

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in AUD)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3a	32,193,703	35,066,468
Capital work-in-progress	3b	815,971	1,166,424
Intangible assets	3a	3,377,734	4,170,368
Total non-current assets		36,387,408	40,403,260
Current assets			
Inventories	4	79,392,033	83,564,047
Financial assets			
Trade receivables	5	11,336,822	20,959,632
Cash and cash equivalents	6	42,024	-
Other current assets	7	2,259,339	2,705,099
Total current assets		93,030,218	107,228,778
TOTAL ASSETS		129,417,626	147,632,038
EQUITY AND LIABILITIES			
Equity & preference share capital			
Equity share capital	8	100	100
Preference share capital	8	69,644,549	69,644,549
Other equity	9	(60,705,309)	(54,259,892)
Total equity		8,939,340	15,384,757
Non-current liabilities			
Financial liabilities			
Long-term borrowings	10	3,849,870	86,112,196
Total non-current liabilities		3,849,870	86,112,196
Current liabilities			
Financial liabilities			
Trade payables	11	4,231,716	3,688,094
Short-term borrowings	12	105,715,672	35,269,646
Other financial liabilities	13	606,767	3,372,001
Provisions	14	3,782,130	3,559,549
Other current liabilities	15	2,292,131	245,795
Total current liabilities		116,628,416	46,135,085
TOTAL EQUITY AND LIABILITIES		129,417,626	147,632,038

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Vikas A. Kutty
Partner
Membership No. 212976

Place: Kochi
Date: May 27, 2021

For and on behalf of
Sun Pharmaceutical Industries (Australia) Pty Ltd

Urvish Bhavsar
Director

Place: Port Fairy, Victoria, Australia
Date: May 27, 2021

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in AUD)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	16	62,186,954	88,739,314
Other income	17	17,619,395	109,242
Total income		79,806,349	88,848,556
Expenses			
Consumption of raw materials	18a	35,480,029	25,098,094
Changes in inventories (finished goods & work-in-progress)	18b	743,475	11,180,506
Employee benefits expense	19	19,912,706	20,923,250
Finance costs	20	2,150,413	3,072,165
Depreciation and amortisation expense	3a	5,703,315	6,233,385
Other expenses	21	22,261,828	30,839,124
Total expenses		86,251,766	97,346,524
		(6,445,417)	(8,497,968)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Loss for the year		(6,445,417)	(8,497,968)
Total comprehensive loss for the year		(6,445,417)	(8,497,968)
Earnings per equity share (face value per equity shares - AUD 1)			
Basic and Diluted (in AUD)	22	(64,454.17)	(84,979.68)

Summary of significant accounting policies

2

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

As per our report of even date

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

For and on behalf of
Sun Pharmaceutical Industries (Australia) Pty Ltd

per Vikas A. Kutty
Partner
Membership No. 212976

Urvish Bhavsar
Director

Place: Kochi
Date: May 27, 2021

Place: Port Fairy, Victoria, Australia
Date: May 27, 2021

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in AUD)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A) Cash flow from operating activities		
Loss before tax	(6,445,417)	(8,497,968)
Adjustments for:		
Finance costs	2,150,413	3,072,165
Depreciation and amortisation expense	5,703,315	6,233,385
Loss/(profit) on sale of property, plant and equipment (net)	(17,912)	(77,324)
Unrealised foreign exchange loss (net)	118,196	10,315,024
Operating profit before working capital changes	1,508,595	11,045,282
Working capital adjustments		
Decrease / (Increase) in trade receivables	9,542,309	(710,344)
Decrease / (Increase) in inventories	4,172,014	7,485,117
Decrease / (Increase) in other financial assets & other assets	445,760	(1,930,148)
(Decrease) / Increase in provisions	222,581	(410,073)
(Decrease) / Increase in trade payables	1,219,787	(511,640)
(Decrease) / Increase in other payables	2,046,337	245,794
Cash generated from operations	19,157,383	15,213,988
Income tax paid	-	-
Net cash flow from operating activities (A)	19,157,383	15,213,988
B) Cash flow from investing activities		
Payments for purchase of property, plant & equipment and intangible assets	(2,384,405)	(1,784,489)
Proceeds from disposal of property, plant and equipment	17,912	77,325
Net cash flows used in investing activities (B)	(2,366,493)	(1,707,164)
C) Cash flow from financing activities		
Proceeds from long term borrowings	3,675,980	-
Repayment of long term borrowings	(85,693,553)	-
Repayment of lease liability	(375,644)	(372,606)
Proceeds from/(repayment of) short term borrowings (net)	73,067,417	(12,556,851)
Interest paid	(4,765,632)	(5,255,336)
Net cash flows used in financing activities (C)	(14,091,432)	(18,184,793)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,699,458	(4,677,969)
Cash & cash equivalents at beginning of the year	(10,026,731)	(5,348,762)
Cash & cash equivalents at the end of the year	(7,327,273)	(10,026,731)
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 6)	42,024	-
Overdraft as per Balance Sheet (Refer Note 12)	(7,369,297)	(10,026,731)
Total	(7,327,273)	(10,026,731)

Note: Cash and cash equivalents consist of the bank balance in current account and bank overdrafts.

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982/E300003

per Vikas A. Kutty
Partner
Membership No. 212976

Place: Kochi
Date: May 27, 2021

For and on behalf of
Sun Pharmaceutical Industries (Australia) Pty Ltd

Urvish Bhavsar
Director

Place: Port Fairy, Victoria, Australia
Date: May 27, 2021

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(Amount in AUD)

Particulars	Equity share capital	Preference share capital	Reserves & Surplus		Total
				Retained earnings	
Balance as at April 1, 2019	100	69,644,549	(45,761,924)		23,882,725
Loss for the year	-	-	(8,497,968)		(8,497,968)
Total comprehensive loss for the year	-	-	(8,497,968)		(8,497,968)
Balance as at March 31, 2020	100	69,644,549	(54,259,892)		15,384,757
Loss for the year	-	-	(6,445,417)		(6,445,417)
Total comprehensive loss for the year	-	-	(6,445,417)		(6,445,417)
Balance as at March 31, 2021	100	69,644,549	(60,705,309)		8,939,340

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

As per our report of even date

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

per Vikas A. Kutty
Partner
Membership No. 212976

Place: Kochi
Date: May 27, 2021

For and on behalf of
Sun Pharmaceutical Industries (Australia) Pty Ltd

Urvish Bhavsar
Director

Place: Port Fairy, Victoria, Australia
Date: May 27, 2021

NOTE: 4
 INVENTORIES

(Amount in AUD)

Particulars	As at	
	March 31, 2021	March 31, 2020
Lower of cost or net realisable value		
Raw material	49,901,465	53,330,004
Work-in-progress	13,180,528	14,257,540
Finished goods (in transit as at March 31, 2021: NIL (March 31, 2020: NIL))	16,310,040	15,976,503
Total	79,392,033	83,564,047

NOTE: 5

TRADE RECEIVABLES

(Amount in AUD)

Particulars	As at	
	March 31, 2021	March 31, 2020
Unsecured considered good	10,291,486	20,875,036
Unsecured considered good - from related parties	1,045,336	84,596
Total	11,336,822	20,959,632

NOTE: 6

CASH AND CASH EQUIVALENTS

(Amount in AUD)

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with banks In current accounts	42,024	-
Total	42,024	-

NOTE: 7

OTHER CURRENT ASSETS

(Amount in AUD)

Particulars	As at	
	March 31, 2021	March 31, 2020
Unsecured considered good unless stated otherwise		
Prepaid expenses	218,625	158,316
Balances with government authorities	2,040,714	1,504,377
Unbilled receivables	-	468,106
Advance to suppliers (others)	-	375,908
Advance to suppliers (related party)	-	198,392
Total	2,259,339	2,705,099

NOTE: 8

EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in AUD	No. of shares	Amount in AUD
Authorised				
Equity shares of AUD 1 each	100	100	100	100
Preference share of AUD 1 each	69,644,549	69,644,549	69,644,549	69,644,549
	69,644,649	69,644,649	69,644,649	69,644,649
Issued, subscribed and fully paid up				
Equity shares of AUD 1 each	100	100	100	100
Preference share of AUD 1 each	69,644,549	69,644,549	69,644,549	69,644,549
	69,644,649	69,644,649	69,644,649	69,644,649

a) Terms/rights attached to equity shares & preference shares

Equity shares

The Company has only one class of equity shares having a par value of AUD 1 per share.

Preference shares

The Company has only one class of preference shares having par value of AUD 1 per share.

Preference shares are redeemable preference shares and carry a dividend rate of 6%, to be paid to the preference shareholders, if Company has sufficient profits.

Preference shares outstanding, do not carry any interest rate.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in AUD	No. of shares	Amount in AUD
Reconciliation of fully paid equity shares				
Opening and closing balance at the end of the year	100	100	100	100

c) Details of shareholders holding more than 5% in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Sun Pharma Holdings, Mauritius	100	100%	100	100%
Preference shares				
Sun Pharma Global FZE, United Arab Emirates	69,644,549	100%	69,644,549	100%

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE: 9

RESERVES & SURPLUS	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Retained earnings		
Opening balance for the year	(54,259,892)	(45,761,924)
Add: Loss for the year	(6,445,417)	(8,497,968)
Closing balance for the year	(60,705,309)	(54,259,892)

NOTE: 10

LONG-TERM BORROWINGS	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Loan from related party (unsecured) (refer note below)	3,675,980	85,693,552
Lease obligations (non-current) (Refer Note 26)	173,890	418,644
Total	3,849,870	86,112,196

Details of terms of repayment for the long-term borrowings:

Particulars	Terms of repayment	(Amount in AUD)	
		As at March 31, 2021	As at March 31, 2020
Unsecured loan from related parties:			
Sun Pharma (Netherlands) BV	3 years	3,675,980	-
Sun Pharma Global FZE	Within 10 years	-	85,693,552
Loan taken from Sun Pharma (Netherlands) BV carries an interest rate of 1.60% p.a. Loan taken from Sun Pharma Global FZE, carried interest of 2.60% p.a. and was repaid in the month of December 2020.			

NOTE: 11

TRADE PAYABLES	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Trade payables to related parties	29,398	-
Others	4,202,318	3,688,094
Total	4,231,716	3,688,094

NOTE: 12

SHORT-TERM BORROWINGS	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Overdraft from banks	7,369,297	10,026,731
Borrowings from banks*	98,346,375	25,242,915
Total	105,715,672	35,269,646

* Borrowings from banks majorly include yearly roll-over/revolving loans taken for the business operations of the Company.
 Interest rate on these borrowings range from 1.50% to 2.50% p.a.

NOTE: 13

OTHER FINANCIAL LIABILITIES	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Interest accrued on borrowings	369,254	3,001,140
Lease obligations (current) (Refer Note 26)	237,513	370,861
Total	606,767	3,372,001

NOTE: 14

SHORT TERM PROVISIONS	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Provision for leave encashment	3,782,130	3,559,549
Total	3,782,130	3,559,549

NOTE: 15

OTHER CURRENT LIABILITIES	(Amount in AUD)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Advance from customers	2,126,266	-
Statutory remittances	165,865	245,795
Total	2,292,131	245,795

NOTE: 16

REVENUE FROM OPERATIONS	(Amount in AUD)	
	Year ended March 31, 2021	Year ended March 31, 2020
Particulars		
Revenue from contracts with customers	62,186,954	88,739,314
Total	62,186,954	88,739,314

Disclosure on IND AS - 115 Revenue from contracts with customers

16.1 Disaggregated revenue information:	(Amount in AUD)	
	Year ended March 31, 2021	Year ended March 31, 2020
Particulars		
Timing of revenue recognition		
Goods transferred at a point in time	62,186,954	88,739,314
Total revenue from contracts with customers	62,186,954	88,739,314

16.2 Contract balances:

Particulars	(Amount in AUD)	
	Year ended March 31, 2021	Year ended March 31, 2020
Trade receivables	11,336,822	20,959,632
Contract assets	-	-
Contract liabilities	-	-
Total revenue from contracts with customers	11,336,822	20,959,632

16.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	62,186,954	88,739,314
Adjustments for:		
Rebate	-	-
Sales return	-	-
Cash discount	-	-
Total revenue from contracts with customers	62,186,954	88,739,314

NOTE: 17

OTHER INCOME

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Foreign exchange gain	17,175,690	-
Gain on sale of property plant and equipment	17,912	77,324
Miscellaneous income	3,751	5,797
Interest income	244	26,121
Liabilities no longer required written back	421,798	-
Total	17,619,395	109,242

NOTE: 18a

RAW MATERIALS CONSUMED

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	53,330,004	49,634,615
Purchases	32,051,490	28,793,483
Inventories at the end of the year	49,901,465	53,330,004
Total Consumption	35,480,029	25,098,094

NOTE: 18b

CHANGES IN INVENTORIES (FINISHED GOODS & WORK-IN-PROGRESS)

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	30,234,043	41,414,549
Inventories at the end of the year	29,490,568	30,234,043
Net change in inventories	743,475	11,180,506

NOTE: 19

EMPLOYEE BENEFITS EXPENSE

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	17,611,274	18,608,447
Staff welfare expenses	495,892	437,719
Contribution to social security and other funds	1,805,540	1,877,084
Total	19,912,706	20,923,250

NOTE: 20

FINANCE COSTS

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on:		
- Borrowings (others)	689,892	981,569
- Borrowings (related parties)	1,443,855	2,065,190
- Lease obligations (Refer Note 26)	16,666	25,406
Total	2,150,413	3,072,165

NOTE: 21

OTHER EXPENSES

(Amount in AUD)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spare parts	1,988,092	2,142,619
Communication	143,280	178,241
Conversion charges	1,642,820	1,814,573
Donations	1,000	-
Foreign exchange loss	-	13,674,797
Freight outward	2,922,573	2,364,273
Insurance	491,318	290,037
Job work charges	4,058,416	-
Legal expenses	896,244	1,275,336
Payment to auditor:		
For audit	59,761	88,110
For group reporting	30,000	-
Power & fuel	2,572,676	2,715,500
Professional charges	630,420	407,057
Printing & stationery	117,676	192,942
Rates & taxes	206,183	220,550
Repairs:		
On plant & machinery	2,240,556	2,062,524
On building	255,966	242,004
On others	417,045	249,352
Royalty	678,649	-
Travelling & conveyance	112,976	182,190
Waste disposal expenses	2,488,935	2,115,592
Miscellaneous expenses	307,242	623,427
Total	22,261,828	30,839,124

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Plant & equipment	Freehold land	Furniture & fixtures	Office equipment	Computer	Vehicles	Trademarks	Computer software	ROU- Building	ROU- Vehicles	Total
Gross block												
As at April 1, 2019	11,644,090	41,030,972	1,886,212	475,332	391,720	345,432	43,063	7,500,000	487,941	-	-	63,804,762
Additions	125,671	1,624,978	-	3,267	19,024	48,747	-	-	51,922	742,309	394,396	3,010,314
As at March 31, 2020	11,769,761	42,655,950	1,886,212	478,599	410,744	394,179	43,063	7,500,000	539,863	742,309	394,396	66,815,076
Additions	111,099	1,516,360	-	-	70,856	290,294	68,431	-	-	-	-	2,057,040
Disposals	-	-	-	-	-	-	-	-	-	19,124	-	19,124
As at March 31, 2021	11,880,860	44,172,310	1,886,212	478,599	481,600	684,473	111,494	7,500,000	539,863	723,185	394,396	68,852,992
Accumulated depreciation, amortisation and impairment												
As at April 1, 2019	1,986,544	15,620,206	-	307,712	83,154	228,247	34,527	2,687,500	396,965	-	-	21,344,855
Depreciation and amortisation expense	663,020	4,277,126	-	64,910	32,434	37,864	6,469	750,000	35,030	197,949	168,583	6,233,385
As at March 31, 2020	2,649,564	19,897,332	-	372,622	115,588	266,111	40,996	3,437,500	431,995	197,949	168,583	27,578,240
Depreciation and amortisation expense	627,520	3,792,364	-	42,129	34,587	57,944	4,184	750,000	42,634	179,365	172,588	5,703,315
As at March 31, 2021	3,277,084	23,689,696	-	414,751	150,175	324,055	45,180	4,187,500	474,629	377,314	341,171	33,281,555
Net block												
As at March 31, 2020	9,120,197	22,758,618	1,886,212	105,977	295,156	128,068	2,067	4,062,500	107,868	544,360	225,813	39,236,836
As at March 31, 2021	8,603,776	20,482,614	1,886,212	63,848	331,425	360,418	66,314	3,312,500	65,234	345,871	53,225	35,571,437

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

Particulars	(Amount in AUD)	
	March 31, 2021	March 31, 2020
Capital work-in-progress	815,971	1,166,424
Total	815,971	1,166,424

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 22 - Earning per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

(Amount in AUD)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (in AUD)	(A)	-6,445,417	-8,497,968
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	(B)	100	100
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	(C)	100	100
Basic earnings per share of face value of AUD 1 each (in AUD)			
	(A/B)	(64,454.17)	(84,979.68)
Diluted earnings per share of face value of AUD 1 each (in AUD)			
	(A/C)	(64,454.17)	(84,979.68)

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 23 - Related Party Disclosures

Details of related parties:

Description of relationship	Names of related parties
I. Where control exists:	
Ultimate Holding Company Holding Company	Sun Pharmaceutical Industries Limited, India Sun Pharma Holdings, Mauritius Sun Pharma Global FZE, UAE
II. Other related parties with whom transactions have taken place during the period	
Fellow Subsidiaries & Associates	Alkaloida Chemical Co. ZRT, Hungary Ranbaxy (U.K.) Ltd., UK Ranbaxy Pharma Proprietary Ltd, South Africa Sun Pharma Holdings USA Inc, USA Sun Pharma (Netherlands) BV, Netherlands Taro Pharmaceutical Limited, USA

Note: Related parties have been identified by the management.

Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021: (Amount in AUD)

Name of the Party & Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries & Associates
Transactions			
Purchases/service expense			
Sun Pharmaceutical Industries Limited, India	14,256		
	-		
Ranbaxy (U.K.) Ltd., UK			9,029
			-
Sun Pharma Holdings USA Inc., USA			159,139
			(170,882)
Sales			
Ranbaxy Pharma Proprietary Ltd, South Africa			9,630
			-
Alkaloida Chemical Co. ZRT, Hungary			9,855,746
			(2,654,707)
Taro Pharmaceutical Limited, USA			171,830
			(718,623)
Sun Pharmaceutical Industries Limited, India	-		
	(476,004)		
Sun Pharma Holdings USA Inc., USA			-
			(127,698)
Interest expense on borrowings			
Sun Pharma Global FZE, UAE		1,441,242	
		(2,065,190)	
Sun Pharma (Netherlands) BV, Netherlands			2,614
			-
Balances			
Trade payables			
Sun Pharmaceutical Industries Limited, India	14,256		
	-		
Ranbaxy (U.K.) Ltd., UK			9,029
			-
Sun Pharma Holdings USA Inc., USA			6,113
			-

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Trade receivables			
Alkaloida Chemical Co. ZRT, Hungary			1,045,336
			-
Sun Pharmaceutical Industries Limited, India	-		
	<i>(84,596)</i>		
Borrowings outstanding			
Sun Pharma Global FZE, UAE		-	
		<i>(85,693,552)</i>	
Sun Pharma (Netherlands) BV, Netherlands			3,675,980
			-
Interest expense payable			
Sun Pharma Global FZE, UAE		-	
		<i>(2,969,732)</i>	
Sun Pharma (Netherlands) BV, Netherlands			2,353
			-
Advances given			
Sun Pharmaceutical Industries Limited, India	-		
	<i>(198,392)</i>		
Advances received			
Alkaloida Chemical Co. ZRT, Hungary			2,126,266
			-

Note : Figures in brackets and italics pertain to the previous year.

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 24 - Financial instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2021:

(Amount in AUD)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Trade and other receivables	11,336,822	-	-	11,336,822	11,336,822
Cash and cash equivalent	42,024	-	-	42,024	42,024
Total	11,378,846	-	-	11,378,846	11,378,846
Financial liabilities					
Borrowings	109,565,542	-	-	109,565,542	109,565,542
Trade and other payables	4,231,716	-	-	4,231,716	4,231,716
Other financial liabilities	606,767	-	-	606,767	606,767
Total	114,404,025	-	-	114,404,025	114,404,025

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2020:

(Amount in AUD)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Trade and other receivables	20,959,632	-	-	20,959,632	20,959,632
Cash and cash equivalent	-	-	-	-	-
Total	20,959,632	-	-	20,959,632	20,959,632
Financial liabilities					
Borrowings	121,381,843	-	-	121,381,843	121,381,843
Trade and other payables	3,688,094	-	-	3,688,094	3,688,094
Other financial liabilities	3,372,001	-	-	3,372,001	3,372,001
Total	128,441,938	-	-	128,441,938	128,441,938

Note 25 - Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, borrowings and interest payable on the borrowings. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets includes trade receivables and cash and cash equivalents that derive directly from its operations. The Company has exposure to the following risks arising from financial instruments: The management reviews and agrees policies for managing each of these risks,

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of IND AS-109, the Company uses expected credit loss model to assess the impairment loss if any.

Cash and cash equivalents

The Company holds cash and cash equivalents of AUD 42,024 at March 31, 2021 (March 31, 2020: NIL). The cash and cash equivalents are held with bank and financial institution counterparties with high credit ratings assigned by international and domestic credit rating agencies.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

March 31, 2021				<i>(Amount in AUD)</i>	
Particulars	Carrying amount	up to 12 months	1-5 years	More than 5 years	
Borrowings	109,565,542	105,715,672	3,849,870	-	
Trade payables	4,231,716	4,231,716	-	-	
Other financial liabilities	606,767	606,767	-	-	
March 31, 2020				<i>(Amount in AUD)</i>	
Particulars	Carrying amount	up to 12 months	1-5 years	More than 5 years	
Borrowings	121,381,843	35,269,646	86,112,196	-	
Trade payables	3,688,094	3,688,094	-	-	
Other financial liabilities	3,372,001	3,372,001	0	-	

SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, trade and other receivables, trade and other payables and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The following assumption has been made in calculating the sensitivity analyses:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

Interest rate risk

Majority of the Company's borrowings are on fixed interest rates. There is only one facility with floating interest rate, for which management does not foresee any material interest rate risk.

Foreign currency risk

Company's foreign exchange risk arises from its foreign currency revenues, expenses & borrowings (primarily in USD). As a result, if the value of Australian Dollar (AUD) fluctuates in relation to USD, Company's revenue, expenses and borrowings may fluctuate. The exchange rate between AUD & USD has moved significantly in the past years and may continue to fluctuate materially in the future years.

Significant foreign currency risk exposure in financial assets & financial liabilities: (Amount in AUD)

Particulars	March 31, 2021		March 31, 2020	
	USD	EURO	USD	EURO
Financial assets				
Trade receivables	3,539,917	867,351	16,217,627	153,466
Financial liabilities				
Trade payables	-	-	44,015	-
Borrowings	13,591,177	-	106,072,368	-
Other financial liabilities	33,960	-	2,982,663	-

Sensitivity analysis:

For the year ended March 31, 2021 & March 31, 2020, every strengthening of exchange rate between AUD to USD/EURO by 5% for the above mentioned financial assets and financial liabilities would decrease the Company's loss and increase equity by approximately AUD 460,893 & AUD 4,636,398 respectively.

A 5% weakening of the AUD to USD/EURO will have equal but opposite impact.

Note 26 Leases

Below are the carrying amounts of lease liabilities recognised and movements during the period:

Particulars	Lease Liability (Building & Vehicles)
As at April 01, 2019	
Additions on account of transition to Ind AS 116	1,136,705
Accretion of interest	25,406
Payment towards lease liability	372,606
Closing balance as at March 31, 2020	789,505
Accretion of interest	16,666
Payment towards lease liability	375,644
Re-statement of lease liability	19,124
Closing balance as at March 31, 2021	411,403
Borrowings (non-current) (Refer Note 10)	
Lease liability	173,890
Other financial liabilities (Refer Note 13)	
Lease liability	237,513
Total lease liability	411,403

Lease liabilities: maturity analysis- contractual discounted cash flows

Particulars	March 31, 2021	March 31, 2020
Not later than one year	237,513	370,861
Later than one year but not later than five years	173,890	418,644
Later than five years		
Amounts recognised in the statement of profit and loss		
Interest on lease liabilities	16,666	25,406
Depreciation on right-to-use assets	351,953	366,532

Note 27 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Company's control. Such changes are reflected in the assumptions when they occur.

Inventories (refer note no 2.1 (i) in accounting policies)

Employee benefits (refer note no 2.1 (n) in accounting policies)

Note 28 Segment reporting

i. The Company has identified "Pharmaceutical Manufacturing"- which as per Ind AS 108- 'operating segment' is considered only reportable business segment.

(Amount in AUD)

Particulars	March 31, 2021	March 31, 2020
ii Secondary segment		
Revenue by geography		
- Within Australia	5,247,927	6,632,709
- Outside Australia	56,939,027	82,106,605
Total revenue from operations	62,186,954	88,739,314

Note 29 COVID-19 impact

The global outbreak of COVID-19, has been a evolving and challenging situation facing all the industries. The Company has taken all possible effective measures to limit and keep the impact of COVID-19 under control, with minimal disruption to business. Management has considered all internal and external factors while estimating the impact on the financial statements up to the date of approval of the financial statements by management.

The Company will continue to monitor the developments of COVID-19 and will further evaluate and actively respond to such impact on the financial position and financial performance of the Company.

Note 30 Previous year numbers are regrouped and reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date

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

For and on behalf of
 Sun Pharmaceutical Industries (Australia) Pty Ltd

per Vikas A. Kutty
 Partner
 Membership No. 219276

Urvish Bhavsar
 Director

Place: Kochi
 Date: May 27, 2021

Place: Port Fairy, Victoria, Australia
 Date: May 27, 2021

Report on Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Sun Pharmaceutical Industries (Australia) Pty Ltd (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2021 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). These Special Purpose Ind AS Financial Statements have been prepared for the limited purpose of consolidation into the financial statements of the ultimate holding company, Sun Pharmaceutical Industries Limited, as at and for the year ended March 31, 2021.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2021 are prepared, in all material respects, in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 Ind AS Financial Statements.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 SAs 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 Ind AS Financial Statements.

As part of an audit in accordance with SAs, 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 Ind AS 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 Company'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 Company'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 Company to cease to continue as a going concern.

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.

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Other matters

This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the ultimate holding company, Sun Pharmaceutical Industries Limited and is intended solely for the information and use by the management of the Company and the ultimate holding company. It should not be used for any other purpose or provided to other parties.

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

per Vikas A. Kutty
Partner
Membership No.: 212976
UDIN:
Place: Kochi
Date: May 27, 2021