S R B C & CO LLP
Chartered Accountants

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Pune - 411 006, India

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sun Pharmaceutical Industries Limited

Report on Special Purpose Consolidated Financial Statements

Opinion

We have audited the Special Purpose Consolidated Financial Statements of Sun Pharmaceutical Holdings USA, Inc. ("the Company") and its subsidiaries (collectively referred to as the 'Group'), which comprise the Consolidated Balance sheet as at March 31, 2023 and the related Consolidated Statement of Income/(loss), Consolidated Statement of Changes in Shareholder's Equity and Consolidated Statement of cash flows for the year then ended, and the related notes to the Special Purpose Consolidated Financial Statements.

In our opinion, the accompanying Special Purpose Consolidated Financial Statements referred to above present fairly, in all material respects, the Consolidated financial position of the Group as at March 31, 2023 and the consolidated results of its operations and its consolidated cash flows for the year then ended in conformity with the accounting principles generally accepted in United States ('USGAAP').

Basis for Opinion

We conducted our audit of the Special Purpose Consolidated Financial Statements in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated Financial Statements in the United States of America, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Consolidated Financial Statements.

Responsibilities of Management and those charged with governance for the Special Purpose Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of the Special Purpose Consolidated Financial Statements in accordance with USGAAP, and for such internal control as management determines to enable the preparation of Special Purpose Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Consolidated Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

The Special Purpose Consolidated Financial Statements of the Group as of and for the year ended March 31, 2022 were audited by predecessor auditor who have expressed an unmodified opinion on those Special Purpose Consolidated Financial Statements in their report dated June 30, 2022.

Restriction on Distribution

As described in Note 2(a), these Special Purpose Consolidated Financial Statements are prepared for Sun Pharmaceutical Industries Limited ('the Parent Company') to comply with the requirements of Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended ('the LODR') in India and for the purpose of publishing the Special Purpose Consolidated Financial Statements on Parent Company's website. As a result, the Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. It is not to be used for the any other purpose, or referred to in any other document, or distributed to anyone else without out prior written consent. Our opinion is not modified in respect of this matter.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 23105754BGQUPJ2500
Place of Signature: Pune
Date: June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED BALANCE SHEET

March 31,
(in USD thousands)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	102,344	31,580
Restricted Cash	1,157	-
Accounts receivable, net	554,229	569,989
Other receivables	6,028	4,932
Due from related parties	264,738	480,514
Inventories, net	388,567	246,964
Refundable income taxes	17,736	19,515
Prepaid expenses and deposits	21,788	20,637
Total current assets	1,356,587	1,374,131
Property, plant and equipment		
Land	2,161	1,977
Buildings and improvements	122,261	114,157
Equipment	204,988	199,645
Furniture and fixtures	6,988	6,988
Vehicles	24,859	25,060
Construction in process	9,182	8,760
Total	370,439	356,587
Less accumulated depreciation	243,566	221,767
Net property, plant and equipment	126,873	134,820
Investments		
Marketable equity securities	100,520	124,923
Nonmarketable equity securities	13,165	18,502
Equity method investments	49,593	72,920
Convertible notes	9,998	28,611
Total investments	173,276	244,956
Operating lease assets, net	13,023	6,947
Goodwill	273,562	80,579
Intangible assets, net of accumulated amortisation	449,931	14,776
Deferred income taxes	15,924	109,199
Total assets	2,409,176	1,965,408

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED BALANCE SHEET - CONTINUED

March 31,
(in USD thousands)

	2023	2022
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	685,000	-
Accounts payable	127,895	95,233
Accrued expenses	277,130	515,389
Advances from affiliates, current	704,664	-
Current portion of operating lease obligations	2,947	1,893
Current portion of finance lease obligations	5,230	5,359
Total current liabilities	1,802,866	617,874
Advances from affiliate, net of current portion	70,000	729,765
Operating lease obligations, net of current portion	15,720	5,375
Finance lease obligations, net of current portion	5,904	8,496
Total liabilities	1,894,490	1,361,510
Commitments and contingencies (Notes 1, 9, 14, and 18)		
SHAREHOLDER'S EQUITY		
Controlling interest		
Common stock - $0 par value, 5,000 shares authorized and 1 share issued and 1 share outstanding	-	-
Additional paid-in capital	543,880	543,880
Retained earnings	(51,462)	34,954
Total controlling interest	492,418	578,834
Non-controlling interest	22,268	25,064
Total shareholder's equity	514,686	603,898
Total liabilities and shareholder's equity	2,409,176	1,965,408

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per Paul Alvares
Partner
Membership no. : 105754
Pune, India
June 29, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Holdings USA, Inc.

Susan Perilli
Director
New Jersey, USA
June 29, 2023

Zvi Albert
Chief Financial Officer
New Jersey, USA
June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENT OF INCOME (LOSS)

Years ended March 31,
(in USD thousands)

	2023	2022
Sales, net	1,355,743	1,144,250
Other operating revenue	452	753
Total revenue	1,356,195	1,145,003
Cost of goods sold	912,877	738,940
Selling, general and administrative expenses	427,394	649,937
Research and development costs	33,997	22,858
Gain on disposal of property, plant, and equipment	(298)	(292)
Operating loss	(17,775)	(266,440)
Other income (expense)		
Interest expense	(41,031)	(11,499)
Dividend and interest income	19,170	29,500
(Losses)/gains on equity securities	(47,376)	(63,986)
Equity in (losses)/earnings from equity method investments	(22,175)	(40,215)
Other income	10,479	24,507
Other (expense) income, net	(80,933)	(61,693)
(Loss)/income before income taxes	(98,708)	(328,133)
Income taxes (benefit)/provision	(9,496)	(77,521)
Net (loss)/income	(89,212)	(250,612)
Net income attributable to non-controlling interest	(2,796)	133
Net (loss)/income attributable to controlling interest	(86,416)	(250,745)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

For and on behalf of the Board of Directors of
Sun Pharmaceutical Holdings USA, Inc.

per Paul Alvares
Partner
Membership no. : 105754
Pune, India
June 29, 2023

Susan Perilli
Director
New Jersey, USA
June 29, 2023

Zvi Albert
Chief Financial Officer
New Jersey, USA
June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

Years ended March 31, 2023 and 2022
(in USD thousands except share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Non-controlling Interest	Total Shareholder's Equity
	Shares	Amount				
Balances, March 31, 2021	1	-	543,880	286,252	24,931	855,063
Net income	-	-	-	(250,745)	133	(250,612)
Distributions	-	-	-	(553)	-	(553)
Balances, March 31, 2022	1	-	543,880	34,954	25,064	603,898
Net income/(loss)	-	-	-	(86,416)	(2,796)	(89,212)
Distributions	-	-	-	-	-	-
Balances, March 31, 2023	1	-	543,880	(51,462)	22,268	514,686

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per Paul Alvares
Partner
Membership no. : 105754
Pune, India
June 29, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Holdings USA, Inc.

Susan Perilli
Director

New Jersey, USA
June 29, 2023

Zvi Albert
Chief Financial Officer

New Jersey, USA
June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended March 31,
(in USD thousands)

	2023	2022
Cash flows from operating activities		
Net (Loss)/income	(89,212)	(250,612)
Adjustments to reconcile net income to net cash (used in)/provided by operating activities		
Depreciation	24,121	21,289
Amortization	7,691	8,749
Losses (gains) on equity securities - marketable	22,175	63,986
Equity in losses/(earnings) from equity method investments	47,376	40,215
Stock dividend from investee	(1,748)	(10,941)
Gain on disposal of property, plant, and equipment	(298)	(292)
Capital work in progress written off	713	-
Provision / impairment / write off / (reversal) of investments / advances / loans	25,966	-
Loss on impairment of goodwill	2,552	-
Deferred income taxes	(11,275)	(85,254)
Provision (recovery) of doubtful accounts	190	(148)
Changes in operating assets and liabilities which (decreased)/increased cash		
Accounts receivable	15,064	(79,824)
Due from related parties	215,776	(280,138)
Inventories	(141,603)	61,426
Refundable Income taxes	1,779	(21,995)
Prepaid expenses and deposits	798	(8,541)
Accounts payable	32,317	5,792
Accrued expenses	(265,350)	277,927
Lease obligations	(2,289)	(3,890)
Net cash (used in) provided by operating activities	(115,257)	(262,251)
Cash flows from investing activities		
Purchases and construction of property, plant and equipment	(13,293)	(9,239)
Contributions in equity investments - non-marketable	-	(1,712)
Contributions in equity method investments	12	-
Investment in convertible note	-	(16,611)
Acquisitions (Note 21)	(572,000)	-
Distributions from equity method investments	1,153	-
Purchase of Intangibles	(24,707)	(1,200)
Proceeds on disposal of property, plant, and equipment	676	-
Proceeds from sale of non-marketable securities	416	-
Proceeds from sale of marketable securities	808	5,409
Net cash provided by (used in) investing activities	(606,935)	(23,353)
Cash flows from financing activities		
Proceeds from short-term bank borrowings	685,000	(1,555)
Net repayment of line of credit borrowings	-	(15,000)
Net advances from affiliates	44,898	300,905
Repayment of lease obligations	(4,857)	-
Distributions	(23)	(553)
Net cash provided by (used in) financing activities	725,018	283,797
Net increase / (decrease) in cash and cash equivalents	2,826	(1,807)
Cash and cash equivalents taken over on acquisition of subsidiary (Note 21)	69,095	-
Cash and cash equivalents, beginning of year	31,580	33,387
Cash and cash equivalents, end of year	**103,501**	**31,580**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED

Years ended March 31,
(in USD thousands)

Note: Following table provides a reconciliation of cash and cash equivalents including restricted cash reported within the Consolidated Balance Sheet that equates to the total of the same amounts shown in the Consolidated Statements of Cash Flows.

	2023	2022
Cash and cash equivalents	102,344	31,580
Restricted cash	1,157	-
Cash and cash equivalents, end of year	**103,501**	**31,580**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per Paul Alvares
Partner
Membership no. : 105754
Pune, India
June 29, 2023

For and on behalf of the Board of Directors of
Sun Pharmaceutical Holdings USA, Inc.

Susan Perilli	**Zvi Albert**
Director	Chief Financial Officer
New Jersey, USA	New Jersey, USA
June 29, 2023	June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023 and 2022
(Dollars in thousands)

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

1. Organization and Nature of Business

Sun Pharmaceutical Holdings USA, Inc. ("Sun Holding"), with headquarters in Princeton, New Jersey, is a wholly owned subsidiary of Sun Pharmaceutical Industries Limited ("Sun Limited"), a specialty pharmaceutical business organized under the laws of, and based in, India. Sun Holding has no operating activities. All operating activities are carried out by its subsidiaries; Sun Pharmaceutical Industries, Inc. and subsidiaries ("Sun"), which is 96.32% owned by Sun Holding and 3.68% by Sun Limited, and Ranbaxy, Inc. and subsidiaries ("Ranbaxy"), which is wholly owned by Sun Holding (collectively, "Sun Pharma" or the "Company").

The Company develops, licenses, manufactures, markets and distributes generic and brand prescription and over-the-counter pharmaceuticals to the nation's largest wholesalers, distributors, warehousing and non-warehousing chain drugstores and managed care providers, 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 and New Drug Applications ("NDAs") for brand drugs. The Company distributes various products exclusively for Sun Limited and also 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. Generic products are intended to treat a variety of disorders including, but not limited to, hypertension, arthritis, epilepsy, diabetes, depression, cancer and pain management. The Company has brand products that currently are primarily intended to treat patients related to dermatology. The Company has divisions for the distribution of various proprietary brand products in the therapeutic categories of ophthalmology, dermatology (biologics), oncology and neurology.

The Company is also involved in developing CTP-543, a Janus Kinase 1 and Janus Kinase 2 (JAK 1/2) inhibitor that Company has discovered through the application of DCE Platform (deuterated chemical entity platform). Company is evaluating CTP-543 in a Phase 3 clinical program for the treatment of alopecia areata, a serious autoimmune dermatological condition. If these trials are successful, Company intend to file a New Drug Application, or NDA, with the U.S. Food and Drug Administration, or FDA.

Subsidiaries of Sun Pharmaceutical Industries, Inc. include:

Chattem Chemicals, Inc. ("Chattem"), a wholly owned subsidiary, is based in Chattanooga, Tennessee. Chattem is primarily engaged in the business of manufacturing Active Pharmaceutical Ingredients ("APIs"), surfactants and aluminum performance additives.

DUSA Pharmaceuticals Inc. ("DUSA"), a wholly owned subsidiary, is based in Billerica, Massachusetts, and is primarily engaged in the business of manufacturing and marketing branded dermatology formulations and medical devices used for treatment of dermatological conditions.

Taro Development Corporation ("TDC"), a wholly owned subsidiary, is based in New York. This entity had no operating activity in fiscal years ended March 31, 2023 or 2022.

Sun's manufacturing and distribution facilities are located in Cranbury, New Jersey; Chattanooga, Tennessee; Billerica, Massachusetts and Lexington, Massachusetts. Company also has 56,000 square feet of leased office and laboratory space located at 65 Hayden Avenue, Lexington, Massachusetts. The lease expires on January 1, 2029. Company believes that these facilities are sufficient for our current needs for the foreseeable future. The Company also has executive offices in these locations.

Subsidiaries of Ranbaxy Inc. include:

Ohm Laboratories, Inc. ("Ohm") a wholly owned subsidiary is based in New Brunswick, New Jersey, and has two manufacturing locations in New Jersey and one warehouse in New Brunswick.

Ranbaxy Signature L.L.C. ("Signature") is a 67.5% owned joint venture. Signature has the rights to a diabetic product that is marketed and distributed through Sun Pharmaceutical Industries, Inc.

2. Summary of significant accounting policies

a) Basis of preparation

These special purpose 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 ("U.S. GAAP"). These special purpose consolidated financial statements are prepared in the functional currency of U.S. dollars and include the accounts of consolidated subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The decision of whether to consolidate an entity for financial reporting purposes requires consideration of majority voting interests, as well as effective economic or other control over the entity. Typically, we do not seek control by means other than voting interests. These special purpose consolidated financial statements have been prepared for Sun Pharmaceutical Industries Limited to comply with the requirement of Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended (the 'LODR') in India. Accordingly, these consolidated financial statements are special purpose and should not be used for any other purpose.

b) Use of Estimates

The preparation of special purpose consolidated financial statements in conformity with U.S. 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 special purpose consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The management regularly evaluates its estimates and assumptions, using historical experience, third-party data, and market and external factors. The estimates are often based on complex judgments, probabilities and assumptions that the management believes to be reasonable but that are inherently uncertain and unpredictable. As future events and their effects cannot be determined with precision, these estimates and assumptions may prove to be incomplete or inaccurate, or unanticipated events and circumstances may occur that might cause management to change those estimates and assumptions. Management adjust its estimates and assumptions when facts and circumstances indicate the need for change. It is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, impairment testing of tangible assets and intangible assets, allowance for doubtful accounts, recoverability of advances, realizability of deferred tax assets, valuation of inventories, income tax uncertainties and other contingencies and commitments.

Recent Accounting Pronouncements - Not Yet Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). This ASU provides guidance for recognizing credit losses on

financial instruments based on an estimate of current expected credit losses model. This new standard amends the current guidance on the impairment of financial instruments and adds an impairment model known as current expected credit loss (CECL) model that is based on expected losses rather than incurred losses. Under the new guidance, an entity will recognize as an allowance its estimate of expected credit losses. The FASB subsequently issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, derivatives and Hedging, and Topic 825, Financial Instruments,* and ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses to clarify,* and address certain items related to the amendments in ASU 2016-13. Accounting Standards Codification (“ASC”) 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim reporting periods within those fiscal years with early adoption permitted. The Company is evaluating this ASU but does not anticipate a significant impact on its special purpose consolidated financial statements based on its historical trend of bad debt expense relating to trade accounts receivable.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform ("ASU 2020-04"). ASU 2020-04 provides optional guidance for a limited period of time to ease potential accounting impact associated with transitioning away from reference rates that are expected to be discontinued, such as the London Interbank Offered Rate ("LIBOR"). The amendments in this ASU apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued. The amendments in ASU 2020-04 can be adopted as of March 12, 2020 and are effective through December 31, 2022. However, it cannot be applied to contract modifications that occur after December 31, 2022. The London Interbank Offered Rate (LIBOR) is expected to be phased out at the end 2021. The company does not currently have any contracts that have been changed to a new reference rate, but will continue to evaluate our contracts and the effects of this standard on our special purpose consolidated financial statements prior to adoption.

c) 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. The Company maintains a policy of making investments only with institutions with at least an investment grade credit rating. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of these deposits.

d) Restricted cash

Restricted cash comprises of USD 1,157 in the Restricted Money Market (collateral MMA) account with one of its bank as a security deposit as per the lease agreement for the leasehold property of the Company in 99 Hayden Avenue, Suite 500, Lexington, Massachusetts. The funds can only be withdrawn as per the agreement entered into by the company with the lessor of the leasehold property.

e) Investments

The Company invests in equity securities of public and private companies to promote business and strategic objectives. These investments, although long term, are generally focused on the development of these individual drugs and are not intended to be ongoing relationships.

Marketable equity securities are equity securities with readily determinable fair value that are measured and recorded at fair value on a recurring basis with changes in fair value, whether realized or unrealized, recorded through the consolidated statements of income. Sun, through its subsidiary TDC, holds 2,333,802 shares of Taro Pharmaceutical Industries, Ltd. (“Taro”). Sun Limited, along with several of its subsidiaries, holds the majority of the common shares of Taro. The American Depository Shares of Taro are traded on the New York Stock Exchange. Management does not intend to sell the securities of this affiliate in the near future since such interests were acquired as strategic investments by Sun Limited and its subsidiaries.

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for using the equity method of accounting. Whether or not the Company exercises significant influence with respect to an investee depends on an evaluation of several factors including, among others, representation on the investee company’s board of directors, and ownership level, which is generally a 20% to 50% interest in the voting securities for corporate entities and between 3% and 50% interest in the voting securities for noncorporate entities. Under the equity method of accounting, an investee's underlying accounts are not reflected within the Company’s consolidated balance sheets and consolidated statements of income; rather, the Company’s share of the earnings or losses of the investee is reflected in the caption “Equity in earnings from equity method investments” in the consolidated statements of income. The Company’s carrying value in an equity method investee is reflected in the caption “Equity method investments” on the consolidated balance sheets.

Non-marketable equity securities are equity securities without readily determinable fair values and where we have no significant influence are measured at Net asset value (“NAV”). Investments represents the long-term equity investments in life sciences sector. Management has elected the practical expedient for measurement of these investments at NAV per share and accordingly, the asset was categorized within Level 2 of the fair value hierarchy. At March 31, 2023 and 2022, the Company has outstanding capital commitments of approximately $98 and $120 respectively, to these investees.

Realized and unrealized gains and losses resulting from changes in fair value or the sale of equity investments are reported as “gains (losses) on equity securities” on the consolidated statements of income. Substantially all (losses) gains recognized in fiscal years ended March 31, 2023 and 2022 are unrealized.

f) Convertible Notes

During fiscal year ended March 31, 2018, the Company converted a $7,000 advance to one of its development stage investees into a convertible note. The convertible note matured in February 2020. On April 30, 2020, an amendment was entered into, which extended the maturity date to December 31, 2021. On December 27, 2021, another amendment was entered into, which further extended the maturity date to December 31, 2022. On January 11, 2023, amendment was entered into, which further extended the maturity date to June 30, 2023. Interest accrues at an annual rate of 12%. The investee may prepay the convertible note in $1,000 increments without penalty. The Company has the right to convert any outstanding principal into shares of the investee’s common stock, at any time on or before the maturity date at its discretion. If the Company chooses to convert, it will forfeit all accrued and unpaid interest.

During fiscal year ended March 31, 2019, an addendum to the original convertible note agreement was signed. As a result, the Company agreed to invest an additional $5,000. These convertible notes matured in December 2019. On April 30, 2020, an amendment was entered into, which extended the maturity date to December 31, 2021. On December 27, 2021, another amendment was entered into, which further extended the maturity date to December 31, 2022. On January 11, 2023, amendment was entered into, which further extended the maturity date to June 30, 2023. Interest accrues at an annual rate of 12%. The investee may prepay the convertible note in $1,000 increments without penalty. The Company has the right to convert any outstanding principal into shares of the investee’s common stock, at any time on or before

the maturity date at its discretion. If the Company chooses to convert, it will forfeit all accrued and unpaid interest.

During fiscal year ended March 31, 2022, the Company paid $16,611 to Sun Global FZE an affiliate company for their convertible notes of the development stage investees with the maturity date to December 31, 2021. On December 31, 2021, another amendment was entered into, which further extended the maturity date to December 31, 2022. On January 11, 2023, amendment was entered into, which further extended the maturity date to June 30, 2023. Interest accrues at an annual rate of 12%. The Company has the right to convert any outstanding principal into shares of the investee's common stock, at any time on or before the maturity date at its discretion. If the Company chooses to convert, it will forfeit all accrued and unpaid interest.

The conversion feature of these notes does not allow for a cash settlement. The shares delivered on conversion are privately held and, therefore, not readily convertible to cash. As a result, the conversion feature does not have a net settlement characteristic and, therefore, does not meet the definition of a derivative.

During fiscal year ended March 31, 2023, the company recorded an impairment of $18,613 towards these convertible notes [Note 3 (d)].

g) Advances from Affiliates (Related by Common Ownership and Management Control)

The Company has received funds from Alkaloida Chemical Co. ZRT, Sun Pharma Netherlands B.V. and Sun Limited. These advances are considered unsecured operating loans. On an annual basis, any unpaid accrued interest is rolled into the principal balance. The Alkaloida Chemical Co. ZRT should be repaid by December 2023 unless the parties mutually agreed otherwise. The effective interest rates ranged between 2.26% and 6.87% in the fiscal year ended March 31, 2023 and 2.01% to 2.30% in the fiscal year ended March 31, 2022, respectively. These advances have been classified as current in the consolidated balance sheets. The Sun Pharma Netherlands B.V. balance should be repaid by February 2026. The effective interest rate is 5.42%. These advances have been classified as non-current in the fiscal year ended March 31, 2023 consolidated balance sheet. Sun Limited balance should be repaid in two years from date of signed agreement February 09, 2022. The effective interest rates ranged between 1.52% and 5.98% during fiscal year ended March 31, 2023 and 1.36% and 1.64% in fiscal year ended March 31, 2022. These advances have been classified as non-current in the fiscal year ended March 31, 2023 consolidated balance sheets (The interest rates mentioned are on a per annum basis).

h) Due from Related Parties

The Company enters into transactions with related parties in the normal course of business. These balances bear no interest and are not collateralized and have no specified due dates. These balances are classified as current in the consolidated balance sheets as they are expected to be collected in the normal course of business. The related parties have agreed to offset its respective receivable and payable balances and, accordingly, the resulting net receivables have been included under due from related parties on the consolidated balance sheets as of March 31, 2023 and 2022.

i) 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.

Revenue from the sales of goods, including sales to wholesalers, is recognized at the point in time 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 majority of the Company's revenues are made in the US.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for 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 probable 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.

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 60 and 90 days.

The Company's customers consist primarily of large U.S. pharmaceutical wholesalers who sell directly into the retail channel, chain drug stores, distributors, managed care customers and radiopharmaceutical pharmacies. For the products being sold from DUSA the primary customers are physicians and hospitals.

Revenue for distinct intellectual property ("IP") rights is accounted for based on the nature of the promise to grant the license. In determining whether the Company's promise is to provide a right to access its IP or a right to use its IP, the Company considers the nature of the IP to which the customer will have rights. IP is either functional IP, which has significant standalone functionality or symbolic IP, which does not have significant standalone functionality. Revenue from functional IP is recognized at the point in time when control of the distinct license is transferred to the customer, when the Company has a present right to payment and risks and rewards of ownership are transferred to the customer. Revenue from symbolic IP is recognized over the access period to the Company's IP. In the fiscal year ended March 31, 2023, there is no sale of IP.

Revenue from royalties promised in exchange for a license of IP is recognized at the point in time that the related products are sold by the third party. Revenues from licensing arrangements included royalty income of $452 and $733 in fiscal year ended March 31, 2023 and fiscal year ended March 31, 2022, respectively, and are included in "Other operating revenue" on the consolidated statements of income.

The Company makes sales of products under various marketing and distribution agreements. The Company recognizes revenue from such sales in accordance with FASB Accounting Standards Codification ("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 which led management to make such determination include following: (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 good to customers; and (3) the Company has discretion in establishing the prices for the specific good.

The company 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 $0 and $20 for fiscal year ended March 31, 2023 and fiscal year ended March 31, 2022, respectively, and are included in "Other operating revenue" in the consolidated statements of income.

Sun Pharma Advance Research Company Ltd (“SPARC”) is a clinical stage bio-pharmaceutical company focused on continuously improving standards of care for patients globally, through innovation in therapeutics and delivery. The Company provides support services to SPARC. The support services are pharmaceutical clinical trial and other support, including but not limited to, legal, management, conduct and oversight of clinical trial and clinical trial activities, regulatory compliance services and support, including, regulatory filings, market approvals, including obtaining approvals in the US market or other applicable market, liaising with government authorities such as the Food and Drug Administration, local legal counsel, consultancy, advice, or other services as needed to facilitate the approval of, or development of a product, and all other miscellaneous support services. The revenue from these support services amounted to $9,557 and $0 for fiscal years ended March 31, 2023 and 2022, respectively, and are included in “Other Income” in the consolidated statements of income.

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 deferred amounts are $7,595 and $0 at March 31, 2023 and 2022, respectively.

Shipping and Handling Costs

Shipping and handling costs are considered to be a fulfillment cost and single performance obligation. These costs are included in selling, general and administrative expenses and amounted to $17,272 and $20,312 in fiscal years ended March 31, 2023 and 2022, respectively.

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. 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 three-month period.

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.

Approximately 55% and 65% of the total allowance for trade receivables at March 31, 2023 and 2022, respectively, have been established to provide for estimated sales chargebacks (see Note 4).

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 (see Note 4).

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 (see Note 4).

Medicaid and Other Governmental Rebates

Medicaid rebates are earned by states based on the amount of the Company's 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 (see Note 11).

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 underestimates the quantity of product that will ultimately be returned, there may be a material impact on its special purpose consolidated financial statements (see Note 11).

Cash Discounts

Cash discounts percentage are provided for paying the invoice amount before the scheduled due date. The discount percentage ranges are 1% through 3% with substantially all customers receiving the 2% rate (see Note 4).

Other Allowances

Billbacks are special promotions or discounts provided over a specific time period to a defined customer base, and for a defined product group. Distribution allowances are a fixed percentage of gross purchases for inventory shipped to a national distribution facility that the Company pays to its top wholesalers on a monthly basis. Administration fees are paid to certain wholesalers, buying groups, and other customers for stocking the Company's products and managing contracts and servicing other customers (see Note 4).

The Company has a patient coupon program in relation to certain products. These patient coupons enable eligible customers to a discount at the time of dispensing of prescriptions and the related cost of such patient coupons is borne by the Company. The accrual related to patient coupons is estimated based on historical experience regarding the usage of coupons by the eligible customers (see Note 11).

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, 2023 or 2022 (see Note 4).

j) 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 $554,229 and $569,989, at March 31, 2023 and 2022, respectively (see Note 4).

k) 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 produced 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.

l) 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) is placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Asset Category	No. of Years
Buildings	39 or 40
Leasehold improvements on building	Shorter of term or useful lives
Buildings given under operating lease	Shorter of term or useful lives
Plant and equipment	7 or 8
Computer equipment	4 or 7
Vehicles under lease	Shorter of term or useful lives
Office equipment	7 or 8
Furniture and fixtures	10

Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets for impairment and believes the carrying value of these assets will be recovered through cash flow from operations.

m) Leases

The majority of the Company's lease obligations are real estate operating leases used in warehouse and distribution operations and vehicles used by the Company’s sales force. For any lease with an initial term in excess of 12 months, the related lease assets and liabilities are recognized on the consolidated balance sheets as either operating leases or finance leases at the inception of an agreement where it is determined that a lease exists. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and the Company recognizes lease expense on these leases on a straight-line basis over the lease term. Company determines if an arrangement is a lease at inception of the contract and performs the lease classification test as of the lease commencement date. ROU assets represent right to use an underlying asset for the lease term and lease liabilities represent obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Residual value guarantees are generally not included within our operating leases with the exception of some fleet leases. Company has elected the practical expedient not to separate non-lease components from lease components in calculating the amounts of ROU assets and lease liabilities for all underlying asset classes.

Operating lease assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are recognized based on the present value of future payments over the lease term at the commencement date. The Company estimates the incremental borrowing rate on the date of the initial application for each lease, which was 2.5% for the years ended March 31, 2023 and 2022, based on an evaluation of the Company’s credit ratings and the prevailing market rates for collateralized debt in a similar economic environment with similar payment terms and maturity dates commensurate with the terms of the lease. The Company's lease terms generally do not include options to extend or terminate the lease unless it is reasonably certain that the option will be exercised. Fixed payments may contain predetermined fixed

rent escalations. Related rent expense is recognized on a straight-line basis from the commencement date to the end of the lease term.

n) Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the special purpose 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 not 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.

o) Research and Development Costs

Research and development costs 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, 2023 and 2022.

p) Advertising and Promotion Costs

Advertising and promotion costs, which are expensed as incurred and included in selling, general and administrative expenses, amounted to $10,640 and $12,077 in fiscal years ended March 31, 2023 and 2022, respectively.

q) 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's goodwill measurement date is March 31, 2023. The Company recorded, based on management's assessment, an impairment of $2,552 and $0 at March 31, 2023 and 2022, respectively.

r) Other Intangible Assets

Intangible assets with definite lives are amortized over periods ranging from 3 to 15 years and are evaluated for impairment at least annually. Intangibles are included in the "Other intangible assets, net" caption on the consolidated balance sheets. The Company concluded, based on management's assessment, that there was no impairment at March 31, 2023 or 2022.

s) Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets;

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market; and

Level 3 - Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurements, refer to Note 3.

3. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Marketable equity securities and convertible notes are recorded at fair value on a recurring basis. From time to time, the Company may be required to record at fair value other assets on a non-recurring basis, such as inventory, non-marketable equity securities, goodwill and other long-lived assets. These non-recurring fair value adjustments typically involve the application of lower of cost or market accounting or write downs of individual assets.

Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified. As of March 31, 2023 and 2022, there are no financial liabilities recorded at fair value.

a) Marketable Equity Securities

Marketable equity securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange, that are traded by dealers or brokers in active over-the-counter markets. All marketable equity security investments as of March 31, 2023 and 2022 are considered Level 1 securities. Changes in fair value, whether realized or unrealized, are recorded through the consolidated statements of income.

b) Convertible Notes

As quoted prices in active markets or other observable inputs were not available for these notes, in order to measure them at fair value, the Company utilized a discounted cash flow model using a discount rate reflecting the market risk inherent in holding securities of an early-stage enterprise. This methodology

(Dollars in thousands)

required the Company to make assumptions that were not directly or indirectly observable regarding the fair value of the convertible notes; accordingly, the asset was categorized within Level 3 of the fair value hierarchy. At March 31, 2023 and 2022, it was determined that cost reasonably approximates the estimated fair value of the notes.

c) Assets Recorded at Fair Value on a Recurring Basis

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at estimated fair value on a recurring basis at March 31:

	Assets at Fair Value			
2023	Level 1	Level 2	Level 3	Total
Marketable equity securities by industry				
Healthcare industry	$ 100,520	$ -	$ -	$ 100,520
Convertible notes	-	-	9,998	9,998
Total assets, at fair value	$ 100,520	$ -	$ 9,998	$ 110,518

	Assets at Fair Value			
2022	Level 1	Level 2	Level 3	Total
Marketable equity securities by industry				
Healthcare industry	$ 124,923	$ -	$ -	$ 124,923
Convertible notes	-	-	28,611	28,611
Total assets, at fair value	$ 124,923	$ -	$ 28,611	$ 153,534

d) The following table sets forth a summary of changes in the fair value of the Company's Level 3 assets measured at estimated fair value on a recurring basis for the years ended March 31:

	2023	2022
Beginning balance of recurring Level 3 assets	$ 28,611	$ 12,000
Impairment during the year	(18,613)	-
Investment in convertible notes	-	16,611
Ending balance of recurring Level 3 assets	$ 9,998	$ 28,611

(Dollars in thousands)

4. ACCOUNTS RECEIVABLE, NET

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

	2023	2022
Accounts receivable	$ 761,679	$ 768,682
Less: Valuation allowances		
Chargebacks and shelf stock adjustments	127,133	150,457
Direct and indirect rebates (includes administrative fees, service fees and related allowances, etc.)	63,157	29,110
Cash discounts	16,436	16,800
Allowance for doubtful accounts	160	396
Other concessions	564	1,930
Total valuation allowances	207,450	198,693
Accounts receivable, net	$ 554,229	$ 569,989

5. INVENTORIES, NET

Inventories consist of the following components at March 31:

	2023	2022
Raw materials	$ 75,815	$ 75,768
Work in process	31,192	27,372
Goods in transit (distributed products)	57,602	32,189
Finished goods (company-owned products)	401,167	344,380
Finished goods (distributed products)	19,428	16,549
	585,204	496,258
Less: allowance for inventory reserve	(196,637)	(249,294)
Inventories, net	$ 388,567	$ 246,964

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.

(Dollars in thousands)

During fiscal years ended March 31, 2023 and 2022, the Company made net purchases of inventory components, consisting of raw materials and finished goods, of approximately $848,343 and $471,304, respectively, from Sun Limited and its affiliates. These amounts are net of credits issued by the Company for the cost of expired and non-saleable products or for free replacement of fresh product to the Company primarily as a result of pending expiration or stale-dating of product held by the Company and its customers, without cost to the Company, which was acting in its normal distributor role for sales of such products.

6. PROPERTY, PLANT AND EQUIPMENT

Depreciation expense was $24,067 and $21,289 in fiscal years ended March 31, 2023 and 2022, respectively.

7. OTHER INTANGIBLE ASSETS

Other intangible assets consist of the following amounts at March 31:

	2023	2022
Patents and trademarks	$ 252,328	$ 232,328
Product rights and licenses	139,637	139,637
Technical know-how	15,511	15,511
Other	7,100	7,100
	414,576	394,576
Less accumulated amortization	387,491	379,800
Other intangible assets, net	27,085	14,776
Intangible Assets under development	422,846	-
Total	$ 449,931	$ 14,776

Intangible assets are amortized ratably over periods ranging from 3 to 15 years, which correspond with the expected periods of future economic benefit. The amortization expense was $7,691 and $8,749 in fiscal years ended March 31, 2023 and 2022, respectively.

Estimated annual amortization expense for each of the five years succeeding March 31, 2023 and thereafter, are summarized as follows:

Years Ending March 31,	
2024	$ 7,749
2025	4,879
2026	3,044
2027	3,044
2028	2,789
Thereafter	5,580
	$ 27,085

(Dollars in thousands)

8. Non-marketable Equity Securities

Non-marketable equity securities are equity securities without readily determinable fair values and where we have no significant influence are measured at Net asset value ("NAV"). Investments represents the long-term equity investments in life sciences sector. Management has elected the practical expedient for measurement of these investments at NAV per share and accordingly, the asset was categorized within Level 2 of the fair value hierarchy.

The entity is a limited partner in the private equity funds in this category. As per the investment agreements entered into by the company, a limited partner (the company) may not sell, assign, transfer, pledge or otherwise dispose of all or any part of its interest in the partnership unless the general partner (as defined in the partnership agreement) has consented thereto. Thus, Investments representing approximately 100% percent of the value of the investments in this class cannot be redeemed because the investments include restrictions that do not allow for redemption without prior consent of the General Partner as per the Partnership agreement of the equity funds. The remaining restriction period for these investments ranged from 31 to 57 months as at March 31, 2023.

Management estimates that there are no significant changes in NAV per share between the investment entity's NAV measurement date and company's reporting date.

As at March 31, 2023 and 2022, the Company has outstanding capital commitments of approximately $98 and $120 respectively, to these investees. The company has recorded accumulated unrealized gain / (loss) on these investments of ($4,943) and ($2,127) as at March 31, 2023 and at March 31, 2022 out of which company has recorded $1,490 and $2,165 during the fiscal years ended March 31, 2023 and March 31, 2022 in Income statement under the head "(Losses)/gains on equity securities".

9. EQUITY METHOD INVESTMENTS

At March 31, 2023 and 2022, investments accounted for under the equity method, and the percentage interest owned, consisted of Frazier Healthcare VII, L.P. (6.83%), Versant Venture Capital V, L.P. (7.46%), Medinstill LLC (19.99%), Atlas Venture Fund X L.P. (3.57%), and 5AM Ventures IV L.P. (3.33%). These investments are reflected in the caption "Equity method investments" on the Company's consolidated balance sheets.

Activity in equity method investments account is summarized as follows:

Balance, April 1, 2021	$	112,207
Capital contributions		928
Proportionate share of equity in net (loss) income		(40,215)
Distributions		-
Balance, March 31, 2022		72,920
Capital contributions		-
Proportionate share of equity in net (loss) income		(22,174)
Distributions		(1,153)
Balance, March 31, 2023	$	49,593

(Dollars in thousands)

At March 31, 2023, the Company has outstanding capital commitments of approximately $729 to these investees.

Combined, condensed balance sheet information underlying the Company's equity method investments, is summarized as follows at March 31:

	2023	2022
Current assets	$ 35,404	$ 41,002
Investments at estimated fair value	1,177,693	1,734,360
Property and equipment	390	1,865
Total assets	$ 1,213,487	$ 1,777,227
Current liabilities	$ 113,113	$ 104,222
Noncurrent liabilities	-	-
Total equity	1,100,374	1,673,005
Total liabilities and equity	$ 1,213,487	$ 1,777,227

Combined, condensed income statement information underlying the Company's equity method investments is summarized as follows:

	2023	2022
Operating income	$ 2,799	$ 12
Realized Gain/(Loss) on investments	(126,692)	672,808
Unrealized gain (loss) on investments	(274,924)	(791,172)
Management fees	(12,932)	(12,315)
Professional fees	(3,430)	293
Other expenses	(293)	(1,139)
Net income/(loss)	$ (415,471)	$ (131,513)

10. GOODWILL

The following summarizes the changes in carrying amount of Goodwill:

Particulars	**Amount**
Gross Carrying amount	
Balance as at April 1, 2021	80,992
Acquired during the year	-
Balance as at March 31, 2022	**80,992**

(Dollars in thousands)

Balance as at April 1, 2022	80,992
Acquired during the year	195,535
Balance as at March 31, 2023	**276,527**
Accumulated Impairment	
Balance as at April 1, 2021	413
Impairment during the year	-
Balance as at March 31, 2022	413
Balance as at April 1, 2022	413
Impairment during the year	2,552
Balance as at March 31, 2023	**2,965**
Net carrying value as on March 31, 2022	**80,579**
Net carrying value as on March 31, 2023	**273,562**

The Company performed its annual impairment test as of the reporting date for the fiscal years ended March 31, 2023 and March 31, 2022. Basis the said testing, the Company impaired goodwill of one of its reporting unit as on March 31, 2023.

Considering the outlook of the current economic environment and other macro-economic factors, management has drawn an operating plan in light of the latest available information. Basis the operating plan, a downward revision to projections was necessitated and accordingly, it has been determined that an impairment would be required to be considered in the financial statements.

For the purpose of impairment testing, goodwill arising from a business combination is allocated to reporting units that are expected to benefit from the synergies of the business combination from which it arose.

For goodwill, all reporting units can confront events and circumstances that can lead to a goodwill impairment charge such as, among other things, unanticipated competition, an adverse action or assessment by a regulator, a significant adverse change in legal matters or in the business climate and/or a failure to replace the contributions of products that lose exclusivity.

The goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. In our review, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Qualitative factors that we consider include, for example, macro-economic and industry conditions, overall financial performance and other relevant entity-specific events. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then perform a quantitative fair value test.

When we are required to determine the fair value of a reporting unit, we typically use the income approach. The income approach is a forward-looking approach to estimating fair value and relies primarily on internal forecasts. Within the income approach, we use the discounted cash flow method.

(Dollars in thousands)

We start with a forecast of all the expected net cash flows for the reporting unit, which includes the application of a terminal value, and then we apply a reporting unit-specific discount rate to arrive at a net present value amount. Some of the more significant estimates and assumptions inherent in this approach include: the amount and timing of the projected net cash flows, which includes the expected impact of technological risk and competitive, legal and/or regulatory forces on the projections, as well as the selection of a long-term growth rate; the discount rate, which seeks to reflect the various risks inherent in the projected cash flows; and the tax rate, which seeks to incorporate the geographic diversity of the projected cash flows. For all of our reporting units, there are a number of future events and factors that may impact future results and that could potentially have an impact on the outcome of subsequent goodwill impairment testing.

The acquisition of goodwill during the year ended March 31, 2023 pertains to the acquisition of Concert Pharmaceuticals, Inc., the details of which have been provided in Note 21 “Business Combination”.

11. ACCRUED EXPENSES

Accrued expenses consist of the following amounts at March 31:s

	2023	2022
Sales returns	$ 100,739	$ 87,746
Medicaid rebates	38,065	29,796
Managed care	40,746	36,263
Employee-related benefits	53,617	46,867
Royalties and profit sharing	16,242	16,561
Patient coupons	21,221	7,571
Others	6,500	-
Legal Settlement	-	290,585
Total	$ 277,130	$ 515,389

12. SHORT-TERM BANK BORROWINGS

In March 2015, the Company entered into a line of credit ("credit agreement") with JP Morgan for $20,000. There is no balance outstanding under the credit agreement at March 31, 2023. The agreement has no fixed termination date, and thus will terminate at such time either party chooses.

In December 2016, the Company entered into an uncommitted revolving line-of-credit agreement (revolving agreement”) with JPMorgan Chase Bank, N.A. (“JP Morgan”) for a maximum borrowing availability of $280,000, of which $140,000 and $0 was outstanding at March 31, 2023 and 2022, respectively. The agreement has no fixed termination date, and thus will terminate at such time either party chooses. The effective interest rates were 5.67% and 0% at March 31, 2023 and 2022, respectively.

In February 2023, the Company entered into an uncommitted line of credit agreement ("credit agreement") with Citibank with a termination date of June 2023. The maximum available borrowings under the credit agreement is $45,000, of which $45,000 and $0 was outstanding at March 31, 2023 and 2022, respectively. The effective interest rates were 5.17% and 0% at March 31, 2023 and 2022, respectively.

In August 2022, the Company entered into an uncommitted line of credit agreement ("credit agreement") with BNP Paribas Bank with a termination date of August 2023. The maximum available borrowings under the credit agreement is $200,000, of which $100,000 and $0 was outstanding at March 31, 2023 and 2022, respectively. The effective interest rates were 5.17% and 0% at March 31, 2023 and 2022, respectively.

In August 2022, the Company entered into an uncommitted line of credit agreement ("credit agreement") with MUFG Bank with a termination date of June 2023. The maximum available borrowings under the credit agreement is $450,000, of which $400,000 and $0 was outstanding at March 31, 2023 and 2022, respectively. The effective interest rates were 5.22% and 0% at March 31, 2023 and 2022, respectively.

In April 2020, Chattem entered into an uncommitted loan agreement under the Paycheck Protection Program (“PPP”) authorized under the Coronavirus Aid, Relief and Economic Securities (“CARES”) Act (“Program”) in the amount of $1,555. The effective interest rate was 1% at March 31, 2021. In January 2021, Chattem submitted a PPP Forgiveness Application Form 3508EZ. On April 20, 2021, Chattem was granted forgiveness on this loan.

(Dollars in thousands)

13. INCOME TAXES

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

	2023	2022
Current Tax		
Federal	$ (544)	$ 6,556
State	1,130	2,377
Total current tax	586	8,933
Deferred		
Federal	(3,219)	(73,937)
State	(6,863)	(12,517)
Total deferred tax	(10,082)	(86,854)
Total tax (benefit) provision	$ (9,496)	$ (77,521)

The primary differences from the US statutory rate to the effective rate are permanent differences, federal tax credits, reserves for uncertain tax positions and federal tax on foreign subsidiary income tax credits, reserves for uncertain tax positions and federal tax on foreign subsidiary income.

As of March 31, 2023 and 2022, the Company's net deferred tax assets were primarily the result of the timing of the recognition of expenses related to fixed asset depreciation, federal and state net operating losses, intangibles, inventory and timing differences of certain accruals and reserves. As of each reporting date, the Company's management considers new evidence, both positive and negative, that could impact management's view with regard to future realization of deferred tax assets.

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. Excluding and IP acquired during the year on which the Company has reserved $28,558, tax credits acquired during the year on which the Company has reserved $25,214, and NOLs on which Company has reserved $10,000, there are no valuation allowances considered necessary as of March 31, 2023. 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. Some of the Company's NOLs are subject to annual limitations under income tax rules. As a result of such restrictions, certain of such NOLs, amounting to approximately $80,350 will expire and are not likely to be available for future benefit. Accordingly, the deferred tax asset related to the NOLs has been reduced by the amount of NOLs which the Company will likely not be in a position to utilize prior to their expiration between 2023 and 2034.

The Company analyzed its 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 2021) in these jurisdictions. The Company identified and recorded unrecognized tax benefits ("UTB") of $6,793 as of March 31, 2023 as a result of the Internal Revenue Service ("IRS") examinations. An interest expense of $386 was booked for the UTB

reserve as of March 31, 2023. The Company does not expect the total amount of UTB to significantly increase or decrease in the next 12 months.

The IRS Appeals division has completed its examination review of Sun's fiscal year ended March 31, 2016 and short periods ending November 30, 2016 and March 31, 2017 tax returns and issued tax return adjustments resulting in approximately $24,573, $14,971 and $8,072 of additional tax expense, respectively. The Company is disputing the assessments and based on the latest settlement offer from the IRS appeals officer, the company is has USD 7,179 reserved to cover for the settlement with the IRS, as mentioned above.

(Dollars in thousands)

14. LEASES (INCLUDING RELATED PARTY)

The Company conducts a portion of its operations with leased property and equipment, including rental of office and warehouse space in Cranbury, New Jersey, from an affiliated company, Taro.

Supplemental consolidated balance sheet information related to leases is as follows at March 31, 2023 and 2022:

	2023	2022
Lease assets		
Operating leases	$ 13,023	$ 6,947
Finance leases (included within property, plant and equipment)	10,851	13,875
Total lease assets	$ 23,874	$ 20,822
Lease liabilities		
Current:		
Operating leases	$ 2,947	$ 1,893
Finance leases	5,230	5,359
Noncurrent:		
Operating leases	15,720	5,375
Finance leases	5,904	8,496
Total lease liabilities	$ 29,801	$ 21,123
Components of total lease costs were as follows for fiscal years ended March 31, 2023 and 2022:		
Operating lease cost (included in administrative expenses)	$ 2,227	$ 2,050
Finance lease cost:		
Depreciation on lease assets (included in administrative expenses)	4,799	4,561
Interest on lease liabilities (included in interest expenses)	377	277
Total lease costs	$ 7,403	$ 6,888

(Dollars in thousands)

Other supplemental information follows:

	2023	2022
Operating Leases		
Weighted-Average Remaining Contractual Lease Term (Years)	5.47 years	4.75 years
Weighted-Average Discount Rate	10.59 %	2.06%
Finance Leases		
Weighted-Average Remaining Contractual Lease Term (Years)	2.60 years	3.12 years
Weighted-Average Discount Rate	2.39 %	1.30 %

Cash paid for amounts included in the measurement of lease liabilities:
(Amount '000)

	2023	2022
Operating cash flows from operating leases	2,606	2,025
Financing cash flows from finance leases	4,857	6,269

The following is a schedule of annual future minimum lease payments required under leases with initial or remaining no cancelable lease terms in excess of one year as of March 31, 2023:

	Finance Leases	Operating Leases (Including Affiliates)
2024	$ 5,799	$ 4,968
2025	4,958	4,187
2026	2,166	4,308
2027	692	4,433
2028	1	4,561
Thereafter	-	3,161
Total future undiscounted lease payments	13,616	25,618
Less amounts representing interest	2,482	6,951
Total reported lease liability	$ 11,134	$ 18,667

15. ROYALTY AND PROFIT-SHARE AGREEMENTS

The Company has entered into several distribution and profit-share arrangements wherein a specified percentage of the profit earned is paid by the Company to unrelated third parties as royalty and profit-share expense. During fiscal years ended March 31, 2023 and 2022, royalty and profit-share expense was $9,871

and $14,257, respectively. Of these amounts, $4,604 and $10,931, respectively, have been included in cost of goods sold and $5,267 and $3,326, respectively, have been included in selling, general and administrative expenses in the consolidated statements of income.

The Company has paid $20,000 to SPARC for the license of "Phenoborbital injection products" in the United States of America. The company has capitalized the license fees of $20,000 paid to SPARC as intangible assets during the fiscal year ended March 31, 2023.

16. RETIREMENT PLAN

The Company maintains a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code ("IRC"). Under these plans, eligible employees are permitted to contribute up to the maximum allowable amount determined by the IRC. The Company may make discretionary matching and profit-sharing contributions under the provisions of the plans. The Company made contributions in the amounts of $7,649 and $7,999 to the plans for fiscal years ended March 31, 2023 and 2022, respectively.

17. SALES CONCENTRATIONS

Major Customers

Shipments to four customers, including three wholesalers, accounted for approximately 66% and 65% of net revenues for Fiscal year ended March 31, 2023 and 2022 respectively. Balances due from these customers (gross outstanding amounts) represented approximately 87% and 90% of gross accounts receivable at March 31, 2023 and 2022, respectively. As is typical in the U.S. retail sector, many of the Company's customers are serviced through their designated wholesalers. Of the net 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 net sales for fiscal year ended March 31, 2023 and 2022. The loss of any of these customers would have a materially adverse effect on short-term operating results.

Major Products

Shipments of four products accounted for 47% and 38% of net sales for fiscal year ended March 31, 2023 and 2022, respectively.

18. COMMITMENTS, CONTINGENCIES, AND OTHER MATTERS

Employment Contracts

The Company has employment agreements with three of its executive officers that provide for annual salaries that include merit increases and at least a six-month continuance, including insurance benefits, upon termination without cause.

Litigation

The Company and/or its subsidiaries are involved in various legal proceedings, including not limited product liability claims, contracts disputes, employment claims, antitrust matters and other legal and regulatory matters relating to the conduct of its business. Some of the key matters are discussed below. 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. The Company makes its 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 would not be meaningful because historical evidence indicates that the amounts settled (if any) are significantly different from those claimed by plaintiffs. Some of the legal claims against the Company, if decided against the Company, may result in significant impact on its results of operations for a given period during which the claim is settled.

Antitrust - Generic Drug Price Fixing Litigation:

On April 1, 2016, subsidiaries in the United States of America ("US subsidiaries") separately received a grand jury subpoena from the United States Department of Justice, Antitrust Division, seeking documents relating to corporate and employee records, certain generic pharmaceutical products and pricing, potential communications with competitors and others regarding the sale of generic pharmaceutical products, and certain other related matters. On or before November 2017, the US subsidiaries provided documents and information related to three pharmaceutical products. The Antitrust Division has not asked for any additional information from US subsidiaries, or communicated with US subsidiaries, about its subpoena since that time.

On April 30, 2018, U.S. subsidiaries separately received a Civil Investigative Demand ("CID") from the U.S. Department of Justice in connection with a False Claims Act investigation, seeking information relating to corporate and employee records, certain generic pharmaceutical products and pricing, potential communications and certain other related matters. In response to the CID, U.S. subsidiaries provided certain materials to the Civil Division in 2018. The US subsidiaries provided certain additional materials in 2020 in response to a request from the Civil Division. The Civil Division has not asked for any additional information from U.S. subsidiaries, or communicated with U.S. subsidiaries, about the subpoena since that time. U.S. subsidiaries, along with more than 70 other pharmaceut4ical companies and individuals, are named as defendants in lawsuits brought by several putative classes, state Attorneys General, municipalities and individual company purchasers and payors alleging violations of antitrust and related laws. These cases were filed in or have been transferred to the U.S. District Court for the Eastern District of Pennsylvania for coordinated pre-trial proceedings and are now in discovery directed to certain complaints which the court has designated as "bellwethers," including one Attorneys General complaint and four complaints filed by two putative classes. In October 2022, the court issued an order revising prior deadlines and setting certain bellwether schedules across 2023 and 2024, including related to discovery and motions practice. A settlement was reached with the Direct Purchaser Plaintiff class plaintiffs on November 4, 2021, which was approved by the court on March 10, 2023, pursuant to which the Company paid $17.357 million, which was reduced by $2.042 million as a result of a threshold percentage of class members that opted out of the settlement. In July 2022, the company paid in full the $15,315 million.

Opioids

US subsidiaries are defendants in the National Prescription Opiate Litigation that has been consolidated for pre-trial proceedings in the U.S. District Court for the Northern District of Ohio, three additional federal court cases and state cases pending in Utah state court; Sun Limited and Sun Pharmaceuticals Canada are defendants in putative consumer class actions pending in provinces across Canada, as well as a

government action brought on behalf of all Canadian governments. These U.S. and Canadian matters involve similar allegations and were brought against various manufacturers and distributors of opioid products seeking damages for alleged harms related to opioid use or, in the case of the Canadian government action, recovery of historical healthcare costs. Currently, all matters against U.S. subsidiaries in the National Prescription Opiate Litigation are stayed. In the Utah cases, the U.S. subsidiaries obtained an order dismissing all claims except public nuisance and negligence claims. The Canadian actions are in preliminary stages, as the certification motion in the Quebec class action was heard in late 2022, and the government class action is scheduled to proceed to certification at the end of 2023. The Company, Sun Limited, and Ranbaxy were also named as defendants in two individual personal injury complaints filed in West Virginia state court in March 2022 which were consolidated with other similar cases before the West Virginia Mass Litigation Panel which, in April 2023, granted all defendants' motions to dismiss.

Antitrust – Modafinil

Sun Limited and US subsidiaries were a defendant in a number of putative class action lawsuits and individual actions brought by purchasers and payors, as well as a generic manufacturer, in the U.S. alleging that the Company and its affiliates violated antitrust laws in connection with a 2005 patent settlement agreement with Cephalon concerning Modafinil. The cases were transferred to the U.S. District Court for the Eastern District of Pennsylvania for co-ordinated proceedings and, subsequently, the Company reached settlements in these coordinated federal proceedings. A follow-on action was filed by the state of Louisiana, which was dismissed by the trial court in December 2016. On February 8, 2018, the appellate court dismissed Louisiana's appeal, ruling that the trial court's orders did not constitute final appealable judgments. Since that time, the matter has remained dormant and Louisiana has not moved the district court to amend the order.

Antitrust – Lipitor

Certain of the Company's U.S. subsidiaries were named as defendants in a number of putative class action lawsuits and individual actions brought by purchasers and payors in the U.S. alleging that the subsidiaries violated antitrust laws in connection with a 2008 patent litigation settlement agreement with Pfizer concerning generic Lipitor (atorvastatin). The cases have been transferred to the U.S. District Court for the District of New Jersey for coordinated pretrial proceedings. Discovery commenced in January 2020 but was stayed in March 2020 pending mediation. Pursuant to the mediator's order of June 3, 2021, mediation briefing and oral argument on certain issues were completed in March 2022. Limited discovery as to certain issues resumed in July 2022. Under the current schedule, briefing for class certification and summary judgment motions are expected to be completed in 2023.

Antitrust - Ranbaxy Generic Drug Application

Sun Limited and certain of its subsidiaries were defendants in a number of class action lawsuits and individual actions brought by purchasers and payer's in the U.S. alleging violation of antitrust laws and the RICO Act with respect to its ANDAs for Valanciclovir, Valsartan and Esomeprazole. The cases were transferred to the U.S. District Court for the District of Massachusetts for coordinated proceedings. With a view to resolve the dispute and avoid uncertainty, a settlement without admission of any guilt was reached with all of the plaintiff classes on March 23, 2022, for a total settlement amount of $485 million for Sun Limited group of which $275.27 million was allocated to Sun Holding. The court granted final approval to the settlement and dismissed all of the cases in September 2022. In July 2022, the Company paid in full $275.27 million.

(Dollars in thousands)

Product Liability - Ranitidine/Zantac MDL

In June 2020, Sun Limited and U.S. subsidiaries were named as defendants in a complaint filed in the Zantac/Ranitidine Multi-District Litigation ("MDL") consolidated in the U.S. District Court for the Southern District of Florida. The lawsuits name over 100 defendants (including brand manufacturers, generic manufacturers, repackagers, distributors and retailers) involving allegations of injury caused by nitrosamine impurities. On July 8, 2021, the court granted the generic Defendants' motion to dismiss, the effect of which was to dismiss Sun Limited and its affiliates with prejudice. That decision is on appeal. In addition to the federal court proceedings, Sun Limited and two of its affiliates were also named as defendants in state court actions pending in Illinois, Pennsylvania, New York, and California. Finally, certain of Sun Limited's subsidiaries are named in various putative class actions pending in three Canadian provinces. The action pending in British Columbia is taking the lead and the parties are awaiting the court's decision on justification and summary judgement.

Incyte Litigation

On January 19, 2023, Company signed a definitive agreement to acquire Concert Pharmaceuticals, Inc. ("Concert") and completed the transaction on March 6, 2023, Concert later merged into Sun on March 31, 2023. Prior to the acquisition, Concert was involved in patent-related litigation with Incyte Corporation ("Incyte"), both in the US and Europe, in which Incyte challenged certain of Concert's patents before the U.S. Patent Trial and Appeal Board ("PTAB") and the European Patent Office, respectively (the "Concert Patent Litigation"). The Concert Patent Litigation remains ongoing and, depending on the proceeding, is currently in different stages of litigation.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Non-Cash Investing Activities

The Company financed the acquisition of vehicles by entering into capital leases totaling $3,694 and $6,024 in fiscal years ended March 31, 2023 and 2022, respectively.

Cash paid for interest amounted to the following during the years ended March 31:

	2023	2022
Interest	$ 33,583	$ 3,434
Income taxes paid / (refund)	$ (1,291)	$ 29,211

(Dollars in thousands)

20. 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 years ended March 31:

	2023	2022
Advances from affiliate	$ 774,664	$ 729,765
Due from related parties	264,738	480,514
Sales, net	1,083	1,248
Purchase of raw material, packing material and finished goods	848,343	471,304
Purchase of rights of capital PO advance	4,656	-
Purchase of Land & Building	2,067	-
Brand-related expense recovery (recorded as a reduction of selling, general and administrative expenses)	101,592	101,431
Interest expense	28,702	9,338
Selling, general and administrative expense (including shared services)	13,665	15,388

21. BUSINESS COMBINATION

a. Acquisition and Purchase consideration:

On March 06, 2023, the Company acquired Concert Pharmaceuticals Inc. ("Concert") along with its subsidiaries . As of March 31, 2023 Concert has been merged with Sun. Concert is late-stage clinical biopharmaceutical company that is developing deuruxolitinib for the potential treatment of adult patients with moderate to severe Alopecia Areata. Alopecia Areata is an autoimmune disease in which the immune system attacks hair follicles, resulting in partial or complete loss of hair on the scalp and body.

b. Purchase consideration:

The business acquisition was completed through a tender offer for an upfront payment of $ 8.00 per share of common stock, in cash, or $ 576,000 in equity value, plus one non-tradeable contingent value right (CVR) per share of common stock, which represents their right to receive contingent payments of up to $ 3.50 per share of common stock, in cash, upon the achievement of certain milestones prior to December 31, 2029. On Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as goodwill.

Acquirer incurred $ 7,424 of acquisition-related costs. These expenses are included in general and administrative expense head of consolidated income statement for the year ended March 31, 2023.

c. Details of assets acquired and liabilities assumed:

The following table summarizes the consideration transferred to acquire Concert Pharmaceutical Inc. and the amounts of identified assets acquired and liabilities assumed at the acquisition date:

Particulars	As at March 06, 2022 (in Thousands)
A] Fair value of consideration transferred	
- Paid	572,000
- Payable	4,000
Total [A]	**576,000**
Recognized amounts of identifiable assets acquired and liabilities assumed:	
B] Assets acquired	
Cash and cash equivalents	69,095
Investments	16,909
Current assets	5,645
Fixed Assets	4,326
ROU Assets	7,964
Intangible assets	418,200
Total [B]	**522,139**
C] Liabilities Acquired	
Current liabilities	15,842
Deferred Revenue	7,595
Lease Liabilities	13,687
Deferred Tax Liability	104,550
Total [C]	**141,674**
Goodwill [A-B+C]	**195,535**

d. Goodwill:

Goodwill of USD 195,535 is recognised as part of acquisition of the Concert Pharmaceutical Inc, which primarily can be attributable to the synergies expected to be achieved and value of assembled workforce i.e. the value of the acquired experienced and skilled employees, who have been instrumental for Concert Pharmaceutical Inc. As an indefinite-lived asset, goodwill is not amortized but rather is subject to impairment testing on at least an annual basis. The goodwill was assigned to Concert Pharmaceuticals Inc.

The change in the carrying amount of goodwill is as follows:

(Dollars in thousands)

Particulars	Year Ended March 31, 2023
Net carrying value as at April 01, 2022	**80,579**
Adjustments during the year	
Goodwill on account of acquisitions during the year – Concert Pharmaceuticals acquisition	195,535
Impairment Loss	(2,552)
Net carrying value as at March 31, 2023	273,562
Total	**273,562**

e. Intangible assets

The fair value of the separately identifiable finite-lived intangible assets acquired and estimated useful lives are as follows:

Particulars	Estimated Fair Values	Weighted Average Amortization Life (years)
Intangible assets under development	418,200	Not applicable, since under development
Total	**418,200**	

Intangible assets were valued using models and approaches best suited for the asset type.

Intangible assets under development was valued using the Multi-Period Excess Earnings Method (MPEEM), which calculates economic benefits by determining the income attributable to an intangible asset after returns are subtracted for contributory assets. Assumptions in the MPEEM include projected revenue growth rates, future margins, royalty rate indication, and tax rate.

f. Contingent consideration and Liabilities:

There are no contingent considerations.

g. Impact of acquisition on results:

Concert Pharmaceutical Inc's revenue and earnings/(loss) for the year ended March 31, 2023 was USD (6,456) from the date of its acquisition i.e. from March 06, 2023.

Indicative disclosure of inputs and assumptions used in determining fair value of goodwill acquired in business combination:

Determining the fair value of goodwill is subjective in nature and often involves the use of estimates and assumptions including, without limitation, use of estimates of future prices and volumes for our solutions, capital needs, economic trends, and other factors which are inherently difficult to forecast. If actual results, or the plans and estimates used in future impairment analyses are lower than the original estimates used to assess the recoverability of these assets, we could incur impairment charges in a future period. In assessing the qualitative factors, we consider the impact of certain key factors including macroeconomic conditions, industry and market considerations, management turnover, changes in regulation, litigation matters, changes in enterprise value, and overall financial performance. No impairment of goodwill was identified during the year ended March 31, 2023 pertaining to acquired goodwill on acquisition of Concert Pharmaceuticals Inc.

The results of Concert have been included in the special purpose consolidated financial statements since the date of acquisition.

22. GOING CONCERN

As at March 31, 2023, the Company's current liabilities of USD 1,802,866 exceeded its current assets of USD 1,356,587 by USD 446,279. As the Company is continuing operational and financial support from its ultimate holding company, these financial statements have been prepared on the 'going concern' assumption.

23. SUBSEQUENT EVENTS

In preparing these special purpose consolidated financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to March 31, 2023, the most recent consolidated balance sheet presented herein, through June 29, 2023, the date these special purpose consolidated financial statements were available to be issued. No such significant events or transactions were identified.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

For and on behalf of the Board of Directors of
Sun Pharmaceutical Holdings USA, Inc.

per Paul Alvares
Partner
Membership no. : 105754
Pune, India
June 29, 2023

Susan Perilli
Director
New Jersey, USA
June 29, 2023

Zvi Albert
Chief Financial Officer
New Jersey, USA
June 29, 2023

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATING BALANCE SHEET

As of March 31, 2023
(in USD thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	Ranbaxy Signature LLC	Sun Pharmaceutical Industries, Inc.	PI Real Estate Ventures, LLC	SP Housatonic LLC	SP Housatonic II LLC	SP Housatonic III LLC
ASSETS								
Current assets								
Cash and cash equivalents	-	-	48	42,538	-	-	-	-
Restricted Cash	-	-	-	1,157	-	-	-	-
Accounts receivable, net	-	10,302	-	515,152	-	-	-	-
Other receivables	-	-	-	6,028	-	-	-	-
Due from related parties	-	-	-	515,767	21,978	-	-	-
Inventories, net	-	46,106	-	325,720	-	-	-	-
Refundable income taxes	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	-	2,288	-	13,026	-	-	-	-
Total current assets	**-**	**58,696**	**48**	**1,419,388**	**21,978**	**-**	**-**	**-**
Property, plant and equipment								
Land	-	560	-	-	1,029	-	-	184
Buildings and improvements	-	76,997	-	8,847	18,281	1,102	780	-
Equipment	5,371	114,152	-	47,388	-	-	-	-
Furniture and fixtures	1,384	2,371	-	2,823	109	-	-	-
Vehicles	-	-	-	24,814	-	-	-	-
Construction in process	-	4,051	-	2,648	-	-	-	-
Total	**6,755**	**198,131**	**-**	**86,520**	**19,419**	**1,102**	**780**	**184**
Less accumulated depreciation	5,160	139,638	-	56,914	4,908	-	-	-
Net property, plant and equipment	**1,595**	**58,493**	**-**	**29,606**	**14,511**	**1,102**	**780**	**184**
Investments								
Marketable equity securities	-	-	-	23,914	-	-	-	-
Nonmarketable equity securities	-	-	-	13,165	-	-	-	-
Investment in subsidiaries	(342,325)	-	-	468,262	-	-	-	-
Equity method investments	-	-	-	49,593	-	-	-	-
Convertible notes	-	-	-	9,998	-	-	-	-
Total investments	**(342,325)**	**-**	**-**	**564,932**	**-**	**-**	**-**	**-**
Operating lease assets, net	-	-	-	13,023	-	-	-	-
Goodwill	-	7,414	-	210,915	-	-	-	-
Intangible assets, net of accumulated amortisation	-	-	-	449,931	-	-	-	-
Deferred income taxes	769	4,274	-	18,905	-	-	-	-
Total assets	**(339,961)**	**128,877**	**48**	**2,706,700**	**36,489**	**1,102**	**780**	**184**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATING BALANCE SHEET

As of March 31, 2023
(in USD thousands)

	Chattem Chemicals, Inc.	DUSA Pharmaceuticals, Inc.	Taro Development Corporation	Concert Pharmaceuticals Securities Corp.	Concert Pharma Ireland Limited	Concert Pharma U.K. Ltd	Sun Pharmaceutical Holdings USA, Inc.	Consolidating Entries	Total
ASSETS									
Current assets									
Cash and cash equivalents	8,556	976	-	46,860	-	-	3,366	-	102,344
Restricted Cash	-	-	-	-	-	-	-	-	1,157
Accounts receivable, net	7,674	21,101	-	-	-	-	-	-	554,229
Other receivables	-	-	-	-	0	0	-	-	6,028
Due from related parties	(4,797)	209,475	7,876	-	-	-	-	(485,561)	264,738
Inventories, net	17,640	2,285	-	-	-	-	-	(3,184)	388,567
Refundable income taxes	(292)	613	-	-	-	-	23,839	(6,425)	17,736
Prepaid expenses and deposits	(23)	6,497	-	-	-	-		-	21,788
Total current assets	**28,758**	**240,947**	**7,876**	**46,860**	**0**	**0**	**27,205**	**(495,170)**	**1,356,587**
Property, plant and equipment									
Land	388	-	-	-	-	-	-	-	2,161
Buildings and improvements	16,254	-	-	-	-	-	-	-	122,261
Equipment	32,011	6,066	-	-	-	-	-	-	204,988
Furniture and fixtures	301	-	-	-	-	-	-	-	6,988
Vehicles	45	-	-	-	-	-	-	-	24,859
Construction in process	2,483	-	-	-	-	-	-	-	9,182
Total	**51,482**	**6,066**	**-**	**-**	**-**	**-**	**-**	**-**	**370,439**
Less accumulated depreciation	31,326	5,620	-	-	-	-	-	-	243,566
Net property, plant and equipment	**20,156**	**446**	**-**	**-**	**-**	**-**	**-**	**-**	**126,873**
Investments									
Marketable equity securities	-	-	56,717	19,889	-	-	-	-	100,520
Nonmarketable equity securities	-	-	-	-	-	-	-	-	13,165
Investment in subsidiaries	-	-	-	-	-	-	532,879	(658,816)	-
Equity method investments	-	-	-	-	-	-	-	-	49,593
Convertible notes	-	-	-	-	-	-	-	-	9,998
Total investments	**-**	**-**	**56,717**	**19,889**	**-**	**-**	**532,879**	**(658,816)**	**173,276**
Operating lease assets, net	-	-	-	-	-	-	-	-	13,023
Goodwill	12,121	43,112	-	-	-	-	-	-	273,562
Intangible assets, net of accumulated amortisation	-	-	-	-	-	-	-	-	449,931
Deferred income taxes	(1,732)	3,866	(11,920)	-	-	-	524	1,238	15,924
Total assets	**59,303**	**288,371**	**52,673**	**66,749**	**0**	**0**	**560,609**	**(1,152,749)**	**2,409,176**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATING BALANCE SHEET

As of March 31, 2023
(in USD thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	Ranbaxy Signature LLC	Sun Pharmaceutical Industries, Inc.	PI Real Estate Ventures, LLC	SP Housatonic LLC	SP Housatonic II LLC	SP Housatonic III LLC	Chattem Chemicals, Inc.
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities									
Short-term borrowings	-	-	-	425,000	-	-	-	-	-
Accounts payable	653	7,639	-	112,621	-	-	-	-	4,119
Accrued expenses	424	13,256	-	260,866	-	-	-	-	1,883
Due to related parties	12,722	459,395	6,987	-	-	-	-	-	-
Advances from affiliates, current	-	-	(19,627)	965,607	-	-	-	-	(11,862)
Current portion of operating lease obligations	-	-	-	2,947	-	-	-	-	-
Current portion of finance lease obligations	-	-	-	5,230	-	-	-	-	-
Total current liabilities	**13,799**	**480,290**	**(12,640)**	**1,772,271**	**-**	**-**	**-**	**-**	**(5,860)**
Advances from affiliate, net of current portion	-	-	-	70,000	-	-	-	-	-
Allocation of income taxes (receivable) payable	-	-	-	4,083	-	-	-	-	-
Operating lease obligations, net of current portion	-	-	-	15,720	-	-	-	-	-
Finance lease obligations, net of current portion	-	-	-	5,904	-	-	-	-	-
Total liabilities	**13,799**	**480,290**	**(12,640)**	**1,867,978**	**-**	**-**	**-**	**-**	**(5,860)**
Shareholders' equity									
Common stock	12,761	239	-	-	-	-	-	-	-
Additional paid-in capital	28,390	18,453	50	520,083	9,002	1,102	780	184	34,433
Retained earnings	(394,053)	(370,105)	11,780	318,639	27,487	-	-	-	30,730
Total Controlling Interest	(352,902)	(351,413)	11,830	838,722	36,489	1,102	780	184	65,163
Non-controlling interest	(858)	-	858	-	-	-	-	-	-
Total shareholder's equity	**(353,760)**	**(351,413)**	**12,688**	**838,722**	**36,489**	**1,102**	**780**	**184**	**65,163**
				468,262					
Total liabilities and shareholder's equ	**(339,961)**	**128,877**	**48**	**2,706,700**	**36,489**	**1,102**	**780**	**184**	**59,303**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATING BALANCE SHEET

As of March 31, 2023
(in USD thousands)

	DUSA Pharmaceuticals, Inc.	Taro Development Corporation	Concert Pharmaceuticals Securities Corp.	Concert Pharma Ireland Limited	Concert Pharma U.K. Ltd	Sun Pharmaceutical Holdings USA, Inc.	Consolidating Entries	Total
LIABILITIES AND SHAREHOLDERS' EQUITY								
Current liabilities								
Short-term borrowings	-	-	-	-	-	260,000	-	685,000
Accounts payable	2,863	-	-	-	-	(98)	98	127,895
Accrued expenses	701	-	-	-	-	2,500	(2,500)	277,130
Due to related parties	-	-	-	-	-	-	(479,104)	-
Advances from affiliates, current	-	1,128	-	-	-	(230,582)	-	704,664
Current portion of operating lease obligations	-	-	-	-	-	-	-	2,947
Current portion of finance lease obligations	-	-	-	-	-	-	-	5,230
Total current liabilities	**3,564**	**1,128**	**-**	**-**	**-**	**31,820**	**(481,506)**	**1,802,866**
Advances from affiliate, net of current portion	-	-	-	-	-	-	-	70,000
Allocation of income taxes (receivable) payable	-	-	-	-	-	-	(4,083)	-
Operating lease obligations, net of current portion	-	-	-	-	-	303	(303)	15,720
Finance lease obligations, net of current portion	-	-	-	-	-	-	-	5,904
Total liabilities	**3,564**	**1,128**	**-**	**-**	**-**	**32,123**	**(485,892)**	**1,894,490**
Shareholders' equity								
Common stock	-	-	-	0	0	-	(13,000)	0
Additional paid-in capital	15	-	66,490	-	-	543,880	(678,982)	543,880
Retained earnings	284,792	51,545	259	-	-	(12,395)	(143)	(51,462)
Total Controlling Interest	284,807	51,545	66,749	0	0	531,485	(692,125)	492,418
Non-controlling interest	-	-	-	-	-	(3,000)	25,268	22,268
			0					
Total shareholder's equity	**284,807**	**51,545**	**66,749**	**0**	**0**	**528,486**	**(666,857)**	**514,686**
Total liabilities and shareholder's equ	**288,371**	**52,673**	**66,749**	**0**	**0**	**560,609**	**(1,152,749)**	**2,409,176**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENT OF INCOME (LOSS)

Year ended March 31, 2023
(in USD thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	Ranbaxy Signature LLC	Sun Pharmaceutical Industries, Inc.	PI Real Estate Ventures, LLC	SP Housatonic LLC	SP Housatonic II LLC	SP Housatonic III LLC	Chattem Chemicals, Inc.
Sales, net	-	105,631	-	1,161,768	-	-	-	-	56,732
Other operating revenue	-	-	-	(2,548)	3,000	-	-	-	-
Cost of goods sold	-	137,898	-	779,554	-	-	-	-	41,297
Selling, general and administrative expenses	2,218	16,639	90	354,172	1,791	-	-	-	9,471
Research and development costs	-	5,899	-	26,176	-	-	-	-	955
Gain on sale of intangible asset	-	-	-	-	-	-	-	-	-
Gain on disposal of property, plant, and equipment	-	(346)	-	48	-	-	-	-	-
Operating loss	**(2,218)**	**(54,459)**	**(90)**	**(730)**	**1,209**	**-**	**-**	**-**	**5,009**
Other (expense) income									
Interest expense	-	2	-	(41,462)	-	-	-	-	475
Dividend and interest income	-	-	-	18,600	-	-	-	-	45
(Losses)/gains on equity securities	-	-	-	(3,174)	-	-	-	-	-
Equity in (losses)/earnings from equity method investments	-	-	-	(22,175)	-	-	-	-	-
Equity in earnings from subsidiaries	(113,393)	-	-	19,552	-	-	-	-	-
Other income	-	-	-	55,347	-	-	-	-	565
Other (expense) income, net	(113,393)	2	-	26,688	-	-	-	-	1,085
(Loss)/income before income taxes	(115,611)	(54,457)	(90)	25,958	1,209	-	-	-	6,094
Income taxes (benefit)/provision	374	58,936	-	(54,900)	-	-	-	-	(202)
Net (loss)/income	**(115,985)**	**(113,393)**	**(90)**	**80,858**	**1,209**	**-**	**-**	**-**	**6,296**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENT OF INCOME (LOSS)

Year ended March 31, 2023
(in USD thousands)

	DUSA Pharmaceuticals, Inc.	Taro Development Corporation	Concert Pharmaceuticals Securities Corp.	Concert Pharma Ireland Limited	Concert Pharma U.K. Ltd	Sun Pharmaceutical Holdings USA,	Consolidating Entries	Total
Sales, net	81,415	-	-	-	-	-	(49,803)	1,355,743
Other operating revenue	-	-	-	-	-	-	-	452
Cost of goods sold	1,105	-	-	-	-	-	(46,977)	912,877
Selling, general and administrative expenses	36,425	-	-	-	-	-	6,588	427,394
Research and development costs	967	-	-	-	-	-	-	33,997
Gain on sale of intangible asset	-	-	-	-	-	-	-	-
Gain on disposal of property, plant, and equipment	-	-	-	-	-	-	-	(298)
Operating loss	**42,918**	**-**	**-**	**-**	**-**	**-**	**(9,414)**	**(17,775)**
Other (expense) income								
Interest expense	(46)	-	-	-	-	-	-	(41,031)
Dividend and interest income	-	-	259	-	-	266	-	19,170
(Losses)/gains on equity securities	-	(44,202)	-	-	-	-	-	(47,376)
Equity in (losses)/earnings from equity method investments	-	-	-	-	-	-	-	(22,175)
Equity in earnings from subsidiaries	-	-	-	-	-	-	93,841	-
Other income	42	-	-	-	-	-	(45,475)	10,479
Other (expense) income, net	(4)	(44,202)	259	-	-	266	48,366	(80,933)
(Loss)/income before income taxes	42,914	(44,202)	259	-	-	266	38,952	(98,708)
Income taxes (benefit)/provision	(3,885)	(10,657)	-	-	-	838	-	(9,496)
Net (loss)/income	**46,799**	**(33,545)**	**259**	**-**	**-**	**(572)**	**38,952**	**(89,212)**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

Year ended March 31, 2023
(in USD thousands)

	Ranbaxy, Inc.	Ohm Laboratories, Inc.	Ranbaxy Signature LLC	Sun Pharmaceutical Industries, Inc.	PI Real Estate Ventures, LLC	SP Housatonic LLC	SP Housatonic II LLC	SP Housatonic III LLC	Chattem Chemicals, Inc.
Balance, March 31, 2022	(237,775)	(238,020)	12,778	757,864	35,280	-	-	-	58,867
Incorporation/Acquisition	-	-	-	-	-	1,102	780	184	-
Net income	(115,985)	(113,393)	(90)	80,858	1,209	-	-	-	6,296
Non-controlling Interest	-	-	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-	-
Balance, March 31, 2023	**(353,760)**	**(351,413)**	**12,688**	**838,722**	**36,489**	**1,102**	**780**	**184**	**65,163**

Sun Pharmaceutical Holdings USA, Inc. and Subsidiaries
(a wholly owned subsidiary of Sun Pharmaceutical Industries Limited)

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

Year ended March 31, 2023
(in USD thousands)

	DUSA Pharmaceuticals, Inc.	Taro Development Corporation	Concert Pharmaceuticals Securities Corp.	Concert Pharma Ireland Limited	Concert Pharma U.K. Ltd	Sun Pharmaceutical Holdings USA, Inc.	Consolidating Entries	Total
Balance, March 31, 2022	238,008	85,090	-	-	-	529,058	(637,253)	603,899
Incorporation/Acquisition	-	-	66,490	0	0	-	(68,556)	-
Net income	46,799	(33,545)	259	-	-	2,224	38,952	(86,416)
Non-controlling Interest	-	-	-	-	-	(2,796)	-	(2,796)
Distributions	-	-	-	-	-	-	-	-
Balance, March 31, 2023	**284,807**	**51,545**	**66,749**	**0**	**0**	**528,486**	**(666,857)**	**514,687**