees and related allowances, etc.)	1,004	632
Cash discounts	325	214
Other concessions	-	134
Total valuation allowances	3,169	985
Accounts receivable, net	**$ 9,239**	**$ 9,400**

The following table sets forth a summary of the activity in the accounts receivable valuation allowances for the fiscal year ended March 31:

	2020	2019
Beginning balance	**$ 985**	**$ 1,199**
Additions charged to net sales	18,412	4,930
Deductions allowed to customers	(16,228)	(5,144)
Ending balance	**$ 3,169**	**$ 985**

3. INVENTORIES (INCLUDING RELATED PARTY ACTIVITY)

Inventories consist of the following components at March 31:

	2020	2019
Raw materials	$ 25,328	$ 23,493
Work in process	13,327	48,954
Goods in transit (distributed products)	5	529
Finished goods (Company-owned products)	2,137	2,492
Finished goods (distributed products)	3,672	3,269
Total inventory	**$ 44,469**	**$ 78,737**

Notes to Consolidated Financial Statements

(amounts in thousands)

The principal components used in the Company's business are active and inactive pharmaceutical ingredients and certain packaging materials. While some of these components are purchased from single sources, the majority of the components have an alternate source of supply available. Because the FDA approval process requires manufacturers to specify their proposed supplier of components in their applications, FDA approval of a new supplier would be required if components were no longer available from the specified suppliers. Also, a major component of the Company's inventory includes purchased finished goods for distribution under various marketing agreements.

4. ALLOCATION OF INCOME TAXES

The allocation of income tax benefit consists of the following components for the year ended March 31:

	2020	2019
Current expense (benefit)	$ 1,120	$ (6,440)
Deferred (benefit) expense	(1,591)	3,872
Total allocation of income tax benefit	**$ (471)**	**$ (2,568)**

The allocation of income taxes is different from that which would be obtained by applying the statutory federal income tax rate to the net loss before income taxes. The items causing the difference are summarized as follows for the year ended March 31:

	2020	2019
Federal tax benefit at statutory rate, 21%	$ (3,386)	$ (1,364)
State income taxes (benefit), net of federal benefit	2,143	(1,955)
Other	772	751
Total allocation of income tax benefit	**$ (471)**	**$ (2,568)**

Notes to Consolidated Financial Statements

(amounts in thousands)

Net deferred income tax assets consist of the following components at March 31:

	2020	2019
Deferred income tax assets		
Inventory	$ 3,194	$ 3,172
Investments	1,672	777
Accrued expenses and other	1,533	283
State net operating loss carryforwards (NOLs)	-	1,137
Intangibles	-	395
Total deferred tax assets	**6,399**	**5,764**
Deferred income tax liabilities		
Intangibles	373	1,020
Depreciation	2,063	2,372
Total deferred tax liabilities	**2,436**	**3,392**
Net deferred tax asset	**$ 3,963**	**$ 2,372**

The Company has a tax sharing arrangement with an affiliate related through common ownership and management control. The agreement, among other stipulations, states that a consolidated federal income tax return will be filed, and that the affiliate will pay/receive monies due to/from the Company based on the Company's separate taxable results.

Valuation allowances against deferred income tax assets are provided when, based upon the weight of available evidence, it is more-likely-than-not that some or all of the deferred tax assets will not be realized. There are no such valuation allowances considered necessary as of March 31, 2020 or 2019. Based upon the level of projected future taxable income over the periods in which deferred tax assets are realizable, the Company expects that it is more likely than not that it will realize the benefit of these temporary differences.

Management analyzed the Company's filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years (Fiscal 2018 to 2020) in these jurisdictions. The Company believes that no adjustments for unrecognized tax benefits or liabilities are necessary as a result of this analysis. The Company reports interest and penalties attributable to income taxes to the extent they arise, as a component of its administrative expenses.

5. RETIREMENT PLAN

Each entity within the Company maintains a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code. Under these plans, eligible employees are permitted to contribute up to the maximum allowable amount determined by the Internal Revenue Code. The Company may make discretionary matching and profit sharing contributions under the provisions of these plans. The Company made contributions in the amounts of $1,042 and $1,165 to the plans for Fiscal 2020 and Fiscal 2019, respectively.

6. SALES CONCENTRATIONS

Major Customers

Shipments to seven customers, including two wholesalers, accounted for approximately 75% and 73% of Ohm sales to third parties for Fiscal 2020 and 2019, respectively. Balances due from these customers (gross outstanding amounts) represented approximately 84% and 77% of gross accounts receivable at March 31, 2020 and 2019, respectively. As is typical in the U.S. retail sector, many of the Company's customers are serviced through their designated wholesalers. Of the sales made to wholesalers, the majority include sales for various customers of the Company that have underlying direct contracts with the Company that are facilitated through such wholesale customers. No other single customer accounted for more than 10% of Ohm's sales for Fiscal 2020 or Fiscal 2019. The loss of any of these customers would have a materially adverse effect on short-term operating results.

InSite performs research and development activities on behalf of Sun Pharmaceuticals Industries Limited, the ultimate parent of the Company. Signature has no customer concentration.

Major Products

Shipments of five products accounted for 87% and 82% of sales to third parties for Fiscal 2020 and Fiscal 2019, respectively.

7. COMMITMENTS, CONTINGENCIES, AND OTHER MATTERS

Litigation

The Company is involved in various legal proceedings including product liability, contracts, employment claims, anti-trust and other regulatory matters relating to the conduct of its business. Most of the legal proceedings involve complex issues, which are specific to the case and do not have precedents and hence for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors including: the stage of the proceedings and the overall length and the discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims, including the size of any potential class, particularly when damages are not specified or are indeterminate; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation and any other factors that may have a material effect on the litigation. Management makes an assessment of likely outcome, based on the views of internal legal counsel and in consultation with external legal counsel representing the Company. The Company also believes that disclosure of the amount sought by plaintiffs, generally would not be meaningful because historical evidence indicates that the amounts settled (if any) are significantly different than those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company may result in a material impact on consolidated results of operations or cash flows of a given period during which the claim is settled.

(amounts in thousands)

Product Liability and Insurance

The Company currently maintains a product liability insurance policy which provides coverage on a claims made basis and is subject to annual renewal. In addition, the Company maintains policies for property, workers' compensation and officers' and directors' liability and other general liability claims. There can be no assurance that the coverage limits of these policies will be adequate to cover the Company's liabilities, should they occur, or that such insurance may not be available in the future on acceptable terms or at all.

Regulatory Matters

All facilities remain in good standing for certified good manufacturing practice ("cGMP") compliance for FDA registered drug or device manufacturing operations.

Economic Uncertainty

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many United State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most industries and businesses, having the effect of suspending or severely curtailing operations. The extent of the ultimate impact of the pandemic on the Company's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to negatively impact the Company's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

8. RELATED PARTY TRANSACTIONS INCLUDING NONCASH CAPITAL CONTRIBUTION

The Company conducts business with affiliates related through common ownership and management control which involves the selling and purchasing of goods and cross utilization of resources. The following is a summary of the transactions and year end balances with these affiliates as of and for the year ended March 31:

	2020	2019
Advances from affiliate / due to related parties	$ 101,764	$ 85,314
Revenue recognized	97,832	108,350
Inventory purchases	6,352	2,405
Expenses	-	263
Allocated income taxes receivable	6,877	7,114
Allocated income tax benefit	(471)	(2,568)

Additionally one of the related entities closed a facility during Fiscal 2019, as a result equipment with a net book value of $8,054 was transferred to the Company. This transaction was recorded as a non-cash contribution.

Notes to Consolidated Financial Statements

(amounts in thousands)

9. RESTATEMENT

Accounting errors resulting in the understatement of net deferred income tax assets and accrued expenses as of March 31, 2019 were identified during Fiscal 2020. The accompanying 2019 consolidated financial statements have been corrected to restate these errors. The effect of this restatement on the previously reported consolidated financial statements as of and for the year ended March 31, 2019 is summarized as follows:

	As Originally Reported	Corrective Effect of Change	As Restated
Effects on the March 31, 2019 Consolidated Balance Sheet			
(Accumulated deficit) retained earnings at April 1, 2018	$ (8,154)	$ 14,390	$ 6,236
Deferred tax (liability) asset at March 31, 2019	(9,679)	12,051	2,372
Total assets at March 31, 2019	206,030	986	207,016
Accrued expenses	2,841	9,097	11,938
Current liabilities	42,656	9,097	51,753
Total liabilities	139,035	(1,968)	137,067
Retained earnings at March 31, 2019	5,534	2,954	8,488
Effects on the Consolidated Statement of Operations for the Year Ended March 31, 2019			
Cost of goods sold	$ 144,964	$ 14,479	$ 159,443
Operating income (loss) before taxes	7,985	(14,479)	(6,494)
Allocated income taxes (benefit)	473	(3,041)	(2,568)
Net income (loss)	7,512	(11,438)	(3,926)
Net income (loss) attributable to controlling interest	5,636	(11,438)	(5,802)

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY CONSOLIDATING INFORMATION

July 6, 2020

Board of Directors and Shareholders
Ranbaxy Inc. and Subsidiaries
Princeton, New Jersey

We have audited the consolidated financial statements of *Ranbaxy Inc. and Subsidiaries* for the years ended March 31, 2020 and 2019, and have issued our report thereon dated July 6, 2020, which expressed an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating and individual entity financial information of *Ranbaxy Inc. and Subsidiaries* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information, which is the responsibility of management, was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

SUPPLEMENTARY CONSOLIDATING INFORMATION
FOR THE YEARS ENDED
MARCH 31, 2020 AND 2019

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Balance Sheet
March 31, 2020
(amounts in thousands)

ASSETS	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Current assets						
Cash and cash equivalents	$ (916)	$ (597)	$ 2,595	$ 49	$ -	$ 1,131
Accounts receivable, net	-	9,239	-	-	-	9,239
Due from affiliated entities	-	-	-	13,044	-	13,044
Inventories	-	44,405	-	64	-	44,469
Prepaid expenses	-	449	343	-	-	792
Total current assets	**(916)**	**53,496**	**2,938**	**13,157**	**-**	**68,675**
Property, plant and equipment						
Land	-	560	-	-	-	560
Buildings and improvements	4,577	76,089	-	-	-	80,666
Equipment	5,372	106,664	-	-	-	112,036
Furniture and fixtures	1,384	2,175	-	-	-	3,559
Construction in process	55	6,896	-	-	-	6,951
Total	11,388	192,384	-	-	-	203,772
Less accumulated depreciation	3,016	120,655	-	-	-	123,671
Net property, plant and equipment	**8,372**	**71,729**	**-**	**-**	**-**	**80,101**
Investment in unconsolidated subsidiaries	44,775	-	-	-	(44,775)	-
Goodwill, net	-	7,414	2,552	-	-	9,966
Allocated income tax receivable (payable)	4,732	3,531	(1,386)	-	-	6,877
Allocated deferred income taxes	1,806	2,601	(444)	-	-	3,963
Total assets	**$ 58,769**	**$ 138,771**	**$ 3,660**	**$ 13,157**	**$ (44,775)**	**$ 169,582**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Balance Sheet
March 31, 2020
(amounts in thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Current liabilities						
Accounts payable - trade	$ 638	$ 5,443	$ 1,387	$ -	$ -	$ 7,468
Accrued expenses	539	7,163	213	-	-	7,915
Total current liabilities	**1,177**	**12,606**	**1,600**	**-**	**-**	**15,383**
Advances from affiliates	6,189	87,630	7,945	-	-	101,764
Total liabilities	**7,366**	**100,236**	**9,545**	**-**	**-**	**117,147**
Shareholders' equity						
Controlling interest						
Common stock	13,000	239	-	-	(239)	13,000
Additional paid-in capital	46,893	18,453	-	-	(18,453)	46,893
(Accumulated deficit) retained earnings	(8,490)	19,843	(5,885)	-	(13,958)	(8,490)
Total controlling interest	51,403	38,535	(5,885)	-	(32,650)	51,403
Members' equity	-	-	-	12,125	(12,125)	-
Noncontrolling interest	-	-	-	1,032	-	1,032
Total shareholders' / members' equity (deficit)	**51,403**	**38,535**	**(5,885)**	**13,157**	**(44,775)**	**52,435**
Total liabilities and shareholders' equity	**$ 58,769**	**$ 138,771**	**$ 3,660**	**$ 13,157**	**$ (44,775)**	**$ 169,582**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Balance Sheet
March 31, 2019
(amounts in thousands)

ASSETS	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Current assets						
Cash and cash equivalents	$ -	$ -	$ 2,580	$ 50	$ -	$ 2,630
Accounts receivable, net	-	9,158	242	-	-	9,400
Due from affiliated entities	-	-	-	10,831	-	10,831
Inventories	-	78,674	-	63	-	78,737
Prepaid expenses	-	3,065	463	-	-	3,528
Total current assets	**-**	**90,897**	**3,285**	**10,944**	**-**	**105,126**
Property, plant and equipment						
Land	-	560	-	-	-	560
Buildings and improvements	4,577	75,255	-	-	-	79,832
Equipment	5,372	105,519	1,723	-	-	112,614
Furniture and fixtures	1,384	-	6	-	-	1,390
Construction in process	55	6,083	-	-	-	6,138
Total	11,388	187,417	1,729	-	-	200,534
Less accumulated depreciation	2,030	115,686	1,580	-	-	119,296
Net property, plant and equipment	**9,358**	**71,731**	**149**	**-**	**-**	**81,238**
Investment in subsidiaries	58,010	-	-	-	(58,010)	-
Goodwill, net	-	7,414	2,552	-	-	9,966
Other intangible assets, net	-	-	1,200	-	-	1,200
Allocated income tax receivable (payable)	4,969	3,531	(1,386)	-	-	7,114
Allocated deferred income taxes	1,179	1,989	(796)	-	-	2,372
Total assets	**$ 73,516**	**$ 175,562**	**$ 5,004**	**$ 10,944**	**$ (58,010)**	**$ 207,016**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Balance Sheet
March 31, 2019
(amounts in thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Current liabilities						
Accounts payable - trade	$ 5,135	$ 31,304	$ 3,376	$ -	$ -	$ 39,815
Accrued expenses	-	11,938	-	-	-	11,938
Total current liabilities	**5,135**	**43,242**	**3,376**	**-**	**-**	**51,753**
Advances from affiliates	-	76,461	8,853	-	-	85,314
Total liabilities	**5,135**	**119,703**	**12,229**	**-**	-	**137,067**
Shareholders' equity						
Controlling interest						
Common stock	13,000	239	-	-	(239)	13,000
Additional paid-in capital	46,893	18,453	-	-	(18,453)	46,893
Retained earnings (accumulated deficit)	8,488	37,167	(7,225)	-	(29,942)	8,488
Total controlling interest	68,381	55,859	(7,225)	-	(48,634)	68,381
Members' equity	-	-	-	9,376	(9,376)	-
Noncontolling interest	-	-	-	1,568	-	1,568
Total shareholders' and members' equity (deficit)	**68,381**	**55,859**	**(7,225)**	**10,944**	**(58,010)**	**69,949**
Total liabilities and shareholders' equity	**$ 73,516**	**$ 175,562**	**$ 5,004**	**$ 10,944**	**$ (58,010)**	**$ 207,016**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Statement of Operations
Year Ended March 31, 2020
(amounts in thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Sales	$ -	$ 152,038	$ -	$ 7,146	$ -	$ 159,184
Research and development revenue	-	-	8,031	-	-	8,031
Other operating revenue	-	-	1,000	-	-	1,000
Total revenue	**-**	**152,038**	**9,031**	**7,146**	**-**	**168,215**
Cost of goods sold	-	92,657	-	426	-	93,083
Selling, general and administrative expenses	3,182	70,827	-	2,647	-	76,656
Research and development costs	-	6,549	8,016	-	-	14,565
Loss on disposal of property, plant and equipment	-	10	26	-	-	36
Operating (loss) income	**(3,182)**	**(18,005)**	**989**	**4,073**	**-**	**(16,125)**
Other expense						
Equity in losses from unconsolidated subsidiaries	(13,235)	-	-	-	13,235	-
(Loss) income before income tax allocation	**(16,417)**	**(18,005)**	**989**	**4,073**	**13,235**	**(16,125)**
Allocation of income taxes (benefit)	561	(681)	(351)	-	-	(471)
Net (loss) income	**(16,978)**	**(17,324)**	**1,340**	**4,073**	**13,235**	**(15,654)**
Net income attributable to noncontrolling interest	-	-	-	1,324	-	1,324
Net (loss) income attributable to controlling interest	**$ (16,978)**	**$ (17,324)**	**$ 1,340**	**$ 2,749**	**$ 13,235**	**$ (16,978)**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Statement of Operations
Year Ended March 31, 2019
(amounts in thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Sales	$ -	$ 157,908	$ -	$ 9,206	$ -	$ 167,114
Research and development revenue	-	-	12,561	-	-	12,561
Other operating revenue	-	-	1,326	-	-	1,326
Total revenue	**-**	**157,908**	**13,887**	**9,206**	**-**	**181,001**
Cost of goods sold	-	159,062	-	381	-	159,443
Selling, general and administrative expenses	3,386	-	8,520	3,052	-	14,958
Research and development costs	-	7,418	5,344	-	-	12,762
Loss on disposal of property, plant and equipment	-	161	171	-	-	332
Operating (loss) income	**(3,386)**	**(8,733)**	**(148)**	**5,773**	**-**	**(6,494)**
Other expense						
Equity in losses from unconsolidated subsidiaries	(3,127)	-	-	-	3,127	-
(Loss) income before income tax allocation	**(6,513)**	**(8,733)**	**(148)**	**5,773**	**3,127**	**(6,494)**
Allocation of income tax benefit	(711)	(1,829)	(28)	-	-	(2,568)
Net (loss) income	**(5,802)**	**(6,904)**	**(120)**	**5,773**	**3,127**	**(3,926)**
Net income attributable to noncontrolling interest	-	-	-	1,876	-	1,876
Net (loss) income attributable controlling interest	**$ (5,802)**	**$ (6,904)**	**$ (120)**	**$ 3,897**	**$ 3,127**	**$ (5,802)**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Statement of Shareholders' Equity

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Balances, April 1, 2018, as restated (Note 9)	**$ 66,129**	**$ 54,708**	**$ (7,105)**	**$ 7,564**	**$ (53,082)**	**$ 68,214**
Net (loss) income	(5,802)	(6,904)	(120)	5,773	3,127	(3,926)
Contributions	8,054	8,055	-	-	(8,055)	8,054
Distributions	-	-	-	(2,393)	-	(2,393)
Balances, March 31, 2019 as restated (Note 9)	**68,381**	**55,859**	**(7,225)**	**10,944**	**(58,010)**	**69,949**
Net (loss) income	(16,978)	(17,324)	1,340	4,073	13,235	(15,654)
Distributions	-	-	-	(1,860)	-	(1,860)
Balances, March 31, 2020	**$ 51,403**	**$ 38,535**	**$ (5,885)**	**$ 13,157**	**$ (44,775)**	**$ 52,435**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Statement of Cash Flows
Year Ended March 31, 2020
(in thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Cash flows from operating activities						
Net (loss) income	$ (16,978)	$ (17,324)	$ 1,340	$ 4,073	$ 13,235	$ (15,654)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities						
Depreciation	986	7,248	123	-	-	8,357
Amortization	-	-	1,200	-	-	1,200
Equity in losses from unconsolidated subsidiaries	13,235	-	-	-	(13,235)	-
Loss on disposal of property, plant, and equipment	-	10	26	-	-	36
Allocated deferred income taxes (benefit)	(627)	(612)	(352)	-	-	(1,591)
Changes in operating assets and liabilities which (used) provided cash						
Accounts receivable	-	(81)	242	-	-	161
Due from / to related parties	6,189	11,169	(908)	(2,213)	-	14,237
Inventories	-	34,269	-	(1)	-	34,268
Allocated income tax receivable	237	-	-	-	-	237
Prepaid expenses	-	2,616	120	-	-	2,736
Accounts payable	(4,497)	(25,861)	(1,989)	-	-	(32,347)
Accrued expenses	539	(4,775)	213	-	-	(4,023)
Net cash (used in) provided by operating activities	**(916)**	**6,659**	**15**	**1,859**	**-**	**7,617**
Cash used in investing activities						
Purchases and construction of property, plant and equipment	**-**	**(7,256)**	**-**	**-**	**-**	**(7,256)**
Cash used in financing activities						
Distributions	**-**	**-**	**-**	**(1,860)**	**-**	**(1,860)**
Net (decrease) increase in cash and cash equivalents	(916)	(597)	15	(1)	-	(1,499)
Cash and cash equivalents, beginning of year	-	-	2,580	50	-	2,630
Cash and cash equivalents, end of year	**$ (916)**	**$ (597)**	**$ 2,595**	**$ 49**	**$ -**	**$ 1,131**

See independent auditors' report on consolidating supplementary information.

RANBAXY INC. AND SUBSIDIARIES
(a wholly owned subsidiary of Sun Pharmaceutical Holdings USA, Inc.)

Consolidating Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	InSite Vision Inc.	Ranbaxy Signature	Consolidating Entries	Consolidated Total
Cash flows from operating activities						
Net (loss) income	$ (5,802)	$ (6,904)	$ (120)	$ 5,773	$ 3,127	$ (3,926)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities						
Depreciation	972	6,727	310	-	-	8,009
Amortization	-	-	1,200	-	-	1,200
Equity in losses from unconsolidated subsidiaries	3,127	-	-	-	(3,127)	-
Gain on disposal of property, plant, and equipment	-	161	171	-	-	332
Allocated deferred income taxes (benefit)	3,629	427	(184)	-	-	3,872
Changes in operating assets and liabilities which (used) provided cash						
Accounts receivable	-	(746)	20	-	-	(726)
Due from / to related parties	-	11,254	(5,574)	(3,458)	-	2,222
Inventories	-	(30,877)	-	78	-	(30,799)
Allocated income tax receivable	(4,340)	785	157	-	-	(3,398)
Prepaid expenses	-	(2,359)	129	-	-	(2,230)
Accounts payable	2,707	14,396	326	-	-	17,429
Accrued expenses	-	12,145	-	-	-	12,145
Net cash provided by (used in) operating activities	**293**	**5,009**	**(3,565)**	**2,393**	**-**	**4,130**
Cash flows from investing activities						
Purchases and construction of property, plant and equipment	(293)	(5,109)	-	-	-	(5,402)
Proceeds on disposal of property, plant and equipment	-	100	93	-	-	193
Net cash used in (provided by) investing activities	**(293)**	**(5,009)**	**93**	**-**	**-**	**(5,209)**
Cash used in financing activities						
Distributions	**-**	**-**	**-**	**(2,393)**	**-**	**(2,393)**
Net decrease in cash and cash equivalents	-	-	(3,472)	-	-	(3,472)
Cash and cash equivalents, beginning of year	-	-	6,052	50	-	6,102
Cash and cash equivalents, end of year	**$ -**	**$ -**	**$ 2,580**	**$ 50**	**$ -**	**$ 2,630**

See independent auditors' report on consolidating supplementary information.