Granules USA, Inc.

Financial Statements

March 31, 2020 and March 31, 2019

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850,

990 Hammond Drive NE, Atlanta, GA 30328

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Independent Accountant's Review Report

To Board of Directors,
Granules USA, Inc.

We have reviewed the accompanying balance sheets of Granules USA, Inc. ('the Company') as of March 31, 2020 and March 31, 2019, and the related statements of income (loss), stockholder's equity (deficit) and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's responsibility for the financial statements

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

Accountant's responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

KNAV P.A.

Atlanta, Georgia
June 01, 2020

KNAV P.A.
Certified Public Accountants
One Lakeside Commons, Suite 850, 990 Hammond Drive NE, Atlanta, GA 30328 T 1 678 584 1200 F 1 770 676 6082 E admin@knavcpa.com

Financial Statements

Balance sheets

(All amounts are in United State Dollars, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	591,441	382,891
Accounts receivable, net	7,294,619	7,739,343
Inventories	5,695,111	8,006,980
Prepaid expenses and other current assets	66,335	187,296
Total current assets	**13,647,506**	**16,316,510**
Property and equipment, net	50,658	82,274
Intangible assets, net	46	226
Deferred tax asset	696,666	605,188
Other assets	37,088	37,088
Total assets	**14,431,964**	**17,041,286**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	13,582,935	17,088,287
Other current liabilities	440,041	340,772
Total current liabilities	**14,022,976**	**17,429,059**
Total liabilities	**14,022,976**	**17,429,059**
Stockholder's equity (deficit)		
Common stock	70,000	70,000
Additional paid in capital	180,000	180,000
Accumulated surplus (deficit)	158,988	(637,773)
Total stockholder's equity (deficit)	**408,988**	**(387,773)**
Total liabilities and stockholder's equity (deficit)	**14,431,964**	**17,041,286**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statements of income (loss)

(All amounts are in United States Dollars, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	47,984,460	53,244,995
Less: Cost of revenue	41,623,234	49,806,409
Gross profit	**6,361,226**	**3,438,586**
Operating cost and expenses		
Selling, general and administrative expenses	5,494,550	5,935,119
Depreciation and amortization	33,748	35,494
Total operating cost and expenses	**5,528,298**	**5,970,613**
Operating profit (loss)	**832,928**	**(2,532,027)**
Other expense (income)		
Interest (income) expense	(249)	523
Other (income) expense	(1,685)	134,160
Profit (loss) before taxes	**830,994**	**(2,397,344)**
Income tax expense		
Current tax expense (benefit)	125,711	(46,734)
Deferred tax benefit	(91,478)	(635,970)
Net profit (loss)	**796,761**	**(1,714,640)**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statements of stockholder's equity (deficit)

(All amounts are in United States Dollars, except number of shares)

Particulars	Common stock Shares	Common stock Amount	Additional paid in capital	Accumulated surplus (deficit)	Total stockholder's equity (deficit)
Balance as at April 01, 2018	**700,000**	**70,000**	**180,000**	**1,076,867**	**1,326,867**
Net loss for the year	-	-	-	(1,714,640)	(1,714,640)
Balance as at March 31, 2019	**700,000**	**70,000**	**180,000**	**(637,773)**	**(387,773)**
Balance as at April 01, 2019	**700,000**	**70,000**	**180,000**	**(637,773)**	**(387,773)**
Net income for the year	-	-	-	796,761	796,761
Balance as at March 31, 2020	**700,000**	**70,000**	**180,000**	**158,988**	**408,988**

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Statements of cash flows

(All amounts are in United States Dollars, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Net profit (loss)	796,761	(1,714,640)
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	33,748	35,494
Deferred tax benefit	(91,478)	(635,970)
Provision for doubtful debts	-	187,800
Loss on sale of equipment	1,684	-
Changes in current assets and current liabilities		
Accounts receivable, net	444,724	7,679,115
Inventories	2,311,869	1,875,767
Prepaid expenses and other current assets	120,961	(37,362)
Accounts payable	(3,505,352)	(8,180,434)
Other current liabilities	99,269	(133,072)
Net cash provided by (used in) operating activities	**212,186**	**(923,302)**
Cash flow from investing activities		
Purchase of property and equipment	(3,636)	(2,942)
Net cash used in investing activities	**(3,636)**	**(2,942)**
Net increase (decrease) in cash and cash equivalents during the year	208,550	(926,244)
Cash and cash equivalents at the beginning of the year	382,891	1,309,135
Cash and cash equivalents at the end of the year	**591,441**	**382,891**
Supplemental cash flow information		
Income tax	2,577	120,953

(The accompanying notes are an integral part of these financial statements)

(See independent accountant's review report)

Notes to Financial Statements

(All amounts are in United State Dollars, unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

Granules USA, Inc ("Granules" and "the Company") was incorporated on March 5, 2003 in Delaware. Granules is a wholly owned subsidiary of Granules India Limited ("GIL"), a company incorporated in India.

Granules is as an exclusive front-end value chain entity for GIL and develops markets for the products manufactured by GIL. The business of GIL comprises of manufacture and sale of pharmaceutical products.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

   b. All amounts are stated in United States dollars, except as otherwise specified.

   c. These financial statements are presented for the year ended March 31, 2020 and March 31, 2019.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's deficit.

2. *Estimates and assumptions*

   The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles 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 date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property, machinery and equipment, allowances for doubtful accounts, recognition of deferred tax assets, amortization period of intangibles, inventories, and provision for employee benefit obligations, income tax uncertainties, and other contingencies. The estimates are made using historical information and other relevant factors available to management. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimate are recognized prospectively in the current and future period.

3. *Cash and cash equivalents*

   The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. *Accounts receivable and allowance for doubtful accounts*

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the customers' financial condition, the amounts of receivables in dispute, and the current receivables ageing and current payment patterns. The Company reviews its allowance for doubtful accounts monthly. Past due balances over 180 days and over a specified amount are reviewed individually for collectability. Allowance for doubtful accounts is included in marketing and selling expenses in the statement of income (loss). The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

5. *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Expenditures for maintenance and repairs are charged to expense. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited to statements of income (loss).

The estimated useful lives used to determine depreciation are:

Nature of assets	Estimated useful life of assets
Furniture and fixtures	3 to 7 years
Computers	3 to 5 years
Equipment	3 to 7 years
Vehicles	5 years
Improvements	15 years

6. *Intangible assets*

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required.

Nature of assets	Estimated useful life of assets
Technical know how	15 years

7. *Impairment of long-lived assets*

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

8. *Revenue recognition*

The Company adopted Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) as of April 01, 2019. Results for the year ended March 31, 2020 are presented under Topic 606, while earlier periods are presented under previous guidance. Refer Note O "Revenue from contracts with customers" for further information on the Company's revenue.

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company's products. The Company's global payment terms are typically between 30-75 days. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods. A performance obligation is a promise in a contract to transfer a distinct good to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

The Company's performance obligations are satisfied at a point in time. This includes sales of the Company's portfolio of paracetamols and other product. For most of these sales, the Company's performance obligation is satisfied upon delivery to the customer. Shipping and handling activities are fulfillment activities and are not considered to be a separate performance obligation.

Significant judgments
Provisions for sales discount, damaged product returns, exchanges of expired products are established as a reduction of product sales revenue at the time such revenues are recognized. Certain discount and rebate programs extended to customers pursuant to the industry standards, are recognized as a reduction from product sales revenue at the time of shipment.

Erstwhile revenue recognition policy as per ASC 605
Customers of the Company consist primarily of large pharmaceutical companies. Revenue from product sales is recognized when merchandise is shipped to customers and all the four of the following criteria are met: (i) persuasive evidence that an arrangement exists; (ii) delivery of the products has occurred; (iii) the selling price is both fixed and determinable and; (iv) collectability is reasonably probable.

Provisions for sales discount, damaged product returns, exchanges of expired products are established as a reduction of product sales revenue at the time such revenues are recognized. Certain charge backs and rebate programs extended to customers pursuant to the industry standards, are recognized as a reduction from product sales revenue at the time of shipment.

9. *Leases*

The Company accounts for the lease of its office space as an operating lease. The related rentals are charged to expense based on the lease agreement in the period it is incurred.

10. *Retirement and employee benefits*

Contribution to defined contribution plans are charged to statements of income (loss) in the year in which they accrue.

11. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but disclosed in notes. Contingent assets are neither recognized nor disclosed.

12. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. ASC 740 also provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. All deferred tax assets and liabilities, along with any related valuation allowance, is classified as non-current on the balance sheets.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

13. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – Unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

14. Recently issued accounting standards not yet adopted

In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize right-of-use assets, representing their right to use the underlying asset for the lease term, and lease liabilities on the balance sheet for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of the same.

NOTE C - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable. By their nature, all accounts receivable involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of March 31, 2020 and March 31, 2019, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and accounts receivable.

Four customers having greater than 10% of accounts receivable accounted for approximately 50% (previous year end, four customers for 49%) of total accounts receivable.

One related party vendor having greater than 10% of the accounts payable accounted for 97% (previous year end, one related party vendor accounted for 99%) of total accounts payable.

NOTE D - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at March 31, 2020	As at March 31, 2019
Bank balance	591,441	382,891
Total	**591,441**	**382,891**

Cash balances on deposits with banks in the United States are insured by the Federal Deposit Insurance Corporation up to an aggregate of $ 250,000.

NOTE E - ACCOUNTS RECEIVABLE, NET

The Company maintains an allowance for doubtful debts on all accounts receivable, based on present and prospective financial condition of the customer and aging of accounts receivable after considering historical experience and the current economic environment.

Accounts receivable, net, comprise the following:

	As at March 31, 2020	As at March 31, 2019
Due from customers	7,294,619	7,927,143
Less: Allowance for doubtful debts	-	(187,800)
Total	**7,294,619**	**7,739,343**

Movement in the allowance of doubtful accounts is shown as under:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at beginning of the year	**187,800**	**-**
Provision during the year	-	187,800
Amounts written off during the year as uncollectible	(187,800)	-
Balance at the end of the year	-	**187,800**

NOTE F - INVENTORIES

Inventories comprise the following:

	As at March 31, 2020	As at March 31, 2019
Raw material	-	362
Packaging material	324,599	265,747
Finished goods	5,370,512	7,740,871
Total	**5,695,111**	**8,006,980**

NOTE G - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid and other current assets comprise the following:

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	-	13,396
Freight receivable	22,171	-
Advance tax	44,164	173,900
Total	**66,335**	**187,296**

NOTE H - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, comprises the following:

	As at March 31, 2020	As at March 31, 2019
Automobile	45,970	45,970
Furniture and fixtures	58,787	61,368
Leasehold improvements	26,952	26,952
Pharmaceutical equipment	65,309	65,309
Office equipment	60,002	56,365
Less: Accumulated depreciation	(206,362)	(173,690)
Total	**50,658**	**82,274**

Depreciation expense for the year ended March 31, 2020 and year ended March 31, 2019 was $33,568 and $35,283, respectively

NOTE I - INTANGIBLE ASSETS, NET

Intangible assets, net comprises the following:

	As at March 31, 2020	As at March 31, 2019
Tradename	4,474	4,474
Less: Accumulated amortization	(4,428)	(4,248)
Total	**46**	**226**

Amortization expense for the year ended March 31, 2020 and March 31, 2019 is $180 and $211.

NOTE J - OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

	As at March 31, 2020	As at March 31, 2019
Employee benefits	299,008	277,136
Statutory liabilities	5,027	3,226
Loans and advances	-	6,482
Advance from customer	9,746	1,730
Provision for tax	126,260	52,198
Total	**440,041**	**340,772**

NOTE K - RETIREMENT BENEFITS

The Company has a 401(k) defined contribution plan. Under the plan, each employee can elect to participate after meeting the minimum age requirement and other eligibility requirements set forth in the Adoption Agreement. The Company makes a matching contribution to the plan up to 2% of employee wages for those electing to participate in the plan. The total employer contribution for the year ended March 31, 2020 and March 31, 2019, was $39,993 and $34,843, respectively. The 401(k) contributions are charged to expense in the period in which they are incurred.

NOTE L - INCOME TAXES

For the year ended March 31, 2020, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Federal	119,211	(36,535)
State	6,500	(10,199)
Deferred tax		
Federal	(142,021)	(512,603)
State	50,543	(123,367)
Income tax expense (benefit)	**34,233**	**(682,704)**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Income tax at federal rate	174,519	(493,523)
Deferred tax true up federal	(630)	(36,535)
State tax, net of federal effect	56,308	(134,544)
Permanent differences	1,190	(8,869)
Impact on carryback of net operating losses	(197,154)	-
Impact on deferred tax due to change in tax rate	-	(9,233)
	34,233	**(682,704)**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at March 31, 2020	As at March 31, 2019
Non-current deferred tax liabilities		
Depreciation & amortization	(7,860)	(16,833)
Total deferred tax liability	**(7,860)**	**(16,833)**
Non-current deferred tax assets:		
Net operating losses	618,920	490,655
Accrued bonus	65,288	62,724
Provision for expiry stock	4,304	6,990
Provision for bad debts	-	49,082
Inventory	14,251	-
Deferred revenue	1,763	-
Qualified charitable contributions	-	12,570
	704,526	**622,021**
Net deferred tax assets	**696,666**	**605,188**

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

The Company has recognized deferred tax asset of $696,666 and $605,188 as of March 31, 2020 and March 31, 2019, respectively, on account of temporary differences arising out for tax purposes.

The Company has federal net operating losses of $1,767,853 and $1,850,500 as at March 31, 2020 and March 31, 2019, respectively. The net operating losses available as at March 31, 2020 of $1,767,853 will be carried back entirely to the previous years to avail the tax benefits as per the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The Company has state net operating loss carryforwards of approximately $780,864 and $1,646,378 as at March 31, 2020 and March 31, 2019, respectively, which if unutilized will expire based on the state statutes.

Accounting for uncertain tax positions

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the statement of income.

The Company has no unrecognized tax positions at March 31, 2020 and March 31, 2019. The tax years of 2016 through 2018 remain subject to examination by the taxing authorities.

NOTE M - COMMITMENTS AND CONTINGENCIES

The Company leases premises under a long-term operating lease arrangement. The Company entered into a lease for new premises on November 01, 2014 for a lease period of 88 months. The security deposit paid for the premises under lease amounted to $37,088. The rent expense for office space was $ 81,779 and $ 80,422 for the year ended March 31, 2020 and March 31, 2019, respectively.

Future minimum payments under non-cancelable operating leases for the fiscal years ending March 31 are as follows:

Year ended March 31	**Amount ($)**
2021	82,238
2022	82,238

NOTE N - RELATED PARTY TRANSACTIONS

A. List of related parties with whom transactions have taken place:

No	Name of the party	Nature of relationship
1	Granules India Limited ("GIL")	Parent company
2	Granules Pharmaceuticals, Inc. ("GPI")	Affiliate company

B. *The Company had transactions in the ordinary course of business with the following related parties:*

	March 31, 2020	**March 31, 2019**
Granules India Limited		
Transactions during the year		
- Purchase of goods	36,068,083	44,728,840
- Expenses incurred on behalf of GIL	4,594	15,000
Balances		
- Payable	13,144,329	14,589,548
- Receivable	19,594	-
Granules Pharmaceuticals, Inc.		
Transactions during the year		
- Sale of goods	83,811	31,770
- Expenses incurred on behalf of GPI	32,651	27,241
Balances		
- Receivable	70,361	-

NOTE O - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are comprised of purchase orders along with standard terms and conditions. These contracts with customers typically consist of sale of products which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. The Company adopted the new revenue recognition standard using the modified retrospective transition approach and determined that the existing revenue recognition practices are in compliance with ASC 606. Accordingly, there was no cumulative effect adjustment to the balance of accumulated surplus in the balance sheet for the year ended March 31, 2020, as the adoption did not result in a change to the timing of revenue recognition.

The following table presents revenue disaggregated by source of revenue:

	Year ended March 31, 2020
Services	47,984,460
Total	**47,984,460**

The following table disaggregates revenue based on geographical regions.

	Year ended March 31, 2020
United States	47,076,227
Canada	878,833
Mexico	29,400
Total	**47,984,460**

The following table presents revenue disaggregated by timing of recognition:

	Year ended March 31, 2020
Products or services transferred over time	-
Products transferred at a point in time	47,984,460
Total	**47,984,460**

Contract balances
Contract liabilities primarily relate to advance consideration received from customers for sale of products, for which revenue is recorded at a point in time and trade receivables are non-interest bearing and are generally on terms of 30 to 75 days.

	As at March 31, 2020
Accounts receivable	7,294,619
Advance from customer	9,746
	7,304,365

NOTE P - STOCKHOLDER'S EQUITY

The Company had an authorized capital of 2,500,000 shares of its common stock, at $ 0.10 par value per share at the beginning of the year. The Company had 700,000 common shares issued and outstanding as of March 31, 2020 and March 31, 2019. There were no shares issued during the year ended March 31, 2020 and March 31, 2019.

NOTE Q - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2020 up through June 01, 2020, the date the financial statements are issued. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, the company expects to fully recover the carrying amount of receivables. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions.