

SUN PHARMACEUTICALS FRANCE
Société par Actions Simplifiée

Statutory auditor's report

Fiscal year ended as of March, 31 2020

SUN PHARMACEUTICALS FRANCE
Société par Actions Simplifiée au capital de 37 000 €
11 Quai de Dion Bouton
92800 PUTEAUX
RCS VERSAILLES 510 409 030

To the sole shareholder,

Opinion

Pursuant to the audit mission assigned to us by the sole shareholder, we conducted the audit of the yearly accounts of the company SUN PHARMACEUTICALS France for the year ended on march 31, 2020, as they are joined to the current report. Management is responsible for the preparation of the financial statements which were ready by August, 3 2020, based on available data at that date, in an evolving context of COVID-19 sanitary crisis.

We, hereby, certify that the yearly accounts, prepared according to the french GAAPs, give a true and fair view of the result of the operations of the past fiscal year, as well as of the financial situation at the end of this year.

Basis of the opinion

Audit référence system

We conducted our work in accordance with professional standards applicable in France. We estimate that collected data are sufficient and appropriate to provide a basis for our opinion.

Our responsibilities are indicated in the paragraph "responsibilities of the statutory auditor relating to the yearly accounts audit" of the current report.

Independence

We conducted our audit in compliance with the rules of independence , over the period from Aril 1st, 2019 to the date of issue of our report, and particularly we didn't supply any service prohibited by the code of ethics of statutory auditors.

Observation

Without questioning the above-expressed opinion, we draw your attention on the note "20 – Principles, accounting rules and methods" in the notes to the accounts, relating to the decision of termination of activities and dissolution of your company, which has led to present the accounts in liquidation value.

Justification of our assessments

Under articles L. 823-9 et R. 823-7 of the code of commerce relating to the justification of our assessments, in addition to the point described in the part "basis of our opinion with reservation" and in addition to the point described in the part "uncertainty regarding the going concern basis", we inform you that the most important appreciations carried out, have concerned the appropriateness of the applied accounting principles.

The assessments were made, as part of our audit of the yearly financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

As above mentioned, the note "20 – Principles, accounting rules and methods" in the notes to the yearly accounts indicates the presentation of the accounts in liquidative value.

Specific verifications

We also conducted our work in accordance with professional standards applicable in France, to specific verifications, provided for by the texts and legal rules.

Information given in the documents on financial situation and yearly accounts transmitted to the sole shareholder

We have no comments on sincerity and consistency with the yearly accounts, of information provided in documents on the financial situation and the yearly accounts given to the sole shareholder.

Responsibilities of management and persons constituting the corporate governance on yearly accounts

It is up to Management to prepare the yearly accounts which show a fair and true view, according to the french rules and accounting principles, as well as the implementation to internal control they deem necessary to set up the yearly accounts, without significant anomalies, whether they are the result of fraud or error

When preparing the annual accounts, Management must evaluate the capacity of the company to continue as a going concern, and present in the accounts, necessary information to the going concern, and so apply the accounting rule, unless it is intended to liquidate the company or to cease its operation

The annual accounts have been adopted by the President.

Responsabilitie of the statutory auditor relating to the audit of the annual accounts

It is up to us to set up a report on yearly accounts. Our objective is to obtain reasonable assurance that the yearly accounts, taken as a whole, are free from material misstatement.

Reasonable assurance corresponds to a high level of assurance, without however ensuring that an audit conducted under professionnall ethics allows systematically to detect any significant anomaly.

Anomalies may be caused by fraud or errors ; they are considered as significant when we can reasonably wait they can influence economical decisions that users of the accounts make by using those.

As referred to in Article L. 823-10-1 of the Code of commerce, our mission to certify accounts does not consist in guaranteeing the viability or quality of the management of your company

In the context of an audit carried out in accordance with the standards of professional practice applicable in France, the statutory auditor shall exercise his professional judgement throughout the audit. In addition:

- He identifies and assesses the risks of material misstatement of the annual accounts, whether due to fraud or error, and defines and implements audit procedures in relation to those risks, and gather such evidence as it considers sufficient and appropriate to form its opinion. The risk of failure to detect a significant anomaly arising from fraud is higher than that of a significant anomaly resulting from an error, as fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal control;
- He familiarizes himself with the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- He assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the annual accounts;
- he assesses the appropriateness of management's application of the business continuity accounting policy and, depending on the data collected, whether or not there is significant uncertainty related to events or circumstances that could affect the company's ability to continue operations. This assessment is based on the information collected up to the date of his report, however, bearing in mind that subsequent circumstances or events could call into question business continuity. If he concludes that there is significant uncertainty, he shall draw the attention of the readers of his report to the information provided in the annual accounts concerning that uncertainty or, if that information is not provided or is not relevant, it formulates a certification with reservation or a refusal to certify;
- he assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events in order to present a true and fair view of them.

Nîmes, august 4, 2020

**Pour la société SOFIRA AUDIT,
Membre de RSM International**

**Sébastien BEAUGRAND
Statutory auditor**



SUN PHARMACEUTICALS FRANCE, en cours liquidat

MARKETING DE PROD PHARMACEUTIQ
34 RUE JEAN MERMOZ

78600 MAISONS LAFFITTE

Comptes annuels au 31/03/2020

Siret : 51040903000028

Code APE : 4773Z

Summary

DESCRIPTION	NOTES	PAGES
Financial statements		
Balance sheet		3
Profit and loss account		5
Notes		
Highlights	10	8
Accounting conventions	20	8
Notes to liabilities		9
Shareholder equity	40	9
Other information	60	9

Financial statements

BALANCE SHEET ASSETS

		Note	Period N, closing at:				
			31/03/2020	31/03/2019			
			Gross 1	Provision for depreciation 2	Net 3	Net 4	
Capital subscribed, uncalled		(I) 30					
CAPITAL ASSETS	INTANGIBLE ASSETS	Formation expenses					
		Development costs					
		Franchises, patents and other similar rights					
		Goodwill (1)					
		Other intangible assets					
		Intangible assets in progress					
		Payments on account					
	TANGIBLE ASSETS	Land	31				
		Buildings					
		Plant, machinery and equipment					
		Other tangible assets					
		Fixed assets in progress					
		Payments on account					
	FINANCIAL ASSETS (2)	Participating interests (equity method)					
		Other participating interests					
LT receivables from related companies							
Portfolio investments							
Other fixed securities							
Loans							
Other financial assets							
Total (II)							
CURRENT ASSETS	INVENTORIES	Raw materials and supplies	32				
		Work in progress - goods					
		Work in progress - services					
		Semi-processed and finished goods					
		Goods held for resale					
	Payments on account made	33					
	RECEIVABLES	Trade notes and accounts (3)	34	64 472		64 472	281 421
		Other receivables (3)		31 348		31 348	24 925
		Capital subscribed, called yet unpaid					
	OTHER	Investment securities (includ. shares:)	35				
Cash instruments							
Cash		41 913			41 913	141 020	
ADJUSTMENT ACCOUNTS	Prepaid expenses (3)	36					
	Total (III)		137 732		137 732	447 366	
	Expenses of issue of loans to be spread out	(IV) 36					
	Premiums on redemption of debt securities	(V)					
	Translation differences (assets)	(VI)					
GRAND TOTAL (I à VI)			137 732		137 732	447 366	
References : (1) including leasehold acquisition cost :		(2) Short term financial investments		(3) Amount falling due + 1 year			
Reserve of title as security :	Fixed assets :	Inventories :		Receivables :			

BALANCE SHEET LIABILITIES

	Note	31/03/2020	31/03/2019	
SHAREHOLDER EQUITY	Legal or share capital (1) (of which, paid up: 37 000)	37 000	37 000	
	Premiums on share issues, mergers, contributions			
	Appraisal increase credit (2) (including difference via equity method)			
	Legal reserve (3)			
	Statutory or contractual reserves			
	Regulated reserves (3) (Including special reserve for changes in price rates)	40		
	Other reserves (Including reserve for purchases of original works by live artists)			
	Retained earnings carried forward		-385 950	-343 628
	NET INCOME OR LOSS OF THE PERIOD		469 552	-42 322
	Investment subsidies			
Regulated provisions				
	Total (I)	120 602	-348 950	
OTHER SHAREHOLD. EQUITY	Income from issues of equity interests	41		
	Conditional subsidies			
	Total (II)			
PROVISIONS FOR CONTING. & EXPENSES	Provision for contingency	42		
	Provision for expenses			
	Total (III)			
LIABILITIES (4)	Convertible debenture loans			
	Other debenture loans			
	Sums owed to lending institutions (5)			
	Sundry financial debts and borrowings (Including shareholder borrowings)	43		711 168
	Payments on account received on orders in progress			
	Trade notes and accounts payable		15 362	79 412
	Tax and social liabilities		1 768	5 735
	Liabilities to fixed asset suppliers and related accounts			
	Other liabilities			
Cash instruments				
Adjustm. accounts	Prepaid income (4)	44		
	Total (IV)	17 130	796 316	
Translation differences (liabilities)	(V) 44			
	GRAND TOTAL (I to V)	137 732	447 366	
Footnotes	(1) Appraisal increase credit incorporated into the capital			
	(2) Including Special revaluation reserve (1959)			
	(2) Including Appraisal increase credit (2)			
	(2) Including Revaluation reserve (1976)			
	(3) Including special long term gains reserve			
(4) Prepayments (income and expenses) within one year		17 130	796 316	
(5) Including current bank borrowings, bank and post office account (CCP) credit balances				

PROFIT AND LOSS ACCOUNT FOR THE PERIOD

			Note	31/03/2020	31/03/2019	
Number of months in period				12	12	
OPERATING INCOME		1 - France	2 - Export	Total	Total	
	Sales of goods held for resale				1 588 769	
	Production sold	goods	105 652		105 652	-105 867
		services				59 123
	NET TURNOVER (14)		105 652		105 652	1 542 026
	Production taken into inventory			50		
	Production capitalised					
	Operating subsidies					
Provisions and depreciation written back, charges transferred (9)			52 948		347 577	
Other income (1) (11)			15 771		1	
Total operating income (2) (I)				174 370	1 889 604	
OPERATING EXPENSES	Purchase of goods held for resale (including customs duty)					
	Inventory changes (goods held for resale)				1 745 370	
	Purchases of raw materials and supplies (including customs duties)					
	Changes of inventory (raw materials and supplies)					
	Other purchases and external charges (3) (6bis)			49 079	43 822	
	Taxes, levies and similar payments			1 684	-3 771	
	Wages and salaries			51	-26 401	
	Payroll charges (10)				-17 056	
	Appropriation to depreciation of fixed assets				874	
	Appropriation to provisions for fixed assets					
	Appropriation to provisions for current assets				23 704	164 666
	Appropriation to provisions for contingency and expenses					
	Other expenses (12)				826	0
Total operating expenses (4) (II)					75 294	1 907 505
1 - OPERATING INCOME OR LOSS (I - II)					99 077	-17 901
INTERCOMP TRANSACTIONS	Profit appropriated or loss transferred (III)				52	
	Loss appropriated or profit transferred (IV)					
FINANCIAL INCOME	Financial income from participating interests (5)			53		
	Other investment income and amounts owed (5)					
	Other interest and similar income (5)				9	57
	Provisions written back and charges transferred					
	Foreign exchange gains					
	Net gains on realisation of investments held as current assets					
Total financial income (V)				9	57	
FINANCIAL CHARGES	Allocation to financial assets and provisions			54		
	Interest and similar charges (6)				12 508	27 639
	Foreign exchange losses					
	Net charges on realisation of investments held as current assets					
Total financial charges (VI)				12 508	27 639	
2 - FINANCIAL PROFIT OR LOSS (V - VI)				-12 499	-27 582	
3 - CURRENT INCOME OR LOSS BEFORE TAX (I-II+III-IV+V-VI)				86 578	-45 483	

PROFIT AND LOSS ACCOUNT FOR THE PERIOD

	Note	31/03/2020	31/03/2019	
EXTRAORDINARY INCOME	Extraordinary income from operating transactions			
	Extraordinary income from capital transactions	55	717 097	70 729
	Provisions written back and charges transferred			
	Total extraordinary income (VII)		717 097	70 729
EXTRAORDINARY CHARGES	Extraordinary charges on operating transactions (6bis)	56	313 688	67 569
	Extraordinary charges on capital transactions		20 435	
	Extraordinary allocation to depreciation and provisions			
	Total extraordinary charges (VIII)		334 123	67 569
4 - EXTRAORDINARY INCOME OR LOSS (VII - VIII)			382 974	3 161
Employee profit share	(IX)	57		
Income tax	(X)	58		
TOTAL INCOME (I+III+V+VII)			891 477	1 960 390
TOTAL CHARGES (II+IV+VI+VIII+IX+X)			421 924	2 002 712
5 - PROFIT OR LOSS (total income - total charges) (15)			469 552	-42 322

Footnotes			
		31/03/2020	31/03/2019
(1)	Including payment instalments on long term transactions		
(2)	Of which	- Income from real estate rentals	
		- Income from prior period operations	
(3)	Of which	- Property leasing	
		- Real estate leasing	
(4)	Of which, charges for prior period operations		
(5)	Of which, income related to affiliated undertakings		
(6)	Of which, interest related to affiliated undertakings		
(6 bis)	Of which, gifts to agencies of general interest (Art.238 bis of the French tax code)		
(9)	Of which, charges transferred		503
(10)	Of which, personal contributions of the proprietor (13)		
(11)	Of which, royalties for concession of patents, licences (income)		
(12)	Of which, royalties for concession of trademarks, licences (charges)		
(13)	Of which, premiums and additional personal contributions: optional		
(13)	obligatory		
(14)	Turnover in Euros and cents	105 651,94	1 542 026,03
(15)	Net income or loss in Euros and cents	469 552,17	-42 321,94

Notes

Note 10 - Highlights

Historical reminder :

On March 31, 2013, a waiver of debt with clause de "retour à meilleure fortune" has occurred between SUN PHARMACEUTICALS France and his parent company, ALKALOÏDA, for a total amount of 1.611.881,67 euros. This exceptional income, bookd in the subsidiary's accounts, corresponds tot eh waiver ot the total cash advances booked in the current account of the shareholder (interests included) brought by the parent to its daughter company, from the creation of SUN PHARMACEUTICALS France.

On March 31, 2014, the clause de "retour à meilleure fortune(RMF)" was applied for 75% of the net income +/- variation of depreciation of fixed assets and accruals and led to an exceptional expense of 173.731 euros.

On March 31, 2015, the clause de "retour à meilleure fortune (RMF)" was again applied for 70% of the net income +/- variation of depreciation of fixed assets and accruals and led to an exceptional expense of 60.000 euros.

On March 31, 2020, (without any change from March 2015), the clause was not applied and the balance of the waiver of debt amounts to 1.378.150,67 euros.

Note 20 - Accounting conventions

Accounting standards - General

The balance sheet, which amounts to 137.732 €, presents, as well as the P&L account, a net profit of 469.552 € (against a loss of -42.321,94 € as of 31/03/2019).

The fiscal year has a duration of 12 months, covering the period from 01/04/2019 to 31/03/2020.

The dissolution of the company was decided within march 2020 and a liquidator has been appointed, with a view to finalize the liquidation operations.

The notes or charts are part of the yearly financial statements.

Accounting principles

The financial statements as of 31/03/2020 have been prepared under le règlement ANC 2014-03 du 5 june 2014 published au JO on october 15, 2014, modified by les règlements ANC 2015-06 of 23/11/2015 & ANC 2016-07 of 04/11/2016.

Accounting conventions have been applied, under the respect of the prudence principle:

On 31/03/2019 :

- non application of the going concern principle, following the sale of the inventory, of the fixed assets and of the transfer of the employees of SUN Pharmaceuticals France, on may 2, 2018, to the group RANBAXY France (renamed now SUN FRANCE).

On 31/03/2020 :

- non application of the going concern principle, following the reminders to customers, and partial cancellation of intra-group loans and interests

With a view to finalizing the liquidation process, it remains to finalize some current operations (statutory audit, legal aspects) and transfer the remaining cash balance within the Group (Alkaloïda, the parent company).

SUN FRANCE (ex-Ranbaxy France) keeps their support till the end of the liquidation operations,

- permanence of accounting methods from a financial year to the other,
- independence of fiscal years,

and according to the general accounting rules for presentation of yearly accounts.

Accounting standards - Other information**Pandemy of COVID-19 and impact on the financial accounts as of march 31, 2020**

(Code of Commerce Art L123-20; PCG Art 513-4 et Art 833-2)

Due to the pandemy of Covid-19 throughout the world during the 1st quarter of 2020 and due to the recognition by OMS (World Health Organization) of the pandemy on march 11, 2020, it's considered that for fiscal years closed on march 31, 2020, the pandemy is an existing situation which happened before the march 2020 close.

At the closing date, there was no impact on the financial statements as of march 31, 2020 and the company has kept the liquidation process.

Note 40 - Shareholder equity**Composition of registered capital**

Description	Shares or partnership interests		
	Number	Unit value	Total
At beginning of the period	7400	5,00	37 000
Issued during the period			
Redeemed during the period			
At end of the period	7400	5,00	37 000
Increase of capital by incorporation of reserves			
Reduction of capital by use of reserves			

Note 60 - Other information**Breakdown of accrued charges**

Description	Amount
CAC-MAR19 PROV	8 400
CFE 2019	1 768
Fidulys-honoraires liquidation +	6 960
Total	17 128

Maturity of receivables

Statement of receivables	Gross amount	Within 1 year maximum	After 1 year
Receivables from undertakings in which interests are held			
Loans (1) (2)			
Other financial assets			
Doubtful or contested accounts			
Other customer receivables	64 472	64 472	
Amounts owed from loaned securities (Provision for loss in value, constituted in prior periods)			
Personnel and related accounts			
Social security and and other social agencies			
Income tax			
Value added tax	10 942	10 942	
Other taxes, levies and similar payments			
Miscellaneous			
Group and partners (2)			
Sundry debtors (receivables relating to repo agreements)	20 406	20 406	
Prepaid expenses			
Totals	95 820	95 820	
(1) Sum of - Loans granted during the period - Repayments obtained during the period			
(2) Loans and advances to partners (individuals)			

Maturity of liabilities

Statement of liabilities	Gross amount	Within 1 year maximum	Between 1 and 5 years max.	After 5 years
Convertible debenture loans (1)				
Other debenture loans (1)				
Sums owed to lending institutions (1) Original maximum 1 year term Original greater than 1 year term				
Sundry financial debts and loans (1) & (2)				
Supplier and related accounts	15 362	15 362		
Personnel and related accounts				
Social security and other social agencies				
Income tax				
Value added tax				
Secured bonds				
Other taxes, levies and similar payments	1 768	1 768		
Debts to fixed asset suppliers and related accounts				
Group and partners (2)				
Other liabilities				
Debts on loaned securities				
Prepaid income				
Totals	17 130	17 130		
(1) Borrowings subscribed during the period				
Borrowings repaid during the period			(2) Sums owed to partners (individuals)	

Statement of provisions

Type of provisions	Amount at beginning of the period	Increase: allocations of the period	Reduction: reversals of the period	Amount at end of the period
REGULATED PROVISIONS				
Provisions for depletion of mining and oil reserves				
Investment provisions (Art.237 bis A-II)				
Provisions for price increases				
Derogatory depreciation (regulated)				
Derogatory depreciation (regulated)				
Provision for business set-up loans (Art.39d (quinquies) H of CGI)				
Other regulated provisions				
Total (I)				
PROVISIONS FOR CONTINGENCY AND EXPENSES				
Provisions for lawsuit contingency				
Estimated liability under warranties				
Provisions for unrealised losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pension plans and similar requirements				
Tax provisions				
Provisions for renewal of fixed assets				
Provisions for large maintenance and great revisions				
Accrued payroll charges on unpaid holiday				
Other provisions for contingency and expenses				
Total (II)				
PROVISION FOR LOSS IN VALUE				
on fixed assets				
- intangible				
- tangible				
- securities via the equity method				
- participating interests				
- other financial assets				
On inventories				
On customer accounts	29 243	23 704	52 947	
Other provisions for loss in value				
Total (III)	29 243	23 704	52 947	
Total (I + II + III)	29 243	23 704	52 947	
including allocations and reversals		23 704	52 948	
-operating				
-financial				
-extraordinary				
Securities assessed by the equity method: depreciation at closing computed in pursuance of Article 39-1-5quinquies of French tax code.				